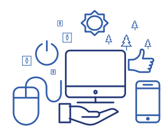
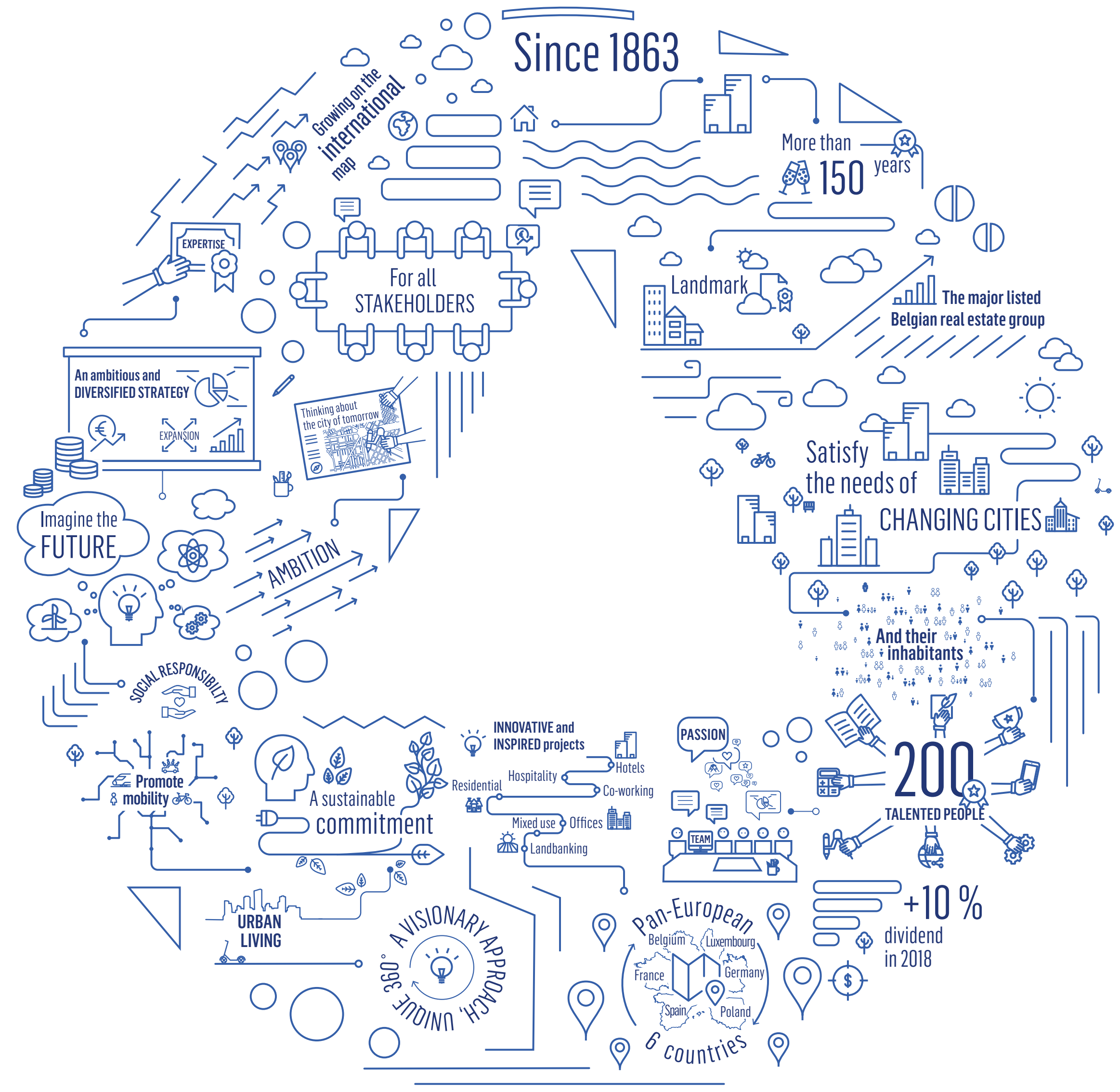


Our 2018 annual report is also available online:
annualreport2018.immobelgroup.com/en

IMMOBEL
since 1863

IMMOBEL SA/NV – Rue de la Régence 58 Regentschapsstraat – B-1000 Bruxelles/Brussel – www.immobelgroup.com

IMMOBEL ANNUAL REPORT 2018



IMMOBEL
ANNUAL REPORT 2018

CONTENT

general INFORMATION

COMPANY NAME
IMMOBEL

REGISTERED OFFICE
Rue de la Régence, 58 - 1000 Brussels - Belgium
RPM / RPR (Legal Entitites Register) - VAT BE 0405.966.675

FORM OF THE COMPANY
Belgian registered joint stock company, constituted on 9 July 1863, authorised by the Royal Decree of 23 July 1863.

TERM
Indefinite

CROSSING STATUTORY THRESHOLDS
(Art. 12 of the Articles of Association – excerpt)

Any physical or moral person who acquires securities in the Company, whether representative of capital or not, conferring the right to vote, must declare to the Company and to the Belgian Banking, Finance and Insurance Commission the number of securities s/he holds, when the voting rights pertaining to these securities reach the level of three percent or more of the total voting rights that exist.

She/he must make the same declaration in the event of an additional acquisition of securities referred to in paragraph 1, if when this acquisition is completed, the voting rights pertaining to the securities that she/he possesses reach the level of five, ten, fifteen percent, and so on in tranches of five points, of the total number of existing voting rights.

He must make the same declaration in the event of disposal of securities when, following the disposal, his voting rights are reduced to below one of the thresholds referred to in paragraph 1 or paragraph 2.

When a physical or moral person acquires or transfers control, be it direct or indirect, de jure or de facto, of a company which possesses three percent at least of the voting power of the company, she/he must declare this to the company and to the Banking, Financial and Insurance Commission.

The aforementioned declarations must be addressed to the Banking, Financial and Insurance Commission, as well as to the Company, at the latest on the second work day after the completion of the acquisition or transfer concerned, without prejudice to the special legal provisions regarding securities acquired by succession.

WEBSITE
www.immobelgroup.com

FINANCIAL CALENDAR
Publication of annual accounts 2018: March 29th, 2019
Annual General Meeting 2019: May 23rd, 2019
Publication of 2019 half-year results: September 19th, 2019
Publication of 2019 annual accounts: March 2020
Ordinary General Meeting 2020: May 22nd, 2020

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This report is available in English, in Dutch and in French. Dit verslag is beschikbaar in het Nederlands, in het Frans en in het Engels.Ce rapport est disponible en français, en néerlandais et en anglais.

The original text of this report is in French. De oorspronkelijke tekst van dit verslag is in het Frans. Le texte original de ce rapport est en français.

about IMMOBEL

IMMOBEL is the largest listed Belgian property developer. Ever since its foundation in 1863, the Group develops and markets innovative urban projects in response to the needs of cities and their inhabitants. Thanks to its bold strategy and its 200 talents, IMMOBEL has diversified its expertise in various sectors such as residential, offices, retail, urban mixed-use developments, as well as housing estates and hospitality, and has now reached a market capitalisation in excess of 500 MEUR, thereby imposing itself as one of the market leaders. IMMOBEL continues its pan-European expansion with a portfolio exceeding 820,000 m^2 of developments spread over 6 countries (Belgium, the Grand Duchy of Luxembourg, Poland, France, Spain and Germany) and assumes its corporate responsibility by giving back a part of its profits in support of charitable projects in the Health, Cultural and Social Inclusion domains. The Group is implementing a sustainable vision for urban development and is working towards becoming a CO_2-efficient company.

FOR MORE INFORMATION:
WWW.IMMOBELGROUP.COM

STRATEGY

A portfolio of iconic projects in Europe

Financial diversification and pan-European expansion

A Group focused on expansion, performance and inclusion

International vision and local expertise

Investing in developments suited to the new urban requirements

The expertise and know-how of a mixed urban projects developer

FOR FURTHER INFORMATION:
WWW.IMMOBELGROUP.COM/EN/PAGE/11-GROUP-STRATEGY

the IMMOBEL SPIRIT

MESSAGE from the CHAIRMAN

2018 has kept its promises. It has been an EXCEPTIONAL YEAR, which saw IMMOBEL become a truly PAN-EUROPEAN organisation.

MARNIX GALLE,
EXECUTIVE CHAIRMAN

Dear fellow shareholder,

Promises are promises.

At the time of the merger between IMMOBEL and ALLFIN we promised our shareholders more recurrence, a solid, better and more profitable company with rising shareholder value and dividends. Our five-year plan was based on geographical and sectoral expansion, leading to growth and better risk diversification.

Today we can say that the merger was a resounding success. Our teams have devoted all their energy to raising our company to the highest level. We are no longer a Belgian player counting a few international branches - we have become a genuinely structured pan-European company blessed with a wealth of exceptional talents in all the countries in which we operate, and are both an international institution and a family business.

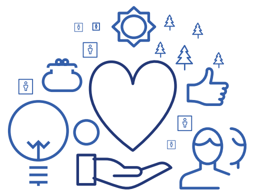
"At the time of the MERGER between IMMOBEL and ALLFIN we promised our shareholders MORE RECURRENCE, a solid, better and MORE PROFITABLE company with rising shareholder value and dividends. Today we can say that the merger was a RESOUNDING SUCCESS."

Urban requirements are changing at an ever-increasing pace. Ten years ago, the sector comprised four main activity categories: residential buildings, offices, commercial spaces and logistics. Today, there are around twenty. Residential usage can be classified by age, duration, and user groups who wish to return to close-knit communities and shared services. Hotels can now be classified by all possible segments, lengths of stay and budgets. Offices are becoming service providers and offer communal use of space both within and between companies. Commercial real estate is undergoing fundamental changes owing to the rise of online sales, while logistics increasingly function on the «last mile» model.

Well-run cities and regions understand the vital importance of giving all city dwellers an affordable place to live, close to work, school, cultural sites and shopping areas - a place close to the general experience that cities have to offer. Every individual, regardless of who they are, must feel good within their own environment, in a city that helps and encourages them, that does not pose an obstacle but rather stimulates efficiency, satisfaction and social mobility. The city of tomorrow is about no more or less than perpetuating and improving our current social model which, let's face it, is under pressure.

IMMOBEL possesses the knowledge and corporate culture necessary to take full responsibility in this domain. Our know-how - greatly appreciated in terms of urban renewal - and our integrity are valued assets. They have led to Allianz entrusting us with its existing headquarters and new address in Brussels, and to ING selling us its headquarters in the capital. It has also allowed us to receiving an invitation to take a major stake in the 240,000 m² of the "Slachthuissite" (the former abattoir area) in Antwerp. Major international players are calling on us to join forces in major developments and structural partnerships. You will certainly be reading more about this in the course of the year or in a subsequent letter...

"We are committed to our SOCIAL AND SOCIETAL RESPONSIBILITY. IMMOBEL dedicates up to 1 %* of its profits to good causes. We are also working on becoming a CO_2-EFFICIENT company."



We are also committed to our social and societal responsibility. IMMOBEL dedicates up to 1 %* of its profits to good causes. We are also working on becoming a CO_2-efficient company. We make every effort so that our projects may bring economic, social and wellbeing benefits to communities. They must be sustainable, and have the smallest ecological footprint possible. Honesty and transparency are core values for our company. As an employer, we attach the utmost importance to equal opportunities. These values form the core of who we are and will be pursued more intensely than ever throughout our subsidiaries.

2018 kept its promises, and we closed the financial year with a net profit of EUR 56,8 million.

But beware! Extreme geopolitical forces throughout the world are damaging markets, the economic cycle is in a mature phase, and the first delays can be occasionally witnessed. The real estate development sector could be negatively affected by these potentially negative trends.

Our profession enjoys a well thought-out political and administrative strategy, though it suffers to the same extent from many obstacles when it comes to obtaining permits, as well as from an especially poor range of legal remedies. Pursuing our strategy and achieving success depend heavily on these factors.

2018 was an exceptional vintage. Barring completely unforeseen circumstances, we expect the next three years to be of the same calibre. We are working hard to keep you satisfied and proud of your company.

Kind regards,

Marnix Galle
Executive Chairman

*On an average of 5 years.

MESSAGE from the CEO

ALEXANDER HODAC,
CEO

2018 has been a RECORD-BREAKING YEAR, and was marked by EBITDA OF 75.1 MEUR, a NET RESULT OF 56.8 MEUR, in excess of 500 MEUR of market capitalisation, more than 820,000 m² of projects in development as well as our expansion towards a sixth country. We are very proud of these results, as they reflect the strategic decisions we have made and for which we have worked tirelessly over the past four years.

The Group's results illustrate the ever-stronger implication of the teams we have taken the time to recruit, train and motivate throughout our pan-European subsidiaries since my arrival in 2015. These teams now boast close to 200 talents, whose energy and enthusiasm now allow us to exceed our objectives. I thank them for the commitment they have displayed day after day.

Our job as a developer must more than ever represent a vehicle for the expression of solidarity. Humankind, the evolution of lifestyles and work life, as well as the implementation of a perennial organisational structure form not only the core of our strategy, but also of our daily concerns.

2018 allowed us to accelerate our international development. We have surrounded ourselves with efficient European partners with a view to install bases in each of the countries into which we have chosen to invest in order to create value. In France for example, we have already constituted a 5-strong dedicated team of professionals, experts in the market, and we are striving to progressively integrate the 80 talents of the Nafilyan & Partners Group into our organisation. Our commitment has not been any less in Belgium, where we have positioned ourselves, and have made our way back to the vibrant neighbourhoods of the European capital with mixed urban and office projects.

This expertise, combined with our in-house integrated management of the skills involved in the profession of developer - from acquisition to sales - allowed the Group to make some great acquisitions (over 150,000 m² in 2018) which further confirmed the efficiency of this smart strategy. We are carrying out iconic and innovating projects in order to better adapt to the market's requirements and evolution. This agility is coupled with a financial strategy of diversification as regards our funding sources. This ambitious approach allowed us to very successfully secure a 50 MEUR retail bond loan in two tranches (over 5 and 7 years) this past October.

All these results are testament to our commitment to further develop IMMOBEL's property portfolio in Europe - in the interest of our shareholders, of the cities and of their inhabitants.

KEY FIGURES 2018

KEY CONSOLIDATED FIGURES

KEY FIGURES IMMOBEL GROUP (MEUR)

	2014	2015	2016	2017	2018
Net result, Group's share	20.0	0.7	52.5	11.0	**56.8**
Equity, Group's share	196.7	194.4	311.0	303.6	**344.6**
Market capitalization (including own shares)	177.5	174.2	530.0	551.8	**503.9**
Market capitalization (excluded own shares)	177.5	174.2	464.7	484.2	**442.4**

FIGURES PER SHARE (EUR) (EXCLUDING OWN SHARES)

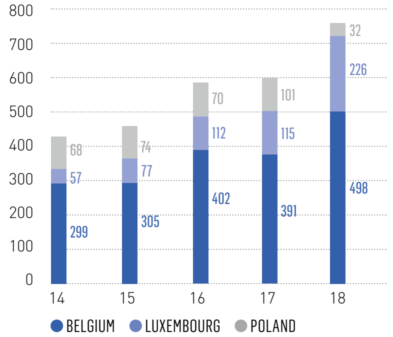
	2014	2015	2016	2017	2018
Number of shares at year-end (thousand)	4 122	4 122	8 767	8 772	**8 777**
Net result, Group's share	4.9	0.2	6.0	1.3	**6.5**
Value of equity	47.7	47.2	35.5	34.6	**39.3**
Gross ordinary dividend	2.40	0.00	2.00	2.20	**2.42**
Net ordinary dividend	1.80	0.00	1.40	1.54	**1.69**

STOCK MARKET RATIOS

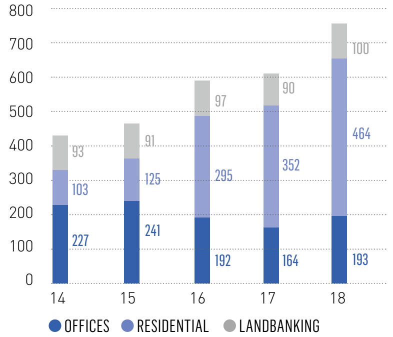
	2014	2015	2016	2017	2018
Stock price on 31 December (EUR)	43.1	42.3	53.0	55.2	**50.4**
Maximum quotation (EUR)	44.5	52.7	53.8	59.7	**57.0**
Minimum quotation (EUR)	36.5	40.1	38.2	51.0	**47.0**
Stock price / book value	90.3%	89.7%	149.4%	159.5%	**128.4%**
Gross return for 1 year*	24.0%	0.0%	25.3%	9.8%	**-4.8%**
Gross ordinary dividend / last stock price	5.6%	0.0%	3.8%	4.0%	**4.8%**
Net ordinary dividend / last stock price	4.2%	0.0%	2.6%	2.8%	**3.4%**

PORTFOLIO

EVOLUTION OF THE PORTFOLIO BY COUNTRY - BEFORE IFRS 11 (MEUR)

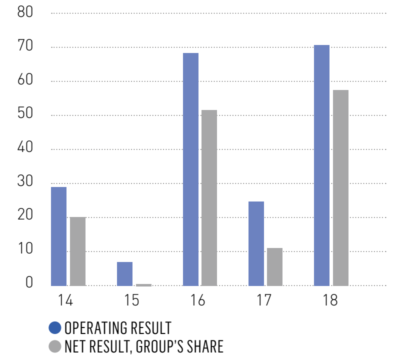


EVOLUTION OF THE PORTFOLIO BY SEGMENT - BEFORE IFRS 11 (MEUR)



RESULT

OPERATING RESULT / NET RESULT (MEUR)



SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (MEUR)

INCOME STATEMENT

	2014	2015	2016	2017	2018
Operating income	41.2	60.6	298.6	149.0	**326.1**
Operating expenses	-38.4	-53.1	-238.7	-127.1	**-261.0**
Share in the results of associates	24.9	-0.4	7.7	3.4	**5.2**
Operating result	**27.6**	**7.1**	**67.7**	**25.3**	**70.3**
Financial result	-7.0	-6.4	-3.9	-4.8	**-4.8**
Result before taxes	**20.6**	**0.7**	**63.8**	**20.5**	**65.5**
Income taxes	-0.6	0.1	-10.2	-9.6	**-8.6**
Result for the year	**20.0**	**0.7**	**53.6**	**10.9**	**56.9**
Share of IMMOBEL	**20.0**	**0.7**	**52.5**	**11.0**	**56.8**

FINANCIAL POSITION

ASSETS	2014	2015	2016	2017	2018
Non-current assets	**77.5**	**67.5**	**88.3**	**66.2**	**181.7**
Intangible assets and goodwill	0.2	0.2	0.1	0.4	**0.4**
Tangible assets	0.9	0.7	0.9	1.0	**0.9**
Investment property	2.7	2.8	2.9	3.0	**104.3**
Financial assets	73.4	63.4	70.2	50.7	**70.6**
Other	0.4	0.4	14.2	11.0	**5.4**
Current assets	**367.0**	**379.6**	**627.9**	**734.1**	**784.7**
Inventories	311.0	334.5	443.1	518.5	**511.8**
Cash	25.5	17.0	120.6	147.9	**170.9**
Other	30.5	28.1	64.1	67.6	**102.0**
TOTAL ASSETS	**444.5**	**447.1**	**716.2**	**800.2**	**966.4**

EQUITY AND LIABILITIES	2014	2015	2016	2017	2018
Equity	**196.7**	**194.4**	**314.9**	**303.6**	**344.7**
Non-current liabilities	**152.4**	**145.5**	**286.7**	**338.8**	**332.9**
Financial debts	150.5	143.8	281.6	330.1	**322.0**
Other	2.0	1.8	5.1	8.7	**10.8**
Current liabilities	**95.3**	**107.3**	**114.6**	**157.8**	**288.7**
Financial debts	67.7	62.3	40.5	68.8	**193.7**
Other	27.6	45.0	74.1	89.0	**95.0**
TOTAL EQUITY AND LIABILITIES	**444.5**	**447.1**	**716.2**	**800.2**	**966.4**

"The company achieved a RETURN ON EQUITY** of 18.7 %, reflecting the efficient use of its balance sheet."

326.1 MEUR
REVENUES IN 2018

75.1 MEUR
EBITDA

56.8 MEUR
NET RESULT

344.7 MEUR
EQUITY

*Gross return for 1 year : (last closing price + dividends paid during the year - first stock price for the period) / first stock price for the period.

**Return on Equity: net result of the year / equity as per end of previous year.price for the period.

SHAREHOLDER INFORMATION

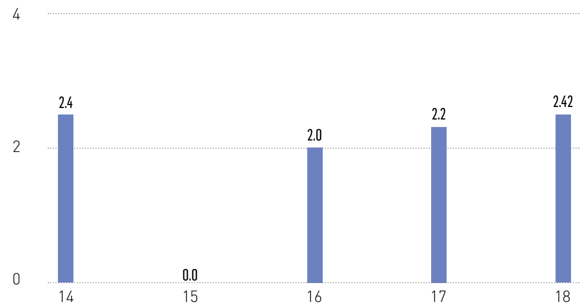
SHARE PRICE EVOLUTION

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

SHARE PRICE EVOLUTION IN 2018 (EUR)

DIVIDEND POLICY

DIVIDEND EVOLUTION OVER THE PAST 5 YEARS (EUR)



The Board of Directors has adopted a new dividend policy since 2016: a dividend that is expected to increase by up to 10 % every year, subject to the absence of any currently unforeseen exceptional events.

For the 2018 financial year, the Board of Directors of IMMOBEL is confirming an increase of 10 % in the dividend at EUR 2.42 per share.

2.42 EUR

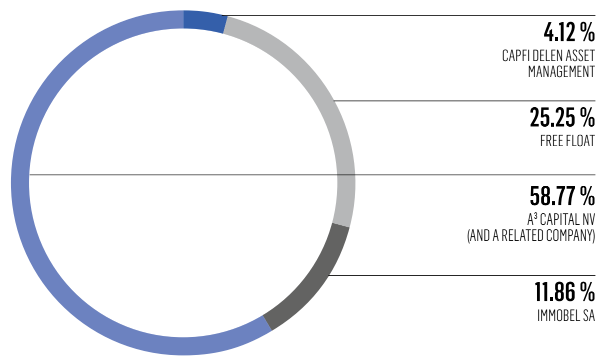
/ SHARE GROSS DIVIDEND

+ 10 %

GROSS DIVIDEND COMPARED TO 2017

SHAREHOLDING STRUCTURE

SHAREHOLDERS AS 17/01/2019 (%)



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

SHAREHOLDERS	NUMBER OF SHARES	% OF TOTAL SHARES
A³ CAPITAL NV (and a related company), having its registered seat at 1000 Brussels, quai des Péniches 52	5,875,369	58.77 %
IMMOBEL SA, having its registered seat at 1000 Brussels 1000 Brussels, rue de la Régence 58	1,185,603	11.86 %
CAPFI DELEN ASSET MANAGEMENT NV having its registered seat at 2020 Antwerp, Jan Van Rijswijcklaan 178	412,196	4.12 %
FREE FLOAT	2,524,188	25.25 %
TOTAL	**9,997,356**	**100 %**

FINANCIAL CALENDER

Publication of annual accounts 2018	March 29th, 2019
Annual General Meeting 2019	May 23rd, 2019
Publication of 2019 half-year results	September 19th, 2019
Publication of 2019 annual accounts	March 2020
Ordinary General Meeting 2020	May 22nd, 2020

"2019, 2020 AND 2021 are expected to deliver STRONG RESULTS based on its existing pipeline and European expansion strategy."

FOR MORE INFORMATION:
ANNUALREPORT2018.IMMOBELGROUP.COM/EN/SHAREHOLDERS

HIGHLIGHTS in 2018

JANUARY

CSR: THE GROUP DONATES UP TO 1 %* OF ITS PROFITS

The Group has established a fund in view to financially support associations and charities in 2018. Its three fields of intervention are Health, Culture and Social Inclusion, by means of financing innovating initiatives for young people.

MARCH

OBJECTIVES ARE MET AND DIVIDENDS ARE INCREASED

The Group shows a net profit of 11 MEUR for 2017. As forecasted, this number reflects the transition that occurred over the past year: consolidation of gains, team reinforcement, acquisitions, as well as geographical and sectoral expansion. As a result, IMMOBEL confirms its intention to grant shareholders a dividend increased by 10 %.

MAY

WIDENING OF PORTFOLIO IN FLANDERS

With the acquisition of 30 % of Urban Living SA, the Group further consolidates its forward-looking strategy in Belgium, especially in the Flandres region. It thus guarantees the potential for developing innovating and qualitative urban neighbourhoods.

JULY

LEBEAU ACQUIRES A DUO OF LEADING ARCHITECTS

As part of the competition launched in March aiming to provide quality architecture for this exceptional area, the Anglo-Dutch duo MaccreanorLavington and Korteknie Stuhlmacher Architecten have won the jury over. This urban complex located in the Sablon neighbourhood and spreading over 41,500 m² plans to connect the north to the south of the city.

A NEW CFO FOR THE GROUP

Karel Breda has joined IMMOBEL as Chief Financial Officer. He had recently become CFO of Engie Solar for the Middle-East and Asia after spending most of his career leading international groups such as GDF Suez.

AUGUST

IMMOBEL LUXEMBOURG WIDENS ITS PORTFOLIO

The Group's Luxembourg subsidiary announces the acquisition of the company Thomas SA, owner of the 5,700 m² building located at 1 Rue Thomas Edison in Luxembourg. This building has great potential and benefits from an excellent situation, at the entrance to a neighbourhood undergoing redevelopment and in the vicinity of road access and of the future tramline.

SEPTEMBER

EXCELLENT RESULTS FOR THE FIRST SEMESTER 2018

The Group's operating revenues for the first 2018 semester show an increase of 77 % and reach 97.7 MEUR, while its net result (Group share) reaches 15 MEUR. These amounts illustrate the solid performances of IMMOBEL's portfolio, as well as the success of its strategy based on residential development and growth in Europe.

LUXURY LEISURE PROJECT: A NEW LINE OF BUSINESS IN MARBELLA

IMMOBEL and Fort Partners have entered into exclusive negotiations with the Four Seasons Group in view to develop a new luxury hotel complex in Marbella. This project embodies the Group's desire to implement its diversification strategy and to invest in new sectors.

LEGAL AWARDS FOR BUSINESSES

The Group stood out during this competition organised by Leaders League, the Décideurs Magazine's editor, which, since 2015, has gathered the business world's most important legal players at European level. IMMOBEL set itself apart for the diversity of its accomplishments and for its exceptional progression over the past three years.

OCTOBER

BOND ISSUANCE OF EUR 100 MILLION IS TOTAL SUCCESS

The first 5- and 7-year loan bond launched by IMMOBEL intended for private investors is more than twice oversubscribed. This successful fund-raising confirms the Group's financial strategy aiming to diversify its sources of funding in order to continue developing its international portfolio.

> “We are particularly proud to invest in NEW MARKETS AND ACTIVITY SECTORS. A project of luxury leisure in MARBELLA as well as that of an iconic residential tower in FRANKFURT confirm our acquisition strategy's success throughout Europe.”
>
> ALEXANDER HODAC, CEO

NOVEMBER

CEDET SOLD TO AN ASIAN FUND FOR EUR 129.5 MILLION

A fund managed by GLL Real Estate Partners on behalf of Korean investors is acquiring this iconic building in the centre of Warsaw. A beautiful office building spreading over more than 20,000 m², Cedet was subject to a luxury renovation and was entirely leased before the project had even come to an end.

SIGHTS SET ON THE FRENCH MARKET

The Group is widening its operational ground and intensifying its European expansion by opening subsidiaries in France. Looking to cementing its place on this very dynamic market, IMMOBEL has put together a dynamic 5-strong team, led by IMMOBEL France Managing Director, Commercial Property, Julien Michel, and supported by Nafilyan & Partners - a key player of the residential property market in the Île-de-France region. The Group also relies on a development plan for office, hotels, multi-product and trade activities, using its own funds and developing management activities available to third parties.

DECEMBER

BACK IN FORCE IN THE EUROPEAN QUARTER

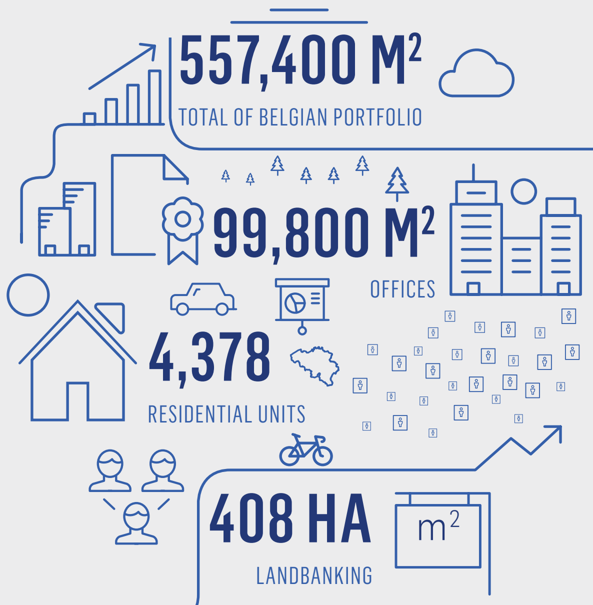
Following its acquisition of Michaël Ostlund Property SA, owner of the Belliard 5-7 building located at the corner of Rue Belliard and Rue du Commerce at the heart of the European Quarter, the Group confirms its ambition to participate in the development of this fast-developing neighbourhood. Its expertise in terms of office space and its attention to new lifestyles enable it to plan for a sustainable, innovating and ambitious urban project from an architectural standpoint.

*On an average of 5 years.

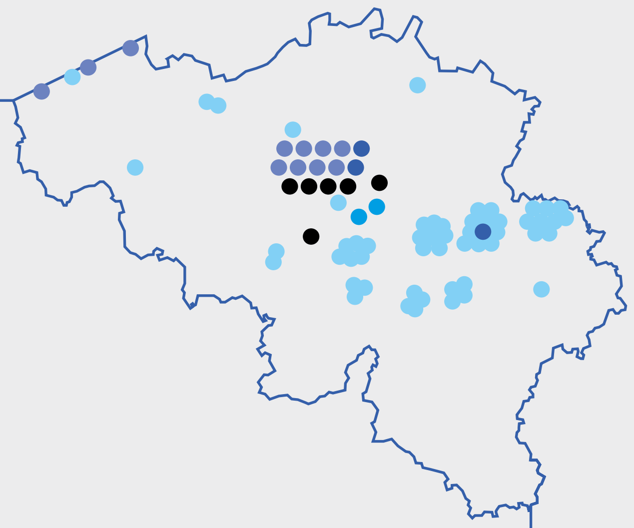
ACTIVITIES in BELGIUM

"In 2018, we have pursued our development plan consisting in the signature of HIGH STANDING ARCHITECTURAL PROJECTS, especially in Brussels."

ADEL YAHIA,
CHIEF DEVELOPMENT OFFICER



FOR MORE DETAILS:
WWW.IMMOBEL.BE/EN/PROJECTS



- RESIDENTIAL
- OFFICES
- MIXED-USE
- LANDBANKING DEVELOPMENT
- LANDBANKING

MARKET ANALYSIS

RESIDENTIAL

- Median Belgian house prices rose 3.9 % to EUR 223,333 (through Q3 2018) and apartment prices 2.5 % to EUR 182,000.
- Residential construction is very strong, completing a record 43,000 new apartment units last year.
- Institutional investors are showing greater interest in bulk sales/ multi-family residential investment.

OFFICES

- Brussels office take-up of 388,000 m² in 2018 was perfectly in line with the last decade.
- Flexible office activity in Brussels reached a record 64,000 m² or 16 % of total activity.
- Total CRE investment of 5 billion EUR in Belgium is one of the largest volumes recorded.

LANDBANKING

- Belgium is the most built-up major country in Europe, with buildings covering upwards of 6 % of total land.
- Out-of-town development can be challenging, as cities are promoting in-fill and density to protect city centres.
- The trend of office conversion to residential use continues, with land incidences in the Brussels decentralised markets achieving 700 to 1,000 EUR/m².

RESIDENTIAL

SLACHTHUISSITE – 240,000 M²
ANTWERP
Design in progress.

UNIVERSALIS PARK – 110,000 M²
BRUSSELS
Phase 1: 15,000 m² - 90 % sold.
Phase 2: ± 40,000 m² - submission of planning permission and environmental permit Q4 2018.

O'SEA – 88,500 M²
OSTEND
Phase 1 (O'Sea Charme): ongoing - 80 % sold.
Phase 2 (O'Sea Beach): planning permission submitted in May 2018.

BELAIR (RAC 4) – 58,100 M²
BRUSSELS
The impact study procedure on the environment was completed and the amended permit was filed at the end of November 2018 for a project delivered by the architect Max Dudler.
The public enquiry phase for the permit will start at the beginning of 2019.

ERNEST – 50,000 M²
BRUSSELS
Phase 1: Residence for students and the elderly - 100 % sold and delivered in full.
Residential spaces: 99 % sold and delivered in full.
Phase 2: apartments for sale (more than 80 % sold), retail, kindergartens and liberal professions on sale. Construction site ongoing.
Hotel part - 100 % sold.
Parking "Keyenveld" - 53 % sold.

VUE VERTE – 17,500 M²
JAMBES
Phase 1: 93 apartments - 18 % sold.
Phase 2 et 3: 98 apartments - forseen in 2020.

PARC SENY – 13,200 M²
AUDERGHEM
Construction works ongoing.
Definitive amending permit obtained in Q4 2017.
Marketing started in June 2017 – 74 % sold.

ROYAL LOUISE – 8,000 M²
BRUSSELS

Executable planning permission obtained in Q3 2017.
Works have started Q1 2018.
Sales have started and 70 % of the apartments have already been sold.

GREENHILL PARK – 6,000 M²
BRUSSELS

Construction started Q3 2017.
24 units out of 31 sold - 76 % sold.

KONINGSLAAN – 5,300 M²
KNOKKE-HEIST

Permit issued in March 2018, appeal of residents in consideration at the Raad voor Vergunningsbetwistingen.

'T ZOUT – 4,700 M²
KOKSIJDE

Start of commercialization in Q3 2017.
Start of construction Q4 2017.
25 units out of 54 sold – 65 % sold.

OFFICES

MÖBIUS – 60,000 M²
BRUSSELS

Permits obtained in December 2017.
Tower I (fully occupied by Allianz): the definitive program has been developed.
Tower II: contacts with potential occupants have been made, without concrete discussions yet.

CALA – 20,000 M²
LIÈGE

Construction began at the beginning of August 2018, and the end is scheduled for Q4 2020.
Tenancy agreements 45 % signed - advanced negotiations for 25 %.

BELLIARD – 13,800 M²
BRUSSELS

Design in progress.

LANDBANKING DEVELOPMENT

DOMAINE DES VALLÉES – 37,000 M²
GREZ-DOICEAU

93 % sold.

LES CINQ SAPINS – 8,800 M²
WAVRE

All main services have been provided for the plot, and temporary reception took place in October.
Building permits were granted for the houses and for one of the two apartment buildings, mounting to 41 units out of 60. The permit for the second apartment building is currently under scrutiny.
7 reservations were signed (6 apartments and 1 house).

MIXED-USE

COURS SAINT-MICHEL – 70,000 M²
BRUSSELS

The purchase deed was signed on 22 March 2018.
Leaseback by ING for 5 to 7 years starting from this date.
Program in development.

KEY WEST – 63,000 M²
ANDERLECHT

Design in progress.
Architects Henning Larsen and A2RC.
Permit application to be filed in Q2 2019.
The planning permit is expected to be granted at the beginning of 2020.

DE BROUCKÈRE – 43,800 M²
BRUSSELS

Architect Henning Larsen joined the project team.
Development of the plans is under way.
Submission of the permit Q2 2019.
The planning permission should be obtained by the beginning of 2020.

LEBEAU – 41.500 M²
BRUSSELS

The architects MLA+ and KSA were appointed following the international competition.
The program is defined and the building permit plans are currently being drafted.

ÎLOT SAINT-ROCH – 26,000 M²
NIVELLES

First phase of remediation finalized and approved.
Optimization of the program.
An agreement with the town hall was reached in Q3 2018 for a denser and more dwelling-focused project.
Permit granted for Q4 2019.

VAARTKOM – 13,500 M²
LEUVEN

Obtention of a planning permission in Q4 2017.
Construction works started in Q2 2018.
Renovation work started.
Cooperation agreement concluded with an operator of serviced residences.
All service flats are sold in Q4 2018 to an international investor.

LANDBANKING (SELECTION OF PROJECTS)

ASTENE – 173 LOTS
ASTENE

Land division permit obtained for 173 lots, preparation for the urban construction permit to build houses and apartments.

RUE DOCQUIER – 45 LOTS
WAREMME

5 deeds of sale signed.

EVERGEM – 9 LOTS
EVERGEM

Work on the road network completed at the end of the year, and 7 deeds of sale signed.

MIDDELKERKE – 119 LOTS
MIDDELKERKE

Sale of 8 lots (authenticated deed).
Contract of sale signed with Havenzijde bvba for 15 extra lots.

LONGCHAMPS – 34 LOTS
EGHEZÉE

10 deeds of sale signed.

LE VERGER DE FAYENBOIS – 109 LOTS
GRIVEGNÉE

Excellent sales year with 31 signed deeds.

ACHÊNE – 32 LOTS
ACHÊNE

8 deeds of sale signed.

ESSER – 53 LOTS
LONTZEN

6 deeds of sale signed.

LICHTENBUSCH – 21 LOTS
LICHTENBUSCH

6 first deeds of sale signed.

ACTIVITIES in LUXEMBOURG

"In 2018, we BOOSTED OUR PORTFOLIO by 50 %, expanding from 86,000 to 130,900 m^2 of IDEALLY LOCATED and mostly residential projects. This has been our BEST YEAR to this day in terms of acquisitions, despite the scarcity of land and a harsh competitive environment."

OLIVIER BASTIN,
CEO IMMOBEL LUXEMBOURG

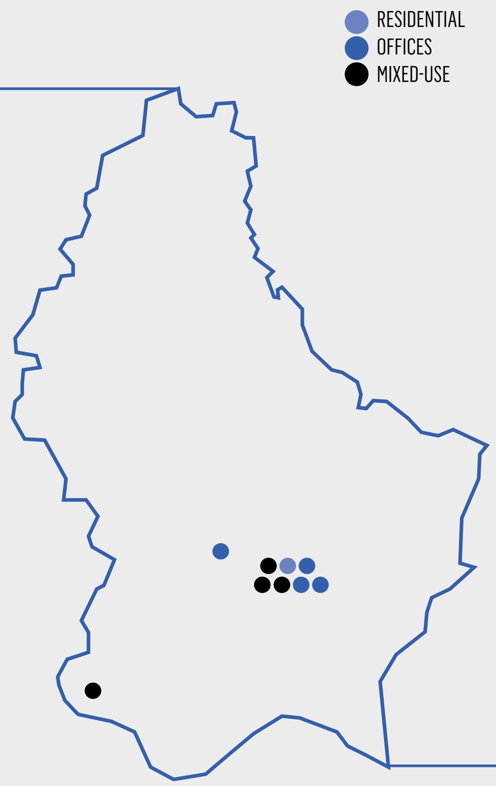
130,900 M^2
TOTAL OF THE LUXEMBOURG PORTFOLIO

21,900 M^2
OFFICES

743
RESIDENTIAL UNITS

11,200 M^2
RETAIL

FOR MORE DETAILS:
WWW.IMMOBEL.LU/EN/PROJECTS



MARKET ANALYSIS

RESIDENTIAL

- Positive economic and population dynamics have helped drive prices for new build apartments to 7,000 EUR/m^2.
- More than 65 % of new residential development in Luxembourg concerns apartments.
- As the city becomes expensive and crowded, people are increasingly looking towards decentralised and peripheral areas for more accommodating values.

OFFICES

- Luxembourg continues to be a stand out market with solid economic and occupier fundamentals across the board.
- Luxembourg office take-up of 250,000 m^2 is among the most active years on record.
- CRE investment in Luxembourg totalled a record 2.0 billion EUR in 2018.

RETAIL

- High street prime rent of 215 EUR /m^2/month remains stable.
- Retail take-up of 32,800 m^2 was a 9 % increase over the previous year.
- Three shopping centres completed extensions in 2018: Nordstrooss, SC Massen, and City Concorde.

RESIDENTIAL

POLVERMILLEN – 26,600 M^2
CITY OF LUXEMBOURG

Asbestos removal and demolition were completed in 2018.
90 % of the site is completed.
The site should be cleaned up by the end of 2019.

OFFICES

THOMAS – 5,700 M^2
STRASSEN

Acquisition of the company Thomas SA in July 2018.
The building is currently rented until 2026.

LAANGFUR – 22,600 M^2
CITY OF LUXEMBOURG

Acquisition of plots of land in the PAP (Plan d'Aménagement Particulier) Laangfur area in October and December 2018.
PAP to develop in collaboration with other owners (24 ha site).
The land is currently farmland.

NOVA (FORMER CENTRE ÉTOILE) – 4,200 M^2
CITY OF LUXEMBOURG

The building is currently leased until 2020.
The planning permission application was filed in July 2018 in view to redevelop the building as of the beginning of 2021.

MAMER – 13,800 M^2
MAMER

Acquisition of land in December 2018.
Land is currently agricultural land.
Programme to be determined based on the new PAP (Plan d'Aménagement Particulier).

MIXED-USE

LIVINGSTONE – 36,000 M^2
CITY OF LUXEMBOURG

Receipt of the project execution agreement on 26th of June 2017.
Phase 1:
- Planning permission received the 15th of October 2018
- All residential units are reserved (131).
- A long-term lease contract was concluded on the most important commercial surface.

Phase 2:
- Planning permission received the 15th of October 2018
- Marketing started mid-October 2017
- 115 residential units are reserved on a total of 116.

Phase 3:
- Submission of the planning permission application on the 24th of December 2018.

INFINITY – 33,300 M^2
CITY OF LUXEMBOURG

Start of construction in October 2017.
- Housing: The construction of the 12 floors above ground is completed and façade installation has begun
- Offices: The construction of the 3rd floor above ground is completed
- Shops: The foundations are completed; the construction of the ground floor is in progress.

160 units are sold and 3 are reserved on a total of 165.
100 % of the commercial and office areas are already rented.

FUUSSBANN – 8,100 M^2
DIFFERDANGE

The construction of the building is being completed and the delivery is foreseen for march 2019.
43 units are sold and 1 reserved on a total of 48.
The most important commercial surface is sold and the two remaining units are still reserved.

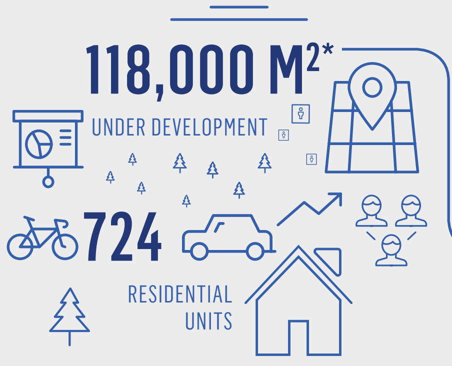
RUE DE HOLLERICH – 10,000 M^2
CITY OF LUXEMBOURG

Acquisition of land in December 2018.
The site is currently occupied by several shops, restaurants and offices.
Programme to be determined based on a PAP (Plan d'Aménagement Particulier).

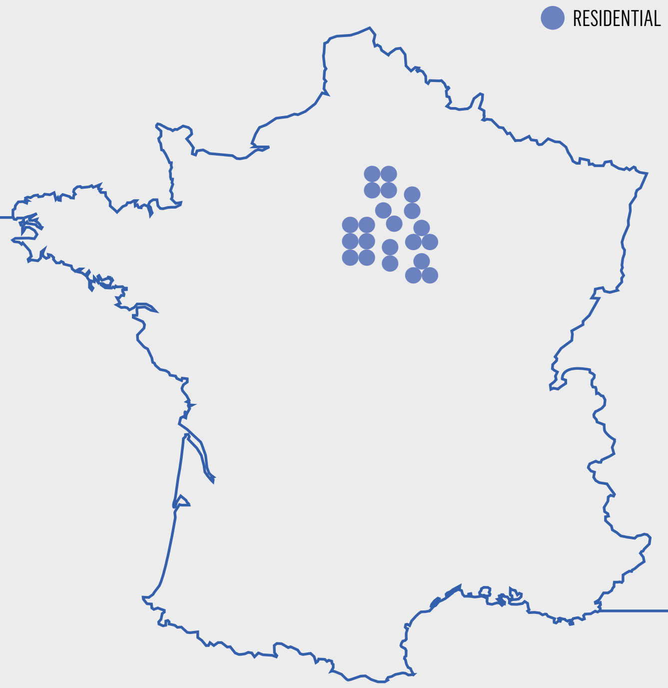
ACTIVITIES in FRANCE

"In accordance with the Group's pan-European expansion strategy, we decided in 2018 to further develop our French subsidiary. This is how I have recently put together a LOCAL TEAM of five professionals dedicated to COMMERCIAL REAL ESTATE. This team will be in charge of implementing the Group's know-how with office, hotel and residential projects managed on the Parisian market. A challenge commensurate with IMMOBEL's objectives, aiming to make France its main profit centre."

JULIEN MICHEL,
MANAGING DIRECTOR IMMOBEL
FRANCE, COMMERCIAL PROPERTY



*Of which IMMOBEL holds 15 % of the shares.



MARKET ANALYSIS

RESIDENTIAL

- Residential prices continue to climb higher, increasing 5.9 % y-o-y as of Q3 2018 in Paris.
- Household count has been increasing, but household sizes have been decreasing.
- Despite the increase in prices, housing starts and permits have stabilised recently.

OFFICES

- The Paris office market counted 2.5 million m^2 of office take-up in 2018.
- There is a shortage of supply in the most desirable districts, as total availabilities fall below 3 million m^2.
- 2018 saw impressive office investment of 19.7 billion EUR – the highest ever recorded.

FOR MORE DETAILS:
WWW.IMMOBELFRANCE.COM/EN

RESIDENTIAL

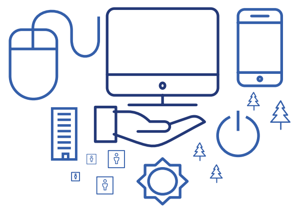
(SELECTION OF NAFILYAN & PARTNERS PROJECTS OF WHICH IMMOBEL HOLDS 15 % OF THE SHARES)

ESPRIT VILLE – 10,600 M²
CHELLES
165 units under construction and divided as follows:
- 112 units for accession to ownership – 40 % sold
- 53 social housing units for sale – 100 % sold
- 2 retail units.

LE CONTI – 7,000 M²
LE PLESSIS TRÉVISE
113 units under construction and divided as follows:
- 86 units for accession to ownership – 50 % sold
- 27 social housing units for sale – 100 % sold
- 5 retail units.

LES TERRASSES DU CANAL – 6,300 M²
AUBERVILLIERS
65 units for accession to ownership and 1 ground floor retail.
Construction in progress.

For all NAFILYAN & PARTNERS PROJECTS IN FRANCE:
www.immobelfrance.com/en

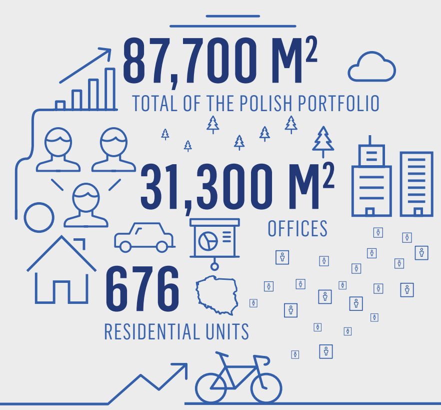


ACTIVITIES in POLAND

"The SALE of the CEDET flagship building was the highlight of 2018, and has confirmed IMMOBEL's expertise in terms of historical building rehabilitation into mixed urban complexes, as well as the expertise of the existing teams."

JACEK WACHOWICZ, IMMOBEL CEO FOR POLAND

RESIDENTIAL
OFFICES



FOR MORE DETAILS: WWW.IMMOBELPOLAND.COM/EN/PROJECTS

MARKET ANALYSIS

RESIDENTIAL

- Residential development completions in Warsaw were 8.7 % higher than the year before, though slowed in regional markets.
- Values are steady in the primary market at around 2,065 EUR/m² as of Q3 2018.
- Residential starts counted 131,100 in 2018.

OFFICES

- Office take-up was 1.482 million m² in 2018, of which Warsaw accounted for 58 %.
- High demand and low availability of new stock has fuelled interest in temporary and flex office solutions.
- Polish CRE investment volume exceeded 7.2 billion EUR in 2018, 45 % more than in 2017.

OFFICES

CEDET – 22,300 M²
WARSAW
On 30th of November 2018 Cedet building has been sold to a fund managed by GLL Real Estate Partners on behalf of Korean investors for 129.5 MEUR.

CENTRAL POINT – 19,100 M²
WARSAW
Construction started on 16 May 2018 with deep foundation works. General contractor agreement signed in December 2018.

RESIDENTIAL

GRANARY ISLAND – 62,000 M²
GDANSK
Phase 1:
- Start of construction works of footbridge in April 2018
- Construction works of apartments, apart-hotels and hotel are ongoing.
- Hotel's plot sold to UBM in May
- Apart hotel: 82 units out of 94 are reserved/sold
- Apartments: 15 units reserved/sold out of 26
- Retail units on ground floor: 100 % sold
- Retail units on 2nd/3rd floor: 100 % sold
- Parking: 115 units out of 133 are reserved/sold.

Phase 2: In development.

CORPORATE social RESPONSIBILITY

As a major player in urban development, IMMOBEL is determined to assume its societal responsibility in full. In 2018, the Group created a fund designed to SUPPORT ORGANISATIONS AND ASSOCIATIONS working mainly in the fields of health, culture and social inclusion. It also has the goal of becoming a CO_2-efficient company and acts daily in this direction.

THE IMMOBEL SOCIAL FUND: WORKING FOR CITIZENS

The creation of the fund arose from a stark observation: despite the efforts of schools to overcome the inequalities in the Brussels region, the success and well-being of each individual still depends too often on their social background or their geographical location. For some young people, from deprived neighbourhoods, dropping out of school is a real threat, with the catastrophic consequences that such a decision may have on their future, their family and society as a whole. By contributing financially to professional organisations working in education in the broad sense, the IMMOBEL fund hopes to give young people from the most vulnerable backgrounds further opportunities to reintegrate into society and the labour market. The aim of this support is to help the recipients to discover their talents and regain self-confidence so that they can have a positive impact on society.

WORKING FOR A MORE INCLUSIVE CITY

In addition to its involvement in favour of sustainable development, IMMOBEL has designed a programme of philanthropic initiatives which it has made a key priority of its expansion and its identity. To that end, in 2018, the Group set up a fund whose aim is to offer financial support to Belgian professional associations and organisations operating in the following 3 fields:

HEALTH

IMMOBEL is committed to medical research and provides financial support to the Erasme, Bordet and Saint Luc foundations.

SOCIAL INCLUSION

IMMOBEL encourages and financially supports positive initiatives from Brussels-based professional associations which help young people from vulnerable backgrounds to discover their talents, regain self-confidence and push themselves to become responsible citizens.

CULTURE

The Group contributes to the development of associations working in the distribution, protection and promotion of all the arts and in heritage conservation. For that reason, IMMOBEL provides structural support to the La Monnaie opera house and the Queen Elisabeth Music Chapel.

INCLUSIVE AND CREATIVE INITIATIVES SO THAT THE EXPRESSION "LIVING TOGETHER" IS NOT SIMPLY A SLOGAN

At the beginning of 2018, and with the support of the Roi Baudouin Foundation, IMMOBEL launched a call for projects to social organisations in the Brussels region. The 9 projects selected were examined in detail by a jury of independent professionals, working closely with an IMMOBEL management committee set up specifically to monitor these initiatives. The following associations now receive funding so that they can develop innovative actions that are effective in the long term for a significant number of beneficiaries on the ground.

D'BROEJ - CENTRUM WEST

CENTRUM WEST, THE PLACE TO BE FOR EVERYONE, WITHOUT EXCEPTION...

Centrum West is a youth centre in Molenbeek open to children and young people with limited awareness of healthy leisure activities. Often with chaotic schooling or a stay in a closed institution, they experience difficulties at school or within the family. With a view to social resilience and by trying to support such children and adolescents as individually as possible, Centrum West develops projects to meet their activity needs in the district. In particular, it offers sports and games for everyone, twice a month on Saturdays, to enable them to push themselves in areas that are different from the school environment. The initiative also involves bringing young people together through bike rides during the school holidays and developing a graphical creative project around the building's perimeter wall.

VUB CHILDREN'S UNIVERSITY

OPENING UP THE UNIVERSITY TO CONVEY A PASSION FOR SCIENCE

The VUB Children's University wants to give children in the 5th or 6th year of primary school the opportunity to experience science and research from the start of their education. Its objective: to reach children in a fun and accessible way by sending out the message that research is open to everyone, irrespective of their social, economic or cultural background. It offers to take these children onto the campus, like real students, so that they can attend workshops run by researchers and scientists who have been lined up to give them a talk to convey their own passion. Concentrated on schools in the Brussels region, this initiative opens new doors for these children by showing them the possibility of obtaining a degree while stimulating their natural curiosity.

ENVOL – MUSIC AS A TOOL FOR HUMAN RIGHTS, PEACE AND YOUTH

MUSIC, ARTS AND CULTURE IN SCHOOL: A WINDOW TO KNOWLEDGE, LIFE, THE CITY AND THE WORLD

ENVOL is an artistic and cultural programme that is incorporated into the school curriculum as it applies, from the age of 12, to 140 pupils on a site of the Ecole Saint-Pierre in Anderlecht. It offers children aged between 6 and 12 a series of one-hour workshops every 2 weeks: music, singing, basic theory, rhythm, stories, performing arts, an annual show, cultural excursions, etc. Using professional artists from the fields of music, theatre and storytelling to run these activities, the organisation uses music-making as a vehicle for learning in order to boost "reading, writing and arithmetic" skills. Overall, the organisation's goal is to inspire pleasure in learning and joy in progressing by democratising access to culture. It is currently expanding this programme further so that more than 200 additional children can benefit from it.

CENTRE RÉGIONAL DES JEUNESSES MUSICALES DE BRUXELLES-CAPITALE

MUSIC, AN AID TO LEARNING AND A TOOL FOR STIMULATING CHILDREN

Each year, around thirty children aged between 5½ and 13 from the Cureghem district in Anderlecht benefit from this activity. In partnership with the Université Populaire of Anderlecht, it involves teaching the benefits of music to children from disadvantaged backgrounds who attend the learning support sessions on Wednesdays. The organisation arranges fun, musical workshops - history, tempo, rhythm, sound work using computers, song writing - to enhance the children's core learning. These sessions also help the children reveal their creativity, learn to express themselves in a group and acquire a desire to persevere.

TRY-OUT - TONUSO VZW

TRY-OUT, A DAYTIME SPACE TO "BE ME"/ TRY-OUT

Try-Out is aimed at 12-18 year-olds in Vilvorde who encounter problems at school or who have dropped out of school. This organisation offers them a place where they can get involved in initiatives that will help them reconnect with their talents and within which they can be themselves. Young people come to Try-Out for 5 or 6 weeks, 2 or 3 days per week, depending on their situation. Through a variety of activities, such as creating short films or going on nature outings, they gradually acquire numerical and social skills. They also benefit from opportunities to reflect on their own abilities and consider which path they should follow to implement and develop those abilities. During this process, these young people are able to find within themselves the courage to get back to work and resume a more traditional path.

CALAME ASBL

TEENAGE TALK, OR HOW TO RECONCILE SCHOOL, PARENTS AND THE FUTURE

Aimed at young people at the end of their primary and secondary education at Saint-Josse, in the centre of Brussels and in Schaerbeek and Anderlecht, the Calame action involves encouraging learning support as a tool for combating inequality. The organisation brings together parents and key partners with the aim of promoting independence in young people. The objective: to enable them to take back control of their life course and regain confidence in their abilities through talking spaces and methodology workshops ("Learning to learn"), meetings and company visits. These activities help to expand the horizons of more than sixty young people per year and encourage them to be better prepared to exercise their citizenship.

STAPSTEEN VZW

PARENTAL SUPPORT AND HOME TUTORING FOR VULNERABLE FAMILIES IN BRUSSELS

StapSteen claims to be a stone in a river bed, a reference point on the road. The organisation is based on a network of voluntary social workers which was formed to offer home support to around a dozen families in vulnerable situations – particularly from the social point of view – from the north-east to the south-west of the Brussels region. By positioning themselves as friends of the families, the volunteers provide practical support tailored to the needs of the recipients: relationships with schools, language support, developing the parents' teaching skills, exploring play and training opportunities or establishing links with the district. This personalised assistance also plays a role in prevention and thus has a positive impact on around sixty children in total.

FARO - FREE DUTCH-SPEAKING SUPPORT CENTRES

NON-VIOLENT OPPOSITION AND NEW AUTHORITY IN BRUSSELS SCHOOLS GEWELDLOOS VERZET EN NIEUWE AUTORITEIT IN BRUSSELSE SCHOLEN

FARO is a collaboration between the CLB Pieter Breughel and PAika, the child psychiatry department at UZ Brussel university hospital, with a view to offering a programme to combat violence in schools. FARO offers its expertise to the teaching staff from several schools in Brussels in order to reach 800 pupils and their parents. The teachers receive resources which are based on the non-violent opposition method, and they learn to collaborate in order to prevent situations and behaviours involving intimidation, humiliation and aggression. This helps to create a positive school atmosphere in which the most vulnerable young people feel safe. A context which benefits all pupils to help address the challenges posed by the diversity of Brussels society.

TADA TOEKOMSTATELIERDELAVENIR ASBL

EVERY SATURDAY, PRACTICAL WORKSHOPS RUN BY PROFESSIONALS WHO ARE PASSIONATE ABOUT THEIR JOB

TADA is a weekend school for young people from deprived neighbourhoods. It works towards prevention by offering additional teaching. Every Saturday during term-time, for 3 years, the organisation invites children aged 9 or 10 from poor backgrounds to take part in practical workshops run by professionals who are passionate about their job - journalists, lawyers, nurses, engineers, chefs - at the Saint-Josse, Anderlecht and Molenbeek sites. More than 640 young people have already benefited from these sessions. By 2020, between 1,000 and 1,500 new participants will have the opportunity to broaden their future prospects. They will also be able to develop their general knowledge in order to increase their feeling of belonging to society and their desire to stretch themselves.

MANAGEMENT REPORT

Ladies and Gentlemen,

We have great pleasure in presenting our report on the activities of IMMOBEL during 2018.

IMMOBEL published its annual results on December 31st, 2018.

- IMMOBEL more than doubled its revenues in 2018 to EUR 326.1 million while its EBITDA and net profit reached a record level of EUR 75.1 million and EUR 56.8 million respectively, good for an increase in net profit per share from EUR 1.26/share to EUR 6.47/share.
- IMMOBEL exceeded its 2018 acquisition target by almost 90 % by adding 189,200 m² of mostly residential projects to its portfolio in Belgium and Luxembourg.
- The company's balance sheet remains strong, with equity of EUR 344.7 million and net debt of EUR 341.1 million as at the end of 2018, resulting in a gearing level of 50 %. This position gives it the necessary financial leeway for further growth and diversification of earnings.
- 2019, 2020 and 2021 are expected to deliver strong results based on its existing pipeline and European expansion strategy.
- For the 2018 financial year, the board of directors of IMMOBEL is confirming an increase of 10 % in the dividend at EUR 2.42 per share.

We detail the activities for the year 2018 below.

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

A. IMMOBEL BUSINESS

Record financial results…

The table below provides the key consolidated figures for the 2018 financial year (EUR million):

Results	31/12/2018	31/12/2017	Variance
Revenues	326.1	149	+ 219 %
EBITDA	75.1	25.8	+ 291 %
Net result Group share	56.8	11	+ 514 %
Net result per share (EUR/share)	6.47	1.26	+ 514 %
Dividend per share (EUR/share)	2.42	2.2	+ 10 %

Balance sheet	31/12/2018	31/12/2017	Variance
Equity	344.7	306.9	+ 12 %
Net debt	341.1	251.0	+ 36 %

- The doubling of revenues was driven by higher sales in the residential segment across Belgium, Luxembourg and Poland (+38 % up to EUR 172.2 million) and the sale of an office building in Poland (EUR 120.1 million). Landbanking contributed EUR 21 million to revenues for 2018.
- Strong growth in EBITDA and net income was driven by revenue-related developments and the contribution of joint-venture projects in Belgium and Luxembourg (which include Universalis Park and Ernest - the former Solvay).
- The increase in net debt mainly reflects the acquisition of new projects (using the proceeds of the newly-issued bonds for EUR 100 million as well as project financing) and the dividend payout (EUR 19 million), partially offset by other cash flows from operations (including the proceeds from the sale of Cedet and the various projects currently under construction and being marketed). The company ended the year with a cash position of EUR 170.9 million compared to EUR 147.9 million at the end of 2017.

… driven by the strong performance of the portfolio

The current development portfolio encompasses more than 822,000 m², 800,000 m² of which are spread across Belgium, Luxembourg and Poland and 22,000 m² of which represent a 15 % stake in Nafilyan & Partners, an affiliate for residential development in France, and a landbank of 400 hectares in Belgium.

In Belgium, IMMOBEL continued working on over 10 residential projects launched in 2017 (154,200 m²) and achieved a turnover of EUR 122.9 million.

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

Project	m²	% sold	Construction	Completion
Universalis Park	110,000 (Phase 1: 15,000)	91 % (of phase 1)	started Q4 2015	Q4 2018
O'Sea	88,500 (Phase 1: 18,000)	75 % (of phase 1)	started Q1 2017	Q2 2019
Mobius	60,000 (Phase 1: 28,000)	100 % (of phase 1)	started Q1 2018	Q4 2019
Ernest	50,000 (Phase 1: 23,800)	100 % (of phase 1)	started in 2014	2016
	(Phase 2: 26,200)	84 % (of phase 2)	started Q4 2017	Q2 2020
Lake Front	12,000 (Phase 1: 7,000)	100 % (of phase 1)	started Q3 2014	Q3 2016
	(Phase 2: 5,000)	96 % (of phase 2)	started Q2 2016	Q3 2018
Riverview	11,000	99 %	started Q3 2015	Q4 2017
Parc Seny	13,200	68 %	started Q4 2017	Q2 2019
Royal Louise	8,000	74 %	started Q1 2018	Q2 2020
Greenhill Park	6,000	76 %	started Q3 2017	Q3 2019
't Zout	4,700	65 %	started Q4 2017	Q3 2019

- The permit application has been or is in the process of being submitted for various projects such as the second phase of O'Sea (24,000 m²), Universalis Park (57,000 m²), De Brouckère (43,800 m²), Îlot Saint-Roch (26,000 m²) and RAC 4 (56,100 m²).
- In addition to the above residential projects in Belgium, Landbanking sold 243 building plots in 2018.

In Luxembourg, IMMOBEL achieved a turnover of EUR 61.1 million in 2018 following the remarkable success of the commercialisation of mainly residential projects under development.

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

Project	m²	% sold	Construction	Completion
Livingstone	36,000 (Phase 1: 13,700)	100 % (of phase 1)	started Q4 2018	Q4 2020
	(Phase 2: 9,700)	99 % (of phase 2)	started Q1 2018	Q1 2020
Infinity	33,300 (Working: 6,800 - Shopping: 6,500)	100 % (Working & Shopping)	started Q4 2017	Q4 2019
	(Living: 20,000)	99 % (Living)	started Q4 2017	Q2 2020
Fuussbann	8,100	92 %	started Q1 2017	Q2 2019

- Furthermore, the Polvermillen (26,600 m²) and Nova (previously Centre Etoile) (4,200 m²) projects are in the permit application stage.

In Poland, IMMOBEL achieved a turnover of EUR 129,4 million from the sale of Cedet as well as residential sales through the first phase of the Granary Island project (62,000 m²), which is already 90.9 % pre-sold.

- IMMOBEL has submitted a building permit application for the subsequent phases of the Granary Island project (41,700 m²). In addition, the construction phase of the Central Point building (18,000 m² offices) in the centre of Warsaw has begun.
- IMMOBEL sold the Cedet office building (22,300 m²) in November 2018 to an Asian investment fund.

In France, the turnover of Nafilyan & Partners (of which IMMOBEL owns 15 %) amounted to EUR 169.7 million in 2018, with 17 projects being marketed and 822 apartments sold.

B. COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

A) Key indicators

CONSOLIDATED TURNOVER PER SECTOR AND PER COUNTRY (MEUR)

	BEFORE IFRS 11				AFTER IFRS 11			
	Belgium	Grand-Duchy of Luxemburg	Poland	Total	Belgium	Grand-Duchy of Luxemburg	Poland	Total
Offices	0,00	0,00	125,41	125,41	0,00	0,00	120,09	120,09
Residential	137,06	64,22	9,33	210,61	101,78	61,11	9,33	172,22
Landbanking	21,11	0,00	0,00	21,11	21,11	0,00	0,00	21,11
Total	158,17	64,22	134,74	357,13	122,89	61,11	129,42	313,42

CONSOLIDATED INVENTORIES PER SECTOR AND PER COUNTRY (MEUR)

	BEFORE IFRS 11				AFTER IFRS 11			
	Belgium	Grand-Duchy of Luxemburg	Poland	Total	Belgium	Grand-Duchy of Luxemburg	Poland	Total
Offices	101,05	31,38	13,54	145,97	96,33	31,38	0,33	128,04
Residential	182,52	150,85	18,82	352,19	134,03	131,11	18,82	283,96
Landbanking	99,89	0,00	0,00	99,89	99,84	0,00	0,00	99,84
Total	383,46	182,23	32,36	598,05	330,20	162,49	19,15	511,84

B) Consolidated accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS €)

	NOTES	31/12/2018	31/12/2017
OPERATING INCOME		326 131	148 999
Turnover	2	313 420	145 000
Other operating income	3	12 711	3 999
OPERATING EXPENSES		-260 953	-127 082
Cost of sales	4	-235 325	-106 711
Cost of commercialisation	5	-1 193	-2 177
Administration costs	6	-24 435	-18 194
JOINT VENTURES AND ASSOCIATES		5 171	3 379
Gain (loss) on sales of joint ventures and associates	7	- 114	4 368
Share in the net result of joint ventures and associates	7	5 285	- 989
OPERATING RESULT		70 349	25 296
Interest income		2 099	2 199
Interest expense		-5 215	-4 178
Other financial income		1 095	1 152
Other financial expenses		-2 786	-3 941
FINANCIAL RESULT	8	-4 807	-4 768
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		65 542	20 529
Income taxes	9	-8 629	-9 596
RESULT FROM CONTINUING OPERATIONS		56 913	10 933
RESULT OF THE YEAR		56 913	10 933
Share of non-controlling interests		99	- 102
SHARE OF IMMOBEL		56 814	11 035
RESULT OF THE YEAR		56 913	10 933
Other comprehensive income - items subject to subsequent recycling in the income statement		77	21
Currency translation		77	21
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	22	45	- 560
Actuarial gains and losses (-) on defined benefit pension plans	22	45	- 560
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		122	- 539
COMPREHENSIVE INCOME OF THE YEAR		57 035	10 394
Share of non-controlling interests		99	- 102
SHARE OF IMMOBEL		56 936	10 496
NET RESULT PER SHARE (€) (BASIC)	10	6.48	1.26
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	10	6.49	1.20
NET RESULT PER SHARE (€) (DILUTED)	10	6.47	1.26
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	10	6.48	1.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	NOTES	31/12/2018	31/12/2017 (restated IFRS 15)	31/12/2017
NON-CURRENT ASSETS		181 670	66 454	66 179
Intangible assets	11	427	405	405
Property, plant and equipment	12	947	1 034	1 034
Investment property	13	104 290	2 960	2 960
Investments in joint ventures and associates	14	46 451	26 452	26 387
Advances to joint ventures and associates	14	24 151	24 345	24 345
Other non-current financial assets		806	1 259	1 259
Deferred tax assets	15	4 501	4 377	4 167
Other non-current assets		97	5 623	5 623
CURRENT ASSETS		784 700	738 985	734 063
Inventories	16	511 837	519 973	518 514
Trade receivables	17	20 734	11 694	11 694
Contract assets	18	10 954	8 280	
Tax receivables		921	165	165
Other current assets	19	22 562	31 246	36 063
Advances to joint ventures and associates		46 328	18 934	18 934
Other current financial assets		478	768	768
Cash and cash equivalents	20	170 886	147 926	147 926
TOTAL ASSETS		966 370	805 439	800 242

EQUITY AND LIABILITIES	NOTES	31/12/2018	31/12/2017 (restated IFRS 15)	31/12/2017
TOTAL EQUITY	21	344 749	306 958	303 578
EQUITY SHARE OF IMMOBEL		344 633	306 941	303 561
Share capital		97 256	97 256	97 256
Retained earnings		247 174	209 603	206 224
Reserves		203	82	82
NON-CONTROLLING INTERESTS		116	17	17
NON-CURRENT LIABILITIES		332 875	340 185	338 838
Employee benefit obligations	22	618	672	672
Deferred tax liabilities	15	9 681	7 854	6 507
Financial debts	20	322 040	330 090	330 090
Derivative financial instruments	20	536	1 568	1 568
Trade payables		-	-	-
CURRENT LIABILITIES		288 746	158 296	157 826
Provisions	23	1 896	1 355	1 355
Financial debts	20	193 749	68 816	68 816
Derivative financial instruments		-	-	-
Trade payables	24	48 470	41 493	41 493
Contract liabilities	25	7 259	470	
Tax liabilities		5 303	6 211	6 211
Other current liabilities	26	32 069	39 952	39 952
TOTAL EQUITY AND LIABILITIES		966 370	805 439	800 242

C) IMMOBEL SA company accounts

Income Statement

The operating profit amounts to EUR -2.3 million for the past financial year, the overheads being only partially absorbed by the sales in the Landbanking activity and residential projects (Parc Saint-Anne, Oostduinkerke, Gastuche).

The financial result amounts to EUR 1.9 million. It is mainly composed of the reversal of write-offs on financial investments on the one hand and interest charges on group financing (bonds and corporate lines) on the other hand, partially sett-off by the interest from loans to the various subsidiaries.

IMMOBEL's financial year ended with a net loss of EUR -0.9 million.

The Balance Sheet

The total Balance Sheet amounts to EUR 661.2 million and is mainly composed of financial investments in subsidiaries and claims on these subsidiaries (EUR 430.9 million), the project stock directly held by IMMOBEL SA (EUR 62.9 million), own shares (EUR 54.5 million) and cash and cash equivalents (EUR 93.3 million).

The equity amounts to EUR 285.5 million as of 31 December 2018. The liabilities are mainly composed of long term debts (EUR 230.7 million) and short term debts (EUR 139.5 million).

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year amounts to EUR 102.3 million.

Given the dividend policy approved by the Board of Directors and the results as of 31 December 2018, the Board of Directors proposes to the General Meeting of Shareholders of 23th May 2019 to distribute a gross dividend of 2.42 EUR per share in circulation for the year 2018, an amount that should increase every year, subject to the absence of any currently unforeseen exceptional events.

Main risks and uncertainties

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

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

- Market risk

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

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

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

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

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

- Operational risk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IMMOBEL's financing is mainly provided on the basis of short-term interest rates (based on the Euribor rates for 1 to 12 months) with the exception of the 2013, 2017 and 2018 bond issues, which are fixed-rate. As part of a comprehensive risk management coverage programme, IMMOBEL introduced a policy to implement, as appropriate, adequate coverage against the risks associated with the interest rates on its debt through financial instruments.

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

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

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

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

IMMOBEL is subject to regulatory risk.

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

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

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

IMMOBEL is exposed to counterparty risk.

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

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

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

IMMOBEL is exposed to the risk associated with the preparation of financial information.

The preparation of financial information in terms of the adequacy of the systems, the reporting and compilation of financial information, taking into account changes in scope or changes in accounting standards is a major challenge for IMMOBEL, the more so given the complexity of the Group and the number of its subsidiaries (nearly a hundred). Please also note in this risk the complexity of the IMMOBEL Group is active in Belgium, Luxembourg, France and Poland. Competent teams in charge of producing it and suitable tools and systems must be able to prevent this financial information from not being produced on time or presenting deficiencies with regard to the required quality.

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

There were no events after the balance sheet date that had a significant impact on the Company's accounts.

III. CIRCUMSTANCES LIKELY TO HAVE A SIGNIFICANT INFLUENCE ON THE DEVELOPMENT OF THE COMPANY (art. 96 § 1, 3° and 119, 3° Belgian Companies' Code)

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

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

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

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

The Board of Directors confirms that IMMOBEL used financial instruments intended to cover any rise in interest rates. The market value of these financial instruments was EUR 0.5 million at 31st December 2018.

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

Mrs Karin KOKS - van der SLUIJS and Mr Pierre NOTHOMB[1], appointed to the positions of Directors on November 17th, 2016 and September 25th, 2015 respectively, meet all the independence criteria stated in art. 524 and art. 526ter of the Belgian Companies' Code and sit on the Board of Directors and the Audit & Finance Committee of IMMOBEL as independent Directors. They hold university degrees, occupy positions as Directors in international groups and, as such, hold mandates in the Audit Committees of other companies and organisations.

VII. ADDITIONAL INFORMATION

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

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

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

- that during the past financial year the Board of Directors of the Company did not decide to increase the capital of IMMOBEL within the framework of the authorised capital (art. 608 Company Code);
- that neither IMMOBEL nor any direct subsidiary or any other person acting in their own name but on behalf of IMMOBEL or a direct subsidiary has acquired or sold IMMOBEL shares (art. 624 Company Code), at the exception of the acquisition or sale of own shares in the framework of the implementation of a liquidity contract with Kepler Cheuvreux relating to its ordinary shares (Euronext Brussels-Code ISIN BE0003599108), in accordance with the provisions of the applicable Belgian laws and regulations, specifically the provisions on own share transactions carried out in application of Articles 620 to 626 of the Companies Code. The approval of the Shareholders was given at the Extraordinary General Meeting of IMMOBEL held on 17 November 2016. IMMOBEL made available 40,000 of its securities for the implementation of this contract. Kepler Cheuvreux has started trading the IMMOBEL shares as of 9 July 2018. Weekly reports are provided on the transactions by means of press releases published on the IMMOBEL website at the following address https://www.immobelgroup.com/en/press-releases/?year=2018&category=103. At the end of 2018 Kepler Cheuvreux still held 34,587 ordinary shares and a cash position of 296,622.62 EUR related to the (net) sales of 5,413 shares (i.e. 22,216 shares sold and 16,803 shares acquired).

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

The Board of Directors reports that, during the financial year under review, it has not applied the conflict of interest procedure neither the "Corporate Opportunities" procedure.

IX. CORPORATE GOVERNANCE STATEMENT (art. 96 § 2 Companies Code), INCLUDING THE REMUNERATION REPORT (art. 96 § 3 Companies Code) AND THE DESCRIPTION OF THE INTERNAL CONTROL SYSTEMS AND THE RISK MANAGEMENT (art. 119, 7° Companies Code)

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

X. TAKE OVER BID

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

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

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

3° regarding the appointment and replacement of members of the Board of Directors, the Articles of Association specify that the Board of Directors consists of at least 5 members, appointed by the General Assembly, on the proposal of the Nomination Committee, and for a period of at most 4 years;

4° for amendments to the Articles of Association, there is no regulation other than that determined by the Company Code.

[1] In his capacity of permanent representative of ARFIN sprl.

XI. MANAGEMENT OF THE COMPANY – EXECUTIVE COMMITTEE

A. BOARD OF DIRECTORS

It will be proposed to you at the Ordinary General Meeting of next May 23th, to elect the company M.J.S. CONSULTING bvba[2] and the company LSIM sa[3] in order to complete the mandates of, respectively, the company ZOU2 sprl[4], until the Ordinary General Meeting to be held in 2021, and Mr. Piet VERCRUYSSE, until the Ordinary General Meeting to be held in 2020. The Board of Directors thanks Mrs LAMBRIGHS and Mr VERCRUYSSE for the execution of their respective mandates.

In addition, during this same General Assembly you will have to decide on the renewal of the mandate of the companies AHO CONSULTING bvba[5] and ARFIN sprl[6], for a period of 4 years expiring at the Ordinary General Meeting to be held in 2023.

Seen the independence criteria set out in article 526ter Belgian Companies Code, it will be proposed to confirm:

- the company LSIM sa, represented by Mr Wolfgang de LIMBURG STIRUM, in its capacity of independent Director in the means of articles 524 and 526ter Belgian Companies Code, who meets all the criteria of independence adopted by law.
- the company ARFIN sprl, represented by Mr Pierre NOTHOMB, in its capacity of independent Director in the means of articles 524 and 526ter Belgian Companies Code, who meets all the criteria of independence adopted by law.

B. EXECUTIVE COMMITTEE

You are also reminded that the functions exercised by Mr Valéry AUTIN* and Mrs Hilde DE VALCK as Members of the Executive Committee of IMMOBEL reached an end during the second half of 2018. The Board of Directors thanks them.

Mr Rudi Op't ROODT is no longer a Member of the Executive Committee[7], but still exercising his functions of Head of Technical.

Mr. Karel BREDA*, in his capacity of new Chief Financial Officer, was asked to join as Member of the Executive Committee[8], which is currently composed as follows:

- Alexander HODAC*, Chairman of the Executive Committee;
- Marnix GALLE*,
- Karel BREDA*, Chief Financial Officer; and
- Adel YAHIA*, Chief Development Officer.

* acting for a company.

* * *

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

* * *

Agreed at the Meeting of the Board of Directors on March 29th, 2019.

AHO CONSULTING bvba	A³ MANAGEMENT bvba
represented by Alexander Hodac	represented by Marnix Galle
Managing Director	Chairman of the Board

[2] Represented by its permanent representative, Mrs Michèle SIOEN.
[3] Represented by its permanent representative, Mr Wolfgang de LIMBURG STIRUM.
[4] Represented by its permanent representative, Mrs Sophie LAMBRIGHS.
[5] Represented by its permanent representative, Mr Alexander HODAC.
[6] Represented by its permanent representative, Mr Pierre NOTHOMB.
[7] Since Jully 1st, 2018.
[8] Since August 1st, 2018.

CORPORATE GOVERNANCE STATEMENT

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

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

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

In terms of diversity policy, IMMOBEL's Board of Directors wishes to point out that it meets the criteria that at least one-third of the Members are of different sexes: indeed, currently there is gender equality. More information on diversity is included under: III. Regulations and Procedures (see below).

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

I. DECISION-MAKING BODIES (AS PER MARCH 29TH, 2019)

A. THE BOARD OF DIRECTORS

A) COMPOSITION

Name *Function*	Date first appointment	End of term	Professional address	Directorships in other listed companies
Marnix GALLE[1] *Executive Chairman*	25/09/2014	AGM 2022	Regentschapsstraat 58, 1000 Brussel	None
Alexander HODAC[2] *Managing Director*	01/12/2015	AGM 2019	Regentschapsstraat 58, 1000 Brussel	None
Astrid DE LATHAUWER[3] *(Independant) Director*	26/08/2015	AGM 2020	c/o Ontex BVBA – Aalst Office, Korte Keppestraat 21, 9320 Erembodegem	Etablissements Fr. Colruyt – Etablissementen Fr. Coruyt NV, listed on Euronext Brussels
Wolfgang de LIMBURG STIRUM[4] [5] *(Independant) Director*	01/01/2019	AGM 2021	c/o Ergon Capital Advisors SPRL, Marnixlaan 24, 1000 Brussel	None
Karin KOKS - van der SLUIJS *(Independant) Director*	17/11/2016	AGM 2020	't Breede Weer 10, 2265 EH Leidschendam (Nederland)	NSI N.V., listed on Euronext Amsterdam

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

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

[3] In carrying out the functions concerned in the present report, Mrs Astrid DE LATHAUWER acts as the permanent representative of the company ADL Comm.V.

[4] In carrying out the functions concerned in the present report, Mr Wolfgang de LIMBURG STIRUM acts as the permanent representative of the company LSIM sa/.

[5] As from January 1st, 2019, in replacement of Mr Piet VERCRUYSSE.

Pierre NOTHOMB[6] *(Independant) Director*	25/09/2015	AGM 2019	c/o Deminor SA/NV Joseph Stevensstraat 7, 1000 Brussel	None
Michèle SIOEN[7 8] *Director*	20/12/2018	AGM 2020	c/o Sioen Industries NV Fabriekstraat 23, 8850 Ardooie	Sioen Industries NV, listed on Euronext Brussels
Annick VAN OVERSTRAETEN[9] *(Independant) Director*	28/09/2016	AGM 2022	c/o Lunch Garden SA/NV Olympiadenlaan 2, 1140 Brussel	None
Piet VERCRUYSSE *Director*	25/09/2014	31/12/2018	Rue Clément Delpierre 67, 1310 La Hulpe	None

The curriculum vitae can be summarized as follows:

Marnix GALLE, 55, completed a "Bachelor Degree in Arts & Sciences" in Economics at Tulane University in New Orleans, Louisana, USA. He began his professional career at Cegos Belgium in 1987 as a consultant and made his first steps in real estate in 1989 (family portfolio) until 2002. He created his own company ALLFIN in 2001, which became one of Belgium's leading real estate developers. ALLFIN Group acquired in 2014 a 29% stake in IMMOBEL, listed on Euronext Stock Exchange since 1863. ALLFIN Group and IMMOBEL merged in 2016 after which he became its Executive Chairman. During the period 2015-2018, he was Chairman of Urban Land Institute Belgium. He currently is, amongst others Director, Member and Trustee of several leading European and American associations. He is married to Michèle SIOEN; they have six children.

Alexander HODAC, 38, after having obtained a degree in business engineering (Solvay/VUB), he started his professional career at Deloitte Corporate Finance-Real Estate (2005-2013) and served as Chief Commercial Officer of the Belgian residential REIT Home Invest Belgium from 2013 till 2015. In this last function, he was responsible for the entire acquisition and disposal process of existing assets/ portfolios and development projects.

Astrid DE LATHAUWER, 55, after studying art history in Ghent and international politics and diplomatic sciences at KU Leuven, she started her career at Monsanto, first in the Marketing department, then as HR Manager for Eastern Europe. Afterwards she joined AT & T, where she works for eight years at various positions in Europe and the United States. In 2000 she went back in Belgium and joined Belgacom where she became Executive Vice President Human Resources for the Group in 2003. From January 2012 till September 2014, she worked at Acerta as General Manager of the branch Acerta Consult. Since October 2014 she is Group HR Director at Ontex. She is also an Independent Director at Colruyt Group since September 2011.

Wolfgang de LIMBURG STIRUM, 47, holds an MBA from the University of Chicago, Booth School of Business (US), a Bachelor in Business Engineering, and a Master in Applied Economics and Management from the Louvain School of Management (Belgium). With 20 years financial/private equity experience in Europe and the US, he has invested in numerous sectors including healthcare, specialty chemicals, niche industrials, services, leisure and media. He is Managing Partner of Ergon Capital Partners, a mid-market private equity investment company with ~€1.0 billion under management, which he joined in 2005. Before that, he spent most of his career in investment banking (mergers & acquisitions) at Lehman Brothers in New York and London, where he became co-head of the European M&A Healthcare team. He is also currently a Non-Executive Director of Keesing Media Group, Sausalitos, Opseo, Looping Group, SVT and VPK Packaging Group.

Karin KOKS - van der SLUIJS, 50, has a Master Degree in Business Economics and a Bachelor degree in Commercial Economics and is a CFA Charterholder. During her more than 25-year career in the property industry, of which 19 years in international non-listed real estate, she worked with institutional clients, selecting and managing European and global real estate funds. In her five years with MN Vermogensbeheer she managed the European property portfolio. Subsequently she was at Aberdeen Asset Management for 10 years. Currently she holds the position of non-executive board member of Genesta Nordic Capital Fund Management S.à r.l., as well as Chairman of the Investment Committee. In addition, she serves as Supervisory Board member (and member of the Investment Committee, Audit Committee and Remuneration Committee) of the Dutch stock listed real estate company NSI N.V. , and as a director with Iberia Shopping Centre Venture Coöperatief U.A., an investment vehicle based in the Netherlands with the strategy to invest in shopping centres in Portugal and Spain.

[6] In carrying out the functions concerned in the present report, Mr Pierre NOTHOMB acts as the permanent representative of the company ARFIN sprl.
[7] In carrying out the functions concerned in the present report, Mrs Michèle SIOEN acts as the permanent representative of the company M.J.S. Consulting sprl.
[8] As from December 20th, 2018, in replacement of Mrs Sophie LAMBRIGHS.
[9] In carrying out the functions concerned in the present report, Mrs Annick VAN OVERSTRAETEN acts as the permanent representative of the civil company A.V.O. - Management sprl..

Pierre NOTHOMB, 56, obtained a Master's degree in applied economics (UCL Louvain-la-Neuve). He joined Deminor at its launch more than 25 years ago, and has had (or still holds) numerous assignments with the Board of Directors of various companies or associations (such as ForSettlement (Fortis), Modulart, Imperbel, DBAssociates, Cercle de Lorraine, Domaine du Pont d'Oye, Epsylon) and of several Deminor group companies. Additionally, he is also active as a member of the audit committee of Sabam, Imperbel and of the Epsylon psychiatric hospitals group (La Ramée - Fond'Roy). Prior to joining Deminor in 1991, he served with Coopers & Lybrand (now PriceWaterhouse Coopers) as Senior Auditor, and afterwards as corporate finance consultant with Petercam Securities.

Michèle SIOEN, 56, holds a Master Degree in Economics and completed executive programs at Vlerick Management School a.o.., she has been CEO of Sioen Industries, a Belgium-based-stocklisted group specializing in the production technical textiles and professional protective clothing. She was President of FEB/VBO (Federation of Belgian Enterprises) from 2015 until 2017 and now is Honorary President. In addition to her daily involvement in Sioen Industries, she is also Director of various Belgian stock listed companies including D'Ieteren and Sofina but also associations such as Fedustria and Guberna. Finally, she is deeply involved in Arts & Culture through her presidency of KANAL and as member of the Board of Directors of the Queen Elisabeth Music Chapel.

Annick VAN OVERSTRAETEN, 53, has a Degree in Economics (KUL – 1987) and obtained a Master's in Management (IAG-UCL – 1992) and began her career in 1987 at Philips, as Project Leader within the Human Resources department. During the period 1991 till 1999, she continued her career in retail, specifically in the textile sector (New-D, Mayerline) and then moved into food world at Confiserie Leonidas, where she held the post of Commercial & Marketing Director (1999-2004). From 2004 to 2009, she served as Director of Operations of Quick Restaurants Belux SA. Currently she is Chief Executive Officer and Director of Lunch Garden Group since 2010, Independent Director of QSR Belgium NV/SA and of Euro Shoe Group NV.

Piet VERCRUYSSE, 69, graduated in law (magna cum laude) at KU Leuven in 1973 after technical studies. Admitted to the Brussels Bar in 1973, he also was assistant at KU Leuven from 1976 till 1979. He is co-founder of the law firm Vercruysse & Kadaner. He became Honorary Solicitor in 2003 and was a director of ALLFIN and ALLFIN Group between 2004 and 2010. He was director of IMMOBEL until end 2018 and currently is Member of its Investment Committee. He is also Director of four non-listed holding companies.

B) ACTIVITY REPORT

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

In principle, the Board meets at least three times a year (in March, in September and in December). Additional meetings may be organized at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in August and the annual accounts in March, as well as the budgets in December. In 2018, the Board met on five occasions.

B. THE COMMITTEES OF THE BOARD OF DIRECTORS

A) THE AUDIT & FINANCE COMMITTEE

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

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

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

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

COMPOSITION:

Pierre NOTHOMB, Chairman,

Karin KOKS - van der SLUIJS, and

Michèle SIOEN[10], Members.

In 2018, the Audit & Finance Committee met four times, at the request of its Chairman.

[10] Member since January 1st, 2019, in replacement of Mr Piet VERCRUYSSE.

B) THE REMUNERATION COMMITTEE

The task of the Remuneration Committee consists of:

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

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

A non-executive Director chairs the Remuneration Committee.

COMPOSITION:

Astrid DE LATHAUWER, Chairwoman,

Annick VAN OVERSTRAETEN, and

Pierre NOTHOMB[11], Members.

In 2018 the Remuneration Committee met four times, at the request of its Chairwoman.

C) THE NOMINATION COMMITTEE

The task of the Nomination Committee consists of:

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

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

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

COMPOSITION:

Marnix GALLE, Chairman,

Astrid DE LATHAUWER, and

Annick VAN OVERSTRAETEN, Members.

In 2018 the Nomination Committee met three times, at the request of its Chairman.

D) THE INVESTMENT COMMITTEE

The Investment Committee is in charge of:

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

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

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

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

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

COMPOSITION:

Alexander HODAC, Chairman,

Marnix GALLE,

Karin KOKS – van der SLUIJS,

Sophie LAMBRIGHS[12], and

Piet VERCRUYSSE, Members.

In 2018 the Investment Committee met ten times, at the request of its Chairman.

C. THE EXECUTIVE COMMITTEE

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

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

COMPOSITION (as per December 31st, 2018):

Alexander HODAC, Chairman,

Marnix GALLE,

Karel BREDA[13], Chief Financial Officer, and

Adel YAHIA, Chief Development Officer, Members.

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

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

Karel BREDA, 43, was, before joining IMMOBEL on August 1st, 2018, Managing Director Middle East, South and Central Asia and Turkey for Engie Solar based in Dubai and India. After studying Applied Economics at KU Leuven and obtaining an MBA from the University

[11] Member since January 1st, 2019, in replacement of Mr Piet VERCRUYSSE.

[12] Member until November, 21st, 2018.

[13] Since August 1st, 2018, in replacement of Mr Valéry AUTIN.

of Chicago, Booth School of Business, he began his professional career in 1999 driving a few internet start-ups in Europe. In 2002, he joined GDF Suez (now Engie) where he held various leadership positions in M&A and Project Finance in Europe, Middle East and Africa. In 2011, he was promoted to become Chief Financial Officer for the South Asia, Middle East and Africa region based in Dubai and in 2014 for Engie E&P in The Netherlands.

Adel YAHIA, 40, joined IMMOBEL in December 2017 in order to oversee the Development, Technical, Sales and Landbanking departments. He worked for AG Real Estate since 2015 as Head of the Residential department and was also Co-Head of Development. Between 2010 and 2015 he worked for Matexi as Head of different business units. He began his career in 2004 as a real estate developer and also worked in real estate investment banking. He completed his law degree at KU Leuven and his Master degree in General Management (PUB) at Vlerick Management School. He obtained a Master in Real Estate (Postgraduaat Vastgoedkunde) at the KU Leuven in 2006 and graduated in 2014 from the Executive Program in Real Estate at the Solvay Business School (ULB). He lectures at the KU Leuven since 2010 and at the Solvay Business School since 2015.

D. THE MANAGEMENT TEAM OF THE GROUP

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

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

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

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

COMPOSITION (as per December 31st, 2018):

Alexander HODAC[14], CEO IMMOBEL, Chairman,

Marnix GALLE[15], Executive Chairman,

Karel BREDA[16], Chief Financial Officer,

Olivier BASTIN, CEO IMMOBEL Luxembourg,

Sophie GRULOIS[17], Head of Legal Services,

Sandrine JACOBS[18], Head of Marketing and Communication,

Joëlle MICHA[19], Head of Corporate Affairs,

Julien MICHEL[20], Managing Director IMMOBEL France, Commercial Property,

Rudi op 't ROODT[21], Head of Technical Department,

Jacek WACHOWICZ, CEO IMMOBEL Poland,

Olivier XHONNEUX[22] [23], Head of Landbanking, and

Adel YAHIA[24], Chief Development Officer.

[14] Permanent representative of the company AHO Consulting sprl.
[15] Permanent representative of the company A³ Management sprl.
[16] Permanent representative of the company KB Financial Services sprl.
[17] Permanent representative of the company SG Management sprl.
[18] Permanent representative of the company Happybizz sprl.
[19] Permanent representative of the company JOMI sprl.
[20] Since October 29th, 2018.
[21] Permanent representative of the company 2Build Consultancy sprl.
[22] Permanent representative of the company Avimore sprl.
[23] Until February 28th, 2019 included.
[24] Permanent representative of the company Adel Yahia Consult sprl.

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

Olivier BASTIN, 48, began his career in the banking sector (BACOB, 1994-1995) before joining the real estate sector at Intermarché where he contributed to the expansion of the brand in Wallonia (1995-1996). In 1997, he joined Jones Lang LaSalle where he was Head of the Office Agency Department for Belgium (1997-2005) before becoming Managing Director of the Luxembourg offices of the group (2005-2011). In 2010, he combined this function with that of Head of Capital Markets for Belux. He left JLL in late 2011 to join ALLFIN Group as CEO of the Luxembourg entity. He owns a degree in Applied Economics (ULG, 1988-1992) and an MBA (ULG & Maastricht University, 1993-1994).

Sophie GRULOIS, 43, joined IMMOBEL further to the merger with ALLFIN Group in June 2016; she served as legal counsel of the latter since 2013. Previously, she worked for 2 years at PwC - Financial Services & Real Estate (FSRE) and acquired her experience in real estate at Goodman where she worked for more than 7 years as in-house lawyer. She started her career at the bar and worked for Freshfields for 2 years. She obtained her law degree at the KUL and has a LL.M. in "International Business Law" from King's College London.

Sandrine JACOBS, 44, joined IMMOBEL further to the merger with ALLFIN Group in June 2016, where she was in charge of Marketing and Communications department since January 2015. In 2007 she integrated the real estate sector by joining the stock listed developer Atenor Group, which then began its large-scale projects and created for them its Marketing & Communications department, Corporate and projects identity. After obtaining her degree in Economic, Political and Social sciences at UCL (1997), she began her career in the field of advertising, managing for 10 years of major accounts within Publicis and DDB agencies.

Joëlle MICHA, 49, joined IMMOBEL in 2000 as Company Secretary of the real estate investment trust Cibix. Then, since 2007, Head of Corporate Affairs and Compliance Officer of IMMOBEL. Prior she worked as a Lawyer for Loeff Claeys Verbeke (currently Allen & Overy), as an authorised agent in a private bank (Bank Delen), and at the BFIC (currently FSMA) in the Markets Supervision department. She holds a Master in Law (UCL), a Master in Taxation (HEC-Liège), she also obtained the "Certified European Financial Analyst" qualification (ABAF) and is Member of the IPI (Owner, Broker and Trustee). She is a Company Director.

Julien MICHEL, 36, joined IMMOBEL as Managing Director IMMOBEL France, Commercial Property. He started out as a project supervisor at Bouygues Construction in the Grand Est region in 2007, before becoming a project manager at Linkcity, the Ile-de-France subsidiary in property development, where he worked on large-scale commercial property projects. He then joined the firm of property developers Demathieu Bard Immobilier. In 2015, he became the director of project development at Axa Investment Managers, where he accompanied various investors in the development of numerous emblematic and varied projects. This experience at AXA IM allowed him to perfect his knowledge of the property cycle and gain a 360° view of the stakes involved in large-scale projects.

Rudi op 't ROODT, 55, joined ALLFIN in 2013 as Head of Technical Department. Since the merger with ALLFIN, he is responsible for the technical management and smooth development of all projects of IMMOBEL. He started his career at Van Roey SA (General Contractor), where, as Project Manager, he was responsible for the execution of large construction projects (industrial, hospitals, offices, hotels ...). In 1996, he became Director of the company Vernibouw / Eribel, involved in outfitting buildings. In 2006, after more than 19 years in the field of construction, he joined the real estate sector: first at CIP and CIP Luxembourg (Project Director), and later at Project T & T (Operational Director). He has a degree in Civil Engineering (KUL 1987).

Jacek WACHOWICZ, 52, joined IMMOBEL in September 2017 as CEO of the Polish subsidiary. After studying at University of Warsaw, he started his career at Raiffeisen Bank in Warsaw. Afterwards he joined Cargill in Cobham (UK). In 2007, after working five years at Heitman in London and Warsaw, he joined TriGranit Development as Managing Director for Poland. Afterwards he went in a temporary partnership with ALLFIN Lux, to acquire and develop real estate assets in Poland. Formerly he served also as Consultant to Warimpex (2009-2010) as well as Chief Investment Officer and Member of the Management Board of GTC (2010-2017), two Warsaw stock listed developers. From February 2016 until the end of August 2017, he also was a Board Member of IMMOBEL.

Olivier XHONNEUX, 47, joined IMMOBEL in 2012 as Operations and Project Manager with the aim of developing and optimizing the activities of the "Lanbanking" department. In this context, he helped to develop a new strategy and targeted marketing tools for the Landbanking Department. Passionated about real estate and landbanking, he started his career at Redevco (1996-2002) as a Business lawyer in real estate management and real estate development. He then managed the project development of shopping malls by Foruminvest (2002-2010) and by City Mall (2010-2012). He holds a Master in Law (UCL), a certificate in European and International Law (Leiden - NL), and followed the program "Executive Programme en Immobilier" at the Solvay Business School. He is also a member of IPI.

II. INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

IMMOBEL uses a system of risk management and internal control that was drawn up internally based on the "COSO[25]" model of internal control.

The COSO methodology is organized around five elements:

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

A. THE INTERNAL CONTROL ENVIRONMENT

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

A) Precise definition of the Company's objectives

IMMOBEL is the largest listed Belgian property developer. Ever since its foundation in 1863, the Group develops and markets innovative urban projects in response to the needs of cities and their inhabitants. Thanks to its bold strategy and its 200 talents, IMMOBEL has diversified its expertise in various sectors such as residential, offices, retail, urban mixed-use developments, as well as housing estates and hospitality, and has now reached a market capitalisation in excess of EUR 500 million, thereby imposing itself as one of the market leaders. IMMOBEL continues its pan-European expansion with a portfolio exceeding 820,000 m^2 of developments spread over 6 countries (Belgium, the Grand Duchy of Luxembourg, Poland, France, Spain and Germany) and assumes its corporate responsibility by giving back a part of its profits in support of charitable projects in the Health, Cultural and Social Inclusion domains. The Group is implementing a sustainable vision for urban development and is working towards becoming a CO_2-efficient company.

B) A definition of the roles of the decision-making bodies

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

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

C) Risk culture

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

D) Application of ethical standards and integrity

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

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

The position of Compliance Officer has been created.

E) Measures geared to ensuring the level of competence

- Competence of the Directors: Given their experience, the Directors possess the competencies and qualifications necessary to assume their responsibilities, particularly in matters of finance, accounting, investment and remuneration policy.
- Competence of the Members of the Executive Committee and other staff: a recruitment process geared to the profiles required, adequate training and a policy of remuneration and evaluation based on the achievement of realistic and measurable goals make it possible to ensure the competence of IMMOBEL's staff.

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

- IMMOBEL has introduced a remuneration procedure dealing with remuneration policy for the Directors and the Members of the Executive Committees, that complies with the requirements of the Law of 6 April 2010 on Corporate Governance. During 2016, it has been more in particularly decided to
    - modify the remuneration of the Directors (approved by the Extraordinary General Meeting of November 17th latest), regarding, on the one side, the approval of the "Performance Share Plan 2017-2019" to the benefit of the Executive Chairman and the Chief Executive Officer, and on the other side, on the revision of the remuneration of the non-executive Directors as from that Extraordinary General Meeting; and
    - uniformize the principles and modalities of the variable remuneration in the contracts of the Members of the Executive Committee, active in Belgium.
- During the Ordinary General Meeting of May 24th, 2017, the Shareholders have approved an eventual extension of the said plan to other Members of the Executive Committee. In application of this Plan, and likewise foreseen for the Executive Chairman and the Chief Executive Officer, other Members of the Executive Committee have been granted Performance Shares, annually, under certain conditions.

B. RISK ANALYSIS

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

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

C. CONTROL ACTIVITIES

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

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

D. INFORMATION AND COMMUNICATION

IMMOBEL uses an appropriate software program as its financial management information system. The maintenance and development of this system is subcontracted to a partner.

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

The finance department of IMMOBEL is in charge of the closure process and drafting the Annual Report, the Consolidated Financial Statements drawn up according to IFRS standards and the Annual Accounts.

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

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

E. SUPERVISION AND MONITORING

The Audit & Finance Committee is responsible for supervising internal control. For the year 2018 and previously the Audit & Finance Committee did not consider it necessary to create the position of internal auditor to assist it in his mission, given the size and the activities of the Company and the Group.

Given the increase size and the activities of the Company and the Group, the Audit & Finance Committee intends to assess in 2019 whether it is necessary or not to create a position of internal auditor to assist it in this mission.

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

III. RULES AND PROCEDURES

A. TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIPS BETWEEN THE COMPANY, INCLUDING ASSOCIATED COMPANIES, WITH THE DIRECTORS, THE MEMBERS OF THE EXECUTIVE COMMITTEE, AND THE OTHER STAFF

During the financial year 2018, there occurred no such transactions between IMMOBEL (associated companies included) and its Directors, its Members of the Executive Committee or its Staff.

B. LAW OF SEPTEMBER 3RD, 2017 ON THE PUBLICATION OF NON-FINANCIAL INFORMATION AND INFORMATION RELATING TO DIVERSITY

By virtue of the new provisions of aforementioned Law, IMMOBEL points particularly out that the following information concerning diversity is mentioned:

<u>Diversity policy applied on the Members of the Board of Directors</u>

IMMOBEL's Corporate Governance Charter states that the composition of its Board of Directors guarantees decision-making in the interest of the company. To this end, the Board of Directors is attentive to gender diversity and diversity in general, as well as complementarity of skills, experiences, and knowledge. The provisions of Article 518bis of the Companies Code relating to gender diversity are respected in this regard.

Currently the Board of Directors is composed of eight Members. Following his adherence to the principles of Corporate Governance contained in the 2009 Belgian Code on Corporate Governance, and more particularly provision 2.1 of the Code, he believes that this number is small enough to allow effective decision-making, and sufficiently expanded so that Members bring experience and knowledge of different areas and changes in membership are managed without disruption. Indeed, the Board of Directors shares the opinion of the European Commission that diversity feeds the debate, promotes vigilance, and raises issues within it. The quality of decisions is improved.
Following the diversity policy in force at IMMOBEL during the year under review, the breakdown of the composition of the Board of Directors is as follows (per 31st December 2018):

- Experience & (Educational) Background mix:
  - Real Estate & Finance: 6
  - Other (HR, Legal): 2
- Gender mix:
  - 4 M/4 F
- Generation mix:
  - < 50: 2
  - > 50: 6
- Executive v. Non-Executive:
  - Executive: 2
  - Non-Executive: 6
- National v. Non-National:
  - National: 7
  - Non-national: 1
- Linguistic mix:
  - NL: 6
  - FR: 2.

C. DIVERSITY POLICY APPLIED TO ALL STAFF OF THE GROUP, MEMBERS OF THE EXECUTIVE COMMITTEE AND OF THE MANAGEMENT TEAM INCLUDED

IMMOBEL places its desire for dialogue, continuous progress and the sharing of best practices central to its staff policy. These ambitions are manifested by the recruitment, talent development and retention of talented people with additional knowledge and experience. The IMMOBEL staff is the ambassador of its core values. The management philosophy is based on teamwork and mutual trust. The diversity of the teams, the gender diversity, the mix of talents are the source of wealth and innovation.

IMMOBEL considers the development of the employability of its staff as a priority. It ensures the motivation and involvement of its staff and ensures that they always have the skills required for the success of their assignments. In other words, IMMOBEL's HR ambition reflects its promises: improving and developing the Group's human capital, rich in diversity, through an open and innovative human resources policy and thus creating opportunities "*Creating opportunities*." for everyone and building the future "*Building the future*.", as well for IMMOBEL as for its staff and customers. This ambition is reflected in the management culture of the Group, the association of the staff with the results and the strategic objectives, and the development of a quality social dialogue.

To make team diversity an effective reality, IMMOBEL ensures compliance with the principle of equal opportunities in access to employment, with attention to:

- Gender diversity and professional equality: the Group takes initiatives to attract the talents of men and women, to promote the feminisation of the professions, their promotion to women and equal opportunities for recruitment.

- Intergenerational diversity: convinced of the richness of the meeting of different generations, the Group relies on this diversity, especially for the transfer of knowledge and skills (encouraging seniors to the training of the youngest, reverse mentoring or training by alternation).

- Religious diversity: IMMOBEL undertakes that no candidate or employee is unfavourably treated because of his religious beliefs.

The status of the staff (employee / self-employed), the selection and promotion policy and the evaluation systems do not discriminate based on gender, religion, origin or sexual orientation. The Group also prohibits any form of discrimination in recruitment and promotion.

Following the diversity policy that IMMOBEL implemented in the year under review, the breakdown of the IMMOBEL operational teams, in the four countries, is as follows (per 31st December 2018):

- Gender mix (Management/ Collaborators[26]):
  - Male: 59, distributed as follows :
    - Collaborators: 50
    - (Senior) Management: 9
  - Female: 46, distributed as follows :
    - Collaborators: 43
    - (Senior) Management: 3
- Generation mix :
  - < 50: 86
  - > 50: 17
- Linguistic mix:
  - NL: 39
  - FR: 50
  - Others : 16.

As part of its diversity policy, IMMOBEL promotes diversity at all levels (operational team, members of the Management Team, Members of the Executive Committee & Directors).

D. COMMENTS ON THE MEASURES TAKEN BY THE COMPANY IN THE CONTEXT OF THE DIRECTIVE ON INSIDER TRADING AND MANIPULATION OF THE MARKET

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

These rules have been supplemented by an internal note summarizing the main legal obligations in this matter, particularly taking into account the new Regulation on Market Abuse as entered into force on July 3rd, 2016, with a view to increasing an awareness of their obligations in those concerned.

26 This term includes both employees and persons bound by a service contract.

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

These rules provide, among others, in:

- A prohibition against Persons exercising managerial responsibilities to carry out transactions on their own behalf or on behalf of a third party, whether directly or indirectly, relating to the shares or debt instruments of IMMOBEL or to derivatives or other Financial Instruments linked thereto during the Closed Periods and the Prohibited Periods;
- The possibility given to the Compliance Officer, without being obliged, to authorize a Person exercising managerial responsibilities to negotiate during a Closed Period or a Prohibited Period (in specific cases);
- The obligation of Persons exercising managerial responsibilities to inform the Compliance Officer prior to the transaction, for their own account, on their own responsibility, relating to the shares or debt instruments of IMMOBEL or to derivatives or other related Financial Instruments, outside the Closed Periods and the Prohibited Periods;
- The obligation of Persons exercising managerial responsibilities and persons closely associated with them to notify the Compliance Officer and the FSMA of any transactions they have made for their own account in shares or debt instruments of such Issuers or on derivative instruments or other related financial instruments. Such notification shall be made within three working days from the date of the transaction. This notification obligation does not apply as long as the total amount of transactions carried out during the same calendar year does not exceed the threshold of EUR 5,000. These persons obliged to notify may, but must not, authorize IMMOBEL to make such notifications to FMSA on their behalf. In such cases, they must always notify IMMOBEL of such relevant transactions promptly and no later than two working days from the date of the transaction;
- The obligation for Persons exercising managerial responsibilities to ensure that their investment managers, persons who organize or carry out business transactions on their behalf or any other person who organizes or carries out transactions on their behalf do not trade during the Closed Periods or the Prohibited Periods, including when the investment managers are authorized financial intermediaries acting under a fully discretionary investment management mandate.

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

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

E. LEGAL AND ARBITRATION PROCEDURES

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

IV. INFORMATION ABOUT THE ISSUED CAPITAL

A. SHAREHOLDING STRUCTURE

Based on the transparency declarations received by IMMOBEL, following shareholders are the most important (since March 29th, 2019):

Shareholder	Voting rights	% of the gross number of shares[27]
A³ CAPITAL nv (and a related company)[28] having its registered seat at 1000 Brussel, Akenkaai 52	5,875,369	58.77 %
IMMOBEL sa/nv (own shares / Treasury shares) having its registered seat at 1000 Brussel, Regentschapsstraat 58	1,214,750[29]	12.15 %
CAPFI DELEN ASSET MANAGEMENT nv[30] having its registered seat at 2020 Antwerpen, Jan Van Rijswijcklaan 178	412,196	4.12 %

[27] A gross number of 9,997,356 shares were issued.

[28] Companies controlled by Mr. Marnix GALLE.

[29] Being 1,185,603 registered shares and 29,147 dematerialised shares.

[30] Mutual fund.

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

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

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

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

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

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

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

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

The terms of change of control contained in credit agreements with financial institutions were approved by the Ordinary General Meeting of 24th May 2018, pursuant to section 556 of the Companies Act.

V. OTHER CONTRIBUTORS

A. STATUTORY AUDITOR

The Statutory Auditor is Deloitte Reviseurs d'Entreprises, represented by Kurt Dehoorne, which is headquartered at 1930 Zaventem, Gateway building, Luchthaven Nationaal 1J. Flat fees of Deloitte Reviseurs d'Entreprises charged to IMMOBEL SA for the examination and review of statutory and consolidated accounts amounted to 127 KEUR (excluding VAT). His fee for the review of the statutory accounts of subsidiaries amounted to 116 KEUR (excluding VAT).

Total fees charged by the Statutory Auditor and his network in 2018 in the exercise of the mandate on Group level amounted to 307 KEUR (excluding VAT).

B. CENTRAL PAYING AGENT

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

AHO Consulting bvba represented by Alexander Hodac Managing Director	A³ Management bvba represented by Marnix Galle Chairman of the Board

REMUNERATION REPORT

I. PROCEDURE APPLIED DURING THE YEAR 2018 FOR THE CREATION OF THE REMUNERATION POLICY

A. FOR THE DIRECTORS

In 2018, the Company has continued the remuneration policy for the Directors described in Appendix 2 of the Corporate Governance Charter available on the Company's website (www.immobelgroup.com).

- The Remuneration Committee makes detailed proposals to the Board of Directors in respect of the remuneration of Directors.
- The General Meeting of Shareholders decides henceforth about the remuneration of the Directors upon proposal of the Board of Directors.

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

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

During 2018, no changes were made to the remuneration policy for the Directors.

B. FOR THE MEMBERS OF THE EXECUTIVE COMMITTEE

In 2018, the Company has continued the remuneration policy for the Members of the Executive Committee as described in Appendix 2 of the Corporate Governance Charter available on the Company's website (www.immobelgroup.com).

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

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

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

Remuneration of the Members of the Executive Committee aims to:

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

No changes were made to the remuneration policy for the Members of the Executive Committee during 2018.

II. INDIVIDUAL REMUNERATION AND PROCEDURE APPLIED IN 2018 FOR DETERMINING THIS REMUNERATION

A. FOR THE EXECUTIVE CHAIRMAN

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

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

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

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

Upon proposal of an independent external expert, the Board of Directors has decided to attribute the following remuneration to the Chairman of the Board of Directors, for the exercise of its executive responsibilities within the Company:

- a yearly basic remuneration amounting EUR 325,000 (monthly instalments);
- a variable remuneration « Short Term Incentive »: if all the objectives (quantitative and qualitative) have been realised for 100 %: the variable remuneration will be equal to 50 % of the fixed remuneration (weight of the quantitative – qualitative criteria: 80 % - 20 % for 2018);
- a « Long Term Incentive »: « Performance Share Plan 2017 - 2019 » approved by the Shareholders during the Extraordinary General Meeting of Shareholder of November 17th, 2016 (see detail under point V.).

More in particular, the applied criteria to fix the individual remuneration of the Executive Chairman include, on the one hand, the Return on Equity as quantitative criterion (80 % of the gross variable remuneration at 100 % scoring), as defined and decided by the Board of Directors.

On the other hand, the qualitative criteria (20 % of the gross variable remuneration at 100 % scoring) include (with an identical weight for each of them – 10 %):

- Internal organisation – including general qualitative criteria (applicable to all the Members of the Executive Committee) as mentioned below (point IV.A.) and which are analysed in function of the responsibilities of each one;
- Acquisitions of new projects.

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

B. FOR THE CHIEF EXECUTIVE OFFICER

Upon proposal of an independent external expert, the remuneration to the Chief Executive Officer consists of:

- a yearly basic remuneration amounting EUR 325,000 (monthly instalments);
- a variable remuneration « Short Term Incentive »: if all the objectives (quantitative and qualitative) have been realised for 100 %, the variable remuneration will be equal to 50 % of the fixed remuneration (weight of the quantitative – qualitative criteria: 80 % - 20 % for 2018);
- a « Long Term Incentive »: « Performance Share Plan 2017 - 2019 » approved by the Shareholders during the Extraordinary General Meeting of Shareholder of November 17th, 2016 (see detail under point V. below).

More in particular, the applied criteria to fix the individual remuneration of the Chief Executive Officer include, on the one hand, the Return on Equity as quantitative criterion (80 % of the gross variable remuneration at 100 % scoring), as defined and decided by the Board of Directors.

On the other hand, the qualitative criteria (20 % of the gross variable remuneration at 100 % scoring) include (with an identical weight for each of them – 10 %):

- Internal organisation – including general qualitative criteria (applicable to all the Members of the Executive Committee) as mentioned below (point IV.A.) and which are analysed in function of the responsibilities of each one;
- Acquisitions of new projects.

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

C. FOR THE NON-EXECUTIVE DIRECTORS

Below you will find the summary table containing the remunerations applicable:

	Estimated frequency of meetings	Remuneration & Attendance fee
Board of Directors	4	Chairman = 50,000 EUR (yearly forfait) Director : ▪ 14,000 EUR (yearly forfait) ▪ 2,100 EUR / physical meeting ▪ 1,050 EUR / phone meeting
Audit & Finance Committee	4	Chairman : ▪ 3,100 EUR / physical meeting ▪ 1,050 EUR / phone meeting Members : ▪ 2,100 EUR / physical meeting ▪ 1,050 EUR/ phone meeting
Investment Committee	4 (+ 6 – in function of the necessities, over the phone)	Chairman = CEO - None Members : ▪ 2,100 EUR / physical meeting ▪ 1,050 EUR / phone meeting
Nomination Committee	2	Chairman = None Members : ▪ 1,050 EUR / physical meeting ▪ 525 EUR / phone meeting
Remuneration Committee	3	Chairman : ▪ 1,200 EUR / physical meeting ▪ 525 EUR / phone meeting Members : ▪ 1,050 EUR / physical meeting ▪ 525 EUR/ phone meeting

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

D. FOR MEMBERS OF THE EXECUTIVE COMMITTEE

The remuneration of the Members of the Executive Committee and the quantitative and qualitative criteria of their variable remuneration are fixed by the Board of Directors, on recommendation of the Remuneration Committee; and upon proposal of the Executive Chairman and of the Chief Executive Officer.

III. THE AMOUNT OF REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, IN 2018, TO NON-EXECUTIVE DIRECTORS AND TO THE CHAIRMAN OF THE BOARD, IN THE EXECUTION OF ITS NON-EXECUTIVE RESPONSIBILITIES

The individual sums of remuneration given directly or indirectly to (non-executive) Directors and to the Chairman of the Board in the execution of its non-executive responsibilities, for 2018 are shown in the table below. All the amounts shown are, where appropriate, gross, i.e. before the deduction of tax.

	Attendances					Basic remuneration
	BoD	AFC	RC	NC	IC	(VAT excl.)
A³ MANAGEMENT bvba[1]	4	4	3	3	10	50,000
ADL Comm.V[2]	4		3	2		27,050
ARFIN sprl[3]	5	4	1	1	1	39,000
ZOU2 sprl[4]	4				7	29,227
Piet VERCRUYSSE	5	4	4		10	49,175
A.V.O.-MANAGEMENT bvba[5]	5		4	3		30,800
Karin KOKS-van der SLUIJS	5	4			10	45,500
GROSS TOTAL REMUNERATION						**270,752**

IV. REMUNERATION OF THE EXECUTIVE CHAIRMAN, OF THE CHIEF EXECUTIVE OFFICER AND OF THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE RELATED TO FINANCIAL YEAR 2018

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

Exept for the Chief Development Officer, the Remuneration of the Members of the Executive Committee (Executive Chairman and Chief Executive Officer included, as detailed below) is divided into a fixed part, a variable part STI ("Short Term Incentive") and a variable part LTI ("Long Term Incentive").

The variable part STI includes:

- a variable quantitative remuneration exclusively based on the level of Return on Equity;
- a measurable variable qualitative remuneration determined in function of the general criteria applicable to all the Members of the Executive Committee. These general criteria are the following:
    - *Sense of urgency and optimal management of priorities;*
    - *Respecting general/ internal deadlines;*
    - *Ownership of the projects;*
    - *Added-value business partner for other departments;*
    - *People management/ teamwork; and*
    - *Leadership."*
- a measurable variable qualitative remuneration determined in function of the responsibilities, the missions, and the targets to be achieved, on an individual basis by each of the Members of the Executive Committee, during the reviewed financial year.

Regarding the variable part LTI, the main rules of the IMMOBEL Performance Share Plan, are listed below:

"Under this plan, you will receive a conditional grant of shares ("Performance Shares") that vest at the end of the Performance Period, subject to and upon realization of the Performance Conditions.

[1] Represented by its permanent representative Mr Marnix GALLE.
[2] Represented by its permanent representative Mrs Astrid DE LATHAUWER.
[3] Represented by its permanent representative Mr Pierre NOTHOMB.
[4] Represented by its permanent representative Mrs Sophie LAMBRIGHS until November 21st, 2018, included.
[5] Represented by its permanent representative Mrs Annick van OVERSTRAETEN.

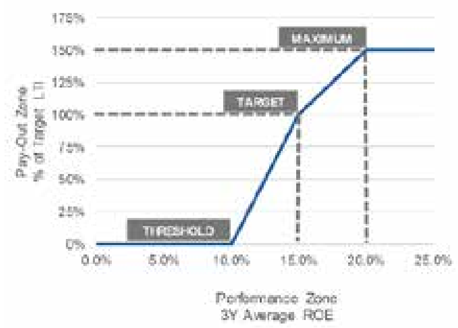
Performance Conditions

The Performance Shares granted will become unconditional / will vest following a Performance Period / vesting period of three full calendar years, conditional to the achievement of two Performance Conditions which are equally weighted:

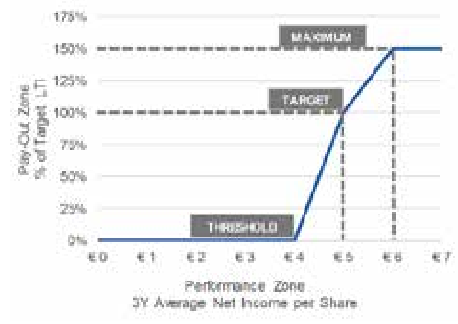
- *3Y Average Return on Equity (ROE) at IMMOBEL Group level*
- *3Y Average Net Income per Share at IMMOBEL Group level (excluding Treasury Shares)*

The precise vesting level of the Performance Shares will depend upon the actual achievement level of the Performance Conditions:

3Y Average ROE		
Performance		Pay-Out % of Target
≤ Threshold	3Y Average ROE ≤ 10%	0%
At Target	3Y Average ROE = 15%	100%
≥ Maximum	3Y Average ROE ≥ 20%	150%



3Y Average Net Income per Share		
Performance		Pay-Out % of Target
≤ Threshold	3Y Average Net Income per Share ≤ € 4	0%
At Target	3Y Average Net Income per Share = € 5	100%
≥ Maximum	3Y Average Net Income per Share ≥ € 6	150%



Performance Period

The achievement of the Performance Conditions will be determined over a three-full calendar year Performance Period, i.e. January 1st, 2017 – December 31st, 2019.

Dividends

Upon vesting, you will not receive the value of the dividends relating to the previous three years with respect to the Performance Shares vested.

Vesting

The Performance Shares granted under the Plan will vest at the end of the Performance Period, subject to and upon realization of the Performance Conditions. Performance Shares that do not become vested are forfeited and lapse. In addition, good leaver / bad leaver provisions apply in case of termination of the management services agreement entered into between the Member of the Executive Committee and IMMOBEL during the Performance Period."

B. THE RELATIVE IMPORTANCE OF THE VARIOUS COMPONENTS OF REMUNERATION

Some Members of the Executive Committee do benefit from a weighted remuneration, at 80 % for quantitative aspects, and at 20 % for qualitative aspects, compared to total variable remuneration. The others benefit from a weight 50 % - 50 %.

Based on the global performance of the Company during 2018 and on the realization of the individual targets of the Members of the Executive Committee between January 1st and December 31st, 2018, the variable part of the global remuneration (qualitative and quantitative) paid for 2018, represents 20,91 % of the basic remuneration for the Members of the Executive Committee (with exclusion of the one of the Executive Chairman and of the Chief Executive Officer, detailed below).

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

IMMOBEL has introduced a long-term incentive plan to the benefit of the Executive Chairman, the Chief Executive Officer and other Members of the Executive Committee (as detailed below).

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

(01.01.2018-31.12.2018)	Executive Chairman	CEO	Executive Committee[6]
Basic remuneration	325,000	325,000	1,279,402[7]
Variable remuneration STI[8]	254,638	254,638	267,500[9]
Variable remuneration LTI[10]	1,477 shares	1,477 shares	1,052 shares[11]
Individual pension commitment	None	None	None
Other	25,000[12]	None	1,246[13]

The Board of Directors has decided that the variable remuneration (« Short Term Incentive ») will be paid to the Members of the Executive Committee after the Board of Directors of March 2019 establishing the Annual Accounts per December 31st, 2018, subject to final approval by the General Meeting of May 2019.

It is reminded that the Shareholders have decided on November 17th, 2016 and on May 24th, 2017 to approve a performance share plan « Performance Share Plan 2017-2019 ». This plan yearly grants, under certain conditions, Performance Shares to the Executive Chairman, to the Chief Executive Officer and to other Members of the Executive Committee. These "Performance Shares", offered free of charge to the beneficiaries, will vest definitively after a period of three full calendar years, if they meet the predefined performance targets based on the average return on equity over three years and the average net income per share (excluding Treasury Shares) over three years. These Performance Shares are ordinary shares and entitle the same rights as the existing shares. The Board of Directors annually set the objectives, in accordance with the Company's strategy.

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

- no definitive acquisition when the performance is below or equal to the defined minimum threshold;
- the full implementation of the objectives will lead to a nominal acquisition of 100 % of the allocated Performance Shares;
- a maximum definitive acquisition of 150 % of the Performance Shares awarded when the performance is equal to or greater than the agreed upper limit;
- between these values, the final acquisition will be proportional.

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

In application of the said plan, there is an allotment of Performance Shares in each of the years 2017 to 2019 and the total number of Performance Shares, to the benefit of the Executive Chairman and of the Chief Executive Officer, will be 25 % (target) per year of the base compensation, as well as 10 % or 15 % to the benefit of some other Members of the Executive Committee.

[6] See composition of the Executive Committee above.
[7] Including the amounts paid to Mr Valéry AUTIN, to Mrs Hilde DE VALCK and to Mr Rudi op 't ROODT and/or their respective companies.
[8] Related to financial year 2018, but payable in 2019.
[9] Including the amounts paid to Mr Rudi op 't ROODT and/or his company until June 30th, 2018 included.
[10] Related to the financial year 2018.
[11] Including the shares attributed to Mr Valéry AUTIN and Mr Rudi op 't ROODT, and/or their respective companies, until respectively July 31st, 2018 and June 30th, 2018 included.
[12] This amount represents a contribution for vehicle expenses.
[13] This amount represents the reimbursement of GSM costs.

In 2018, a total of 4,406[14] shares have been granted subject to the achievement of the 100 % performance objectives, split-off as follows:

Executive Chairman:	1,477 Performance Shares.
Chief Executive Officer:	1,477 Performance Shares.
Chief Financial Officer[15]:	233 Performance Shares.
Chief Financial Officer[16]:	205 Performance Shares.
Head of Technical Department	614 Performance Shares.
Head of Project Structuring & Financing	400 Performance Shares[17].

The Performance Shares granted under the Plan will vest at the end of the Performance Period, subject to and upon realization of the Performance Conditions. As a consequence, In 2018, no options have been exercised yet.

In 2019, a total of 3.746 shares will be granted subject to the achievement of the 100 % performance objectives, broken down as follows (based on the value of the IMMOBEL share as at January 2nd, 2019):

Executive Chairman:	1,606 Performance Shares.
Chief Executive Officer:	1,606 Performance Shares.
Chief Financial Officer:	534 Performance Shares.

VI. PERFORMANCE EVALUATION

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

The interaction between the non-executive Directors and the Executive Management has been assessed during 2018.

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

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

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

The Shareholders have, on November 17th, 2016 and May 24th, 2017, accepted a performance share plan ("Performance Share Plan 2017-2019") for the benefit of the Executive Chairman, the Chief Executive Officer and other Members of the Executive Committee for the years 2017, 2018 and 2019 (see the conditions and concerned Shares in detail above).

As mentioned previously, the Performance Shares are "ordinary shares", and do entitle the same rights to the beneficiaries as those as the existing shares, without right to dividends for the past.

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

To the extent necessary, it is reminded the remuneration policy has been reviewed during 2016 and 2017 for the coming years (cfr. above, point II).

[14] Of which 400 have been cancelled further to the signature of an "exit agreement" with Mrs Hilde DE VALCK and her company.
[15] Until July 31st, 2018 included, Mr Valéry AUTIN, permanent representative of Val U Invest sprl.
[16] Since August 1st, 2018, Mr Karel BREDA, permanent representative of KB Financial Services bvba.
[17] Plan cancelled further to the signature of an "exit agreement".

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

A. APPOINTMENT

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

B. DEPARTURE

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

The list below shows the periods of notice or compensatory severance payment due by IMMOBEL in case of termination of contracts with the Members of the Executive Committee/ Executive Directors, active within IMMOBEL per December 31st, 2018:

Marnix Galle	: 12 month
Alexander Hodac	: 6 month
Karel Breda	: 6 month
Adel Yahia	: 3 month[18].

Below you will find the periods of notice or compensatory severance payment effectively owed by IMMOBEL when the termination of contracts with the following Members of the Executive Committee happened:

Valéry Autin	: 4 month[19]
Hilde De Valck	: 6 month[20].

To the extent necessary, it is specified that the compensations were negotiated, hence paid taking into account at least the existing contractual agreements.

C. RIGHT OF RECOVERY

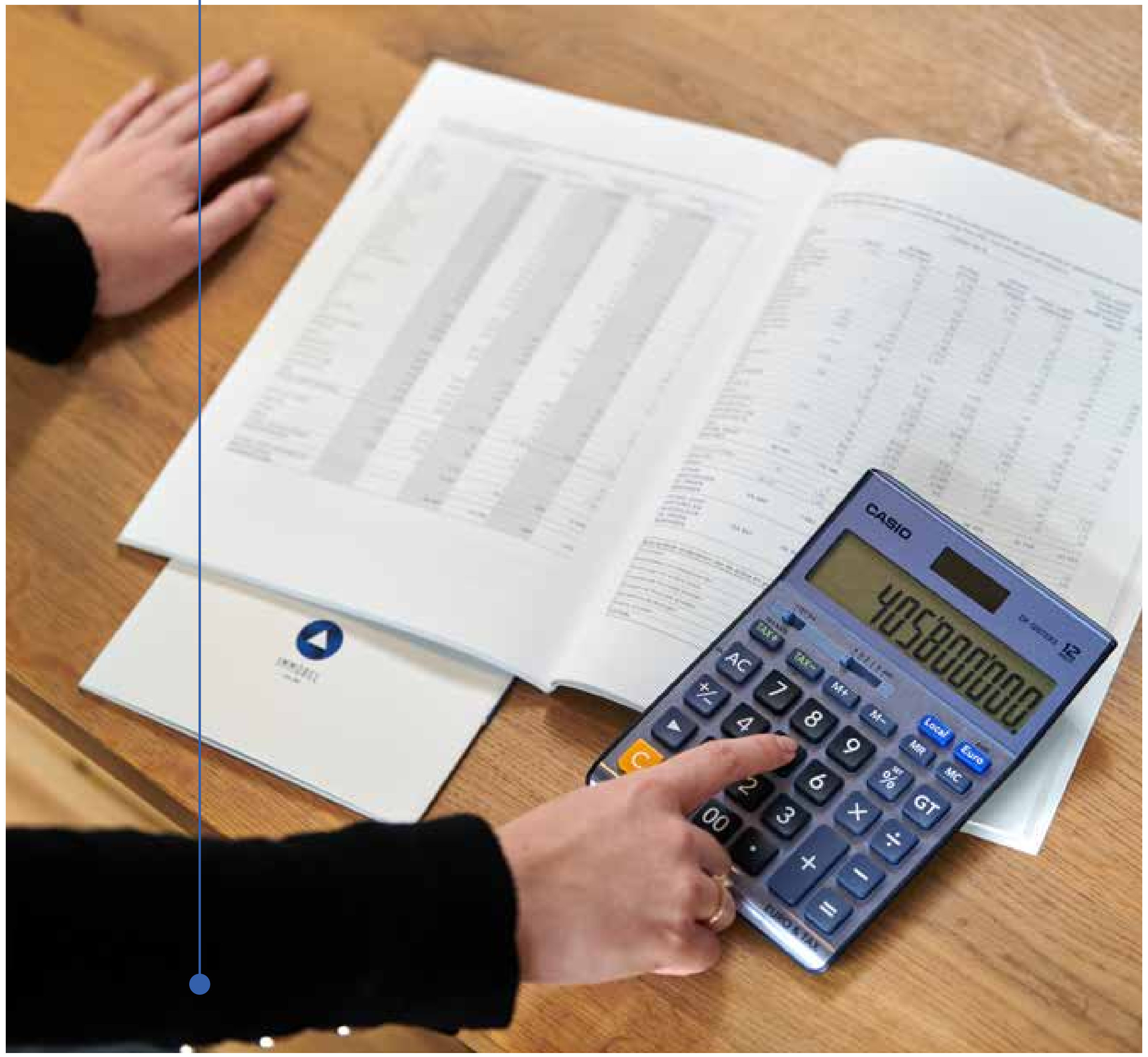
There is no specific right to recover the variable remuneration awarded based on incorrect financial information, except in the above-mentioned Performance Share Plan which contains a Claw Back Clause. As indicated above (point V.), the Board of Directors has decided that the variable remuneration ("Short Term Incentive") will be paid to the Members of the Executive Committee/ Executive Director after the Board of Directors of March 29th, 2019 which draws up the Annual Accounts as at December 31st, 2018, subject to final approval by the Shareholders' Meeting of May 2019.

ADL Comm.V
(represented by Astrid De Lathauwer)
Chairwoman of the Remuneration Committee

A^3 Management bvba
(represented by Marnix Galle)
Executive Chairman of the Board of Directors

[18] However, according to the contract, the compensatory severance payment due amounts upto 12 month until December 2019.
[19] To be completed with EUR 16.833.
[20] To be completed with EUR 115,000, for full and final settlement.

ACCOUNTS



I. CONSOLIDATED ACCOUNTS

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

	NOTES	31/12/2018	31/12/2017
OPERATING INCOME		326 131	148 999
Turnover	2	313 420	145 000
Other operating income	3	12 711	3 999
OPERATING EXPENSES		-260 953	-127 082
Cost of sales	4	-235 325	-106 711
Cost of commercialisation	5	-1 193	-2 177
Administration costs	6	-24 435	-18 194
JOINT VENTURES AND ASSOCIATES		5 171	3 379
Gain (loss) on sales of joint ventures and associates	7	- 114	4 368
Share in the net result of joint ventures and associates	7	5 285	- 989
OPERATING RESULT		70 349	25 296
Interest income		2 099	2 199
Interest expense		-5 215	-4 178
Other financial income		1 095	1 152
Other financial expenses		-2 786	-3 941
FINANCIAL RESULT	8	-4 807	-4 768
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		65 542	20 529
Income taxes	9	-8 629	-9 596
RESULT FROM CONTINUING OPERATIONS		56 913	10 933
RESULT OF THE YEAR		56 913	10 933
Share of non-controlling interests		99	- 102
SHARE OF IMMOBEL		56 814	11 035

	NOTES	31/12/2018	31/12/2017
RESULT OF THE YEAR		56 913	10 933
Other comprehensive income - items subject to subsequent recycling in the income statement		77	21
Currency translation		77	21
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	22	45	- 560
Actuarial gains and losses (-) on defined benefit pension plans	22	45	- 560
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		122	- 539
COMPREHENSIVE INCOME OF THE YEAR		57 035	10 394
Share of non-controlling interests		99	- 102
SHARE OF IMMOBEL		56 936	10 496

	NOTES	31/12/2018	31/12/2017
NET RESULT PER SHARE (€) (BASIC)	10	6,48	1,26
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	10	6,49	1,20
NET RESULT PER SHARE (€) (DILUTED)	10	6,47	1,26
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	10	6,48	1,20

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

ASSETS	NOTES	31/12/2018	31/12/2017
NON-CURRENT ASSETS		181 670	66 179
Intangible assets	11	427	405
Property, plant and equipment	12	947	1 034
Investment property	13	104 290	2 960
Investments in joint ventures and associates	14	46 451	26 387
Advances to joint ventures and associates	14	24 151	24 345
Other non-current financial assets		806	1 259
Deferred tax assets	15	4 501	4 167
Other non-current assets		97	5 623
CURRENT ASSETS		784 700	734 063
Inventories	16	511 837	518 514
Trade receivables	17	20 734	11 694
Contract assets	18	10 954	
Tax receivables		921	165
Other current assets	19	22 562	36 063
Advances to joint ventures and associates		46 328	18 934
Other current financial assets		478	768
Cash and cash equivalents	20	170 886	147 926
TOTAL ASSETS		966 370	800 242

EQUITY AND LIABILITIES	NOTES	31/12/2018	31/12/2017
TOTAL EQUITY	21	344 749	303 578
EQUITY SHARE OF IMMOBEL		344 633	303 561
Share capital		97 256	97 256
Retained earnings		247 174	206 224
Reserves		203	82
NON-CONTROLLING INTERESTS		116	17
NON-CURRENT LIABILITIES		332 875	338 838
Employee benefit obligations	22	618	672
Deferred tax liabilities	15	9 681	6 507
Financial debts	20	322 040	330 090
Derivative financial instruments	20	536	1 568
Trade payables		-	-
CURRENT LIABILITIES		288 746	157 826
Provisions	23	1 896	1 355
Financial debts	20	193 749	68 816
Derivative financial instruments		-	-
Trade payables	24	48 470	41 493
Contract liabilities	25	7 259	
Tax liabilities		5 303	6 211
Other current liabilities	26	32 069	39 952
TOTAL EQUITY AND LIABILITIES		966 370	800 242

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

	NOTES	31/12/2018	31/12/2017
Operating income		326 131	148 999
Operating expenses		-260 953	-127 082
Amortisation, depreciation and impairment of assets		4 698	470
Change in the fair value of investment property			- 86
Change in provisions		32	- 468
Dividends received from joint ventures and associates		226	
Disposal of joint ventures and associates	14	117	15 361
Repayment of capital and advances by joint ventures		4 635	24 841
Acquisitions, capital injections and loans to joint ventures and associates		-15 846	-9 269
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		59 040	52 766
Change in working capital	28	-97 996	-45 862
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		-38 956	6 904
Paid interests	8	-13 064	-14 020
Interest received		2 056	2 199
Other financing cash flows		-2 389	-1 638
Paid taxes	9	-8 589	-7 997
CASH FROM OPERATING ACTIVITIES		-60 942	-14 552
Acquisitions of intangible, tangible and other non-current assets		- 354	- 895
Acquisitions of joint ventures and associates			-10 000
Sale of intangible, tangible and other non-current assets			215
CASH FROM INVESTING ACTIVITIES		- 354	-10 680
Increase in financial debts		224 153	168 833
Repayment of financial debts		-120 599	-95 944
Gross dividends paid		-19 298	-20 369
CASH FROM FINANCING ACTIVITIES		84 256	52 520
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		22 960	27 288
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		147 926	120 638
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		170 886	147 926

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of a project company (subsidiaries, joint ventures and associates), are not considered as investing activities and are directly included in the cash flows from the operating activities, mainly "Operating income / Operating expenses and change in working capital". Following this approach, the acquisition of joint ventures and associates classified in cash flow from investing activities in 2017 specifically relates to an acquisition which was not project related.

Acquisitions of investment property, insofar as these are related to a future development project, are included in the cash flows from the operating activities.

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

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2017								
Balance as at 01-01-2017	97 189	143 694	69 501	- 43	691	311 032	3 917	314 949
Before treasury shares	97 189	143 694	124 869	- 43	691	366 400	3 917	370 317
Treasury shares			-55 368			-55 368		-55 368
Comprehensive income for the year		10 821	214			11 035	- 102	10 933
Other comprehensive income				21	- 560	- 539		- 539
Dividendes paids		-18 059				-18 059	-2 310	-20 369
Other changes	66	26				92	-1 488	-1 396
Changes in the year	66	-7 212	214	21	- 560	-7 471	-3 900	-11 371
Balance as at 31-12-2017	97 256	136 482	69 715	- 22	131	303 561	17	303 578
Before treasury shares	97 256	136 482	124 869	- 22	131	358 715	17	358 732
Treasury shares			-55 154			-55 154		-55 154

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2018								
Balance as at 01-01-2018 (before restatement IFRS 15)	97 256	136 482	69 715	- 22	131	303 562	17	303 579
Before treasury shares	97 256	136 482	124 869	- 22	131	358 716	17	358 733
Treasury shares			-55 154			-55 154		-55 154
Restatement IFRS 15 on opening balance (refer to note E.2.)	-	3 379	-	-	-	3 379	-	3 379
Comprehensive income for the year	-	56 569	245			56 814	99	56 913
Other comprehensive income	-	-	-	77	45	122	-	122
Dividendes paids	-	-19 298	-	-	-	-19 298	-	-19 298
Other changes	-	55		-	-	55	-	55
Adjustment fair value treasury shares	-	-		-	-		-	
Changes in the year		40 705	245	77	45	41 072	99	41 171
Balance as at 31-12-2018	97 256	177 187	69 960	55	176	344 634	116	344 750
Before treasury shares	97 256	177 187	124 869	55	176	399 543	116	399 659
Treasury shares			-54 909			-54 909		-54 909

A gross dividend of EUR 2.42 per share (excluding treasury shares) was proposed by the Board of Directors on March 29, 2019. It will be submitted to the shareholders for approval at the general meeting. The appropriation of income has not been recognized in the financial statements as of December 31, 2018.

On December 31, 2018 the treasury shares, resulting from the merger with ALLFIN, remain valued at the share price on June 29, 2016, which was the date of the merger.

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 March 29, 2019.

The accounting principles and methods used are the same as those used for the consolidated financial statements for the year ended December 31, 2017, except for the impact of IFRS 15 and IFRS 9, as well as the amendments to IAS 40, applicable as of January 1, 2018, which is detailed below. A change in accounting policy has also occurred for the valuation of investment properties as of January 1, 2018.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2018

- Amendments to IAS 40 - Transfers of Investment Property
- IFRS 9 - Financial Instruments and subsequent amendments
- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1, IFRS 12 and IAS 28
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration
- IFRS 15 - Revenue from Contracts with Customers

The impact of these standards is presented hereafter.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2018

The Group has not anticipated the following standards and interpretations which are not yet applicable on 31 December 2018:

- Amendments to IAS 1 and IAS 8 Definition of Material (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IFRS 9 Prepayment Features with Negative Compensation (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Annual improvements to IFRS Standards 2015-2017 Cycle (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU).

The process for determining the potential impact of these standards and interpretations on the Group's consolidated financial statements is ongoing. Except for IFRS 16, of which impact is detailed hereafter, the group does not expect any changes resulting from the application of these standards.

Concerning IFRS 16 Leases, the Group has chosen to apply the simplified retrospective method on January 1, 2019. The transition option used consists of valuing the asset at the same amount as the debt. Low-value assets and short-term rentals will, however, be excluded and recognized in the income statement. It is estimated that the amount of assets and liabilities that will be recognized in the balance sheet as of January 1, 2019 in accordance with IFRS 16 amounts to € 2.9 million.

IFRS 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS (APPLICABLE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2018)

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

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

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

SALES OF OFFICE BUILDINGS

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

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

• Whether the agreement, the contract or the transaction falls within the scope of IFRS 15, including by taking into account the probability of the entity recovering the consideration to which it is entitled;

• Whether, under a contract, the sale of the land, the development and the marketing represent distinct performance obligations;

• Whether, for each obligation, the revenue is subject to a gradual transfer of control, particularly for projects which satisfy the third criterion defined by IFRS 15.36 ("Performance creating a specific asset and giving rise to an enforceable right to payment for performance completed to date"), and must be recognised gradually.

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

SALES OF RESIDENTIAL PROJECTS

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

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

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

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

As a consequence, the application of IFRS 15 entails a restatement, leading to an increase of EUR 3,380 million in the opening equity as at 1 January 2018.

Projects involving residential units - other provisions (Poland)

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

Other sales of residential projects

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

LANDBANKING

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

RESTATEMENT OF THE COMPARATIVE INFORMATION

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

IMPACTS ON THE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

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

OVERVIEW OF THE MAIN IMPACTS (IN THOUSANDS €)

ASSETS	31/12/2017	Reclassi-fications	Adjust-ments	01/01/2018
NON-CURRENT ASSETS	**66 179**	**0**	**275**	**66 454**
Intangible assets	405			405
Property, plant and equipment	1 034			1 034
Investment property	2 960			2 960
Investments in joint ventures and associates	26 387		65	26 452
Advances to joint ventures and associates	24 345			24 345
Other non-current financial assets	1 259			1 259
Deferred tax assets	4 167		210	4 377
Other non-current assets	5 623			5 623
CURRENT ASSETS	**734 063**	**0**	**4 922**	**738 985**
Inventories	518 514		1 459	519 973
Trade receivables	11 694			11 694
Contract assets		4 817	3 463	8 280
Tax receivables	165			165
Other current assets	36 063	-4 817		31 246
Advances to joint ventures and associates	18 934			18 934
Other current financial assets	768			768
Cash and cash equivalents	147 926			147 926
TOTAL ASSETS	**800 242**	**0**	**5 197**	**805 439**

EQUITY AND LIABILITIES	31/12/2017	Reclassi-fications	Adjust-ments	01/01/2018
TOTAL EQUITY	**303 579**	**0**	**3 380**	**306 958**
EQUITY SHARE OF IMMOBEL	303 562	0	3 380	306 941
Share capital	97 256			97 256
Retained earnings	206 224		3 380	209 604
Reserves	82			82
NON-CONTROLLING INTERESTS	**17**			**17**
NON-CURRENT LIABILITIES	**338 838**	**0**	**1 347**	**340 185**
Employee benefit obligations	672			672
Deferred tax liabilities	6 507		1 347	7 854
Financial debts	330 090			330 090
Derivative financial instruments	1 568			1 568
Trade payables	-			0
CURRENT LIABILITIES	**157 826**	**0**	**470**	**158 296**
Provisions	1 355			1 355
Financial debts	68 816			68 816
Derivative financial instruments	-			0
Trade payables	41 493			41 493
Contract liabilities			470	470
Tax liabilities	6 211			6 211
Other current liabilities	39 952			39 952
TOTAL EQUITY AND LIABILITIES	**800 243**	**0**	**5 197**	**805 439**

IFRS 9 - FINANCIAL INSTRUMENTS (APPLICABLE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2018)

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

Classification and measurement of financial assets/liabilities

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

Instruments classified as "loans and receivables" in accordance with IAS 39 have been classified as "financial assets at amortized cost". "Available-for-sale" instruments have been classified as "financial assets at fair value through profit or loss".

Impairment

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

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

The introduction of this new model has no significant impact on the Group's accounts as at January 1, 2018 in view of the fact that a physical asset can generally be considered as a collateral (guarantee) in the assessment of the expected credit loss : trade receivables mainly relate to the sales of residential units under construction and advances to associates and joint ventures relate to financing projects under development.

Hedge accounting

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

The Group has chosen not to restate the 2017 figures and to apply IFRS 9 as of January 1, 2018.

AMENDMENTS TO IAS 40 - TRANSFERS OF INVESTMENT PROPERTY

In application of the amendments to IAS 40 - Transfers of Investment Property, IMMOBEL has reconsidered the classification of properties acquired with a view to be redeveloped and subject to a lease contract. These are now accounted for as investment properties. This amendment was applied on January 1, 2018 because IMMOBEL did not opt for a retrospective application. This reclassification had no impact on shareholders' equity as at January 1, 2018, since investment properties are valued at cost (see next paragraph).

CHANGE IN ACCOUNTING METHOD FOR INVESTMENT PROPERTIES

Given that investment properties mainly concern future development projects, the management of the Group considered that the cost model was a more appropriate valuation method than fair value. Indeed, the fair value could be influenced by development activities, such as obtaining permits for example, which would lead to the recognition of a profit before the project is sold.

As a result, the existing investment property (land under leasehold) must be accounted for retrospectively at its acquisition cost. This has no impact on the consolidated financial statements given the insignificant amount of fair value movements.

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 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

IMMOBEL analyses any acquisition of subsidiaries based on IFRS 3 and integrates the criteria suggested by IFRS 3 §B5 to B12 to identify any business combination and to define a business. In accordance with IFRS 3, if the acquired assets do not constitute a business, the acquisition is treated as an "acquisition of assets".

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, plus the value of non-controlling interests (owned by minority shareholders of subsidiaries). 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 OF FOREIGN CURRENCIES IN GROUP COMPAGNIES

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,
- 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 cost model of IAS 40 - Investment property. They represent 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 them. They mainly relate to buildings acquired to be redeveloped and which are rented until the beginning of development.

Investment property is amortized over a period until the beginning of development, at which time they are transferred to inventories, and taking into account a residual value estimated at that date.

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.

IMMOBEL does not have any contracts for which IMMOBEL would own asset under finance lease or for which IMMOBEL would be the lessor.

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.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets include the investments in equity instruments designated at fair value through other comprehensive income, loans to related parties, receivables including trade receivables and other receivables, derivative financial instruments, financial assets at fair value through profit or loss, cash and cash equivalents.

The acquisitions and sales of financial assets are recognised at the transaction date.

FINANCIAL ASSETS – DEBT INSTRUMENTS

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments include

- Receivables that are measured at amortised cost (advances to joint ventures and associates, other non-current financial assets, contract assets);
- Trade receivables measured at amortised cost;
- Cash and cash equivalents. Cash includes cash at bank and current financial accounts with non-consolidated companies. Cash equivalents consist of risk-free investments with maturities of up to three months or which can be converted into cash almost immediately. These items are recorded in the statement of financial position at their nominal value. Bank overdrafts are included in current financial liabilities. These items are recorded in the statement of financial position at their nominal value.

FINANCIAL ASSETS – INVESTMENTS IN EQUITY INSTRUMENTS

On initial recognition, the Group made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through profit and loss account. Investments in equity instruments at fair value through profit and loss account are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in the income statement.

AMORTISED COST AND EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

Derivative financial instruments are initially measured at cost and subsequently carried at their fair value. Changes in the fair value of derivative instruments are recognized directly in profit or loss because the Group does not apply hedge accounting.

A derivative with a positive fair value is recognized as a financial asset, while a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining term to maturity of the instrument is greater than 12 months and the asset is not expected to be realized or liability settled within 12 months. Other derivatives are presented as current assets or current liabilities.

IMPAIRMENT OF FINANCIAL ASSETS

In relation to the impairment of financial assets, an expected credit loss model is applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Specifically, the following assets are included in the scope for impairment assessment for the Group: 1) trade receivables; 2) current and non-current receivables and loans to related parties; 3) cash and cash equivalents.

IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. For long term receivables, IFRS 9 provides a choice to measure expected credit losses applying lifetime or 12 month expected credit losses model. The Group selected the lifetime expected credit loss model.

The expected credit loss is assessed for each financial asset on an individual basis and is generally immaterial in view of the fact that a physical asset can be considered as a collateral (guarantee) in the assessment of the expected credit loss : trade receivables generally relate to the sales of residential units under construction and advances to associates and joint ventures relate to financing projects under development.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

FINANCIAL LIABILITIES

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method.

Interest-bearing bank loans and overdrafts are recorded at the amount of cash obtained, after deduction of any transaction costs. After initial recognition, they are measured at amortized cost. Any difference between the consideration received and the redemption value is recognized in income over the period of the loan using the effective interest rate.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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.

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. All project acquisitions are considered operational activities, whether the project is classified in inventory or in investment property if it is leased prior to its development.

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.

11) INVENTORIES

Inventories are measured at cost of the specific asset 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.

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.

The interests incurred during construction are capitalised. The costs of borrowings are activated depending on the nature of the funding. The cost of funding defined as "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 CONTINGENT 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 income.

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) OPERATING REVENUE

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

Under IFRS 15, revenue must be recognised when the customer gains control of the goods or services sold, for a sum which reflects what the entity expects to receive for the goods or services.

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

SALES OF OFFICE BUILDINGS

In accordance with IFRS 15, IMMOBEL assesses on a case-by-case basis:

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

SALES OF RESIDENTIAL PROJECTS

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

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

The legal framework in Belgium and Luxembourg gradually transfers the ownership of a residential unit to the purchaser during the construction period. In such a situation, the performance obligation is fulfilled gradually since control over the asset is transferred as the construction progresses.

A single margin (with no distinction between "land" and "development") is now recognised gradually for each sale as the asset under development is transferred.

Projects involving residential units - other provisions (Poland)

The regulatory framework in Poland requires to recognise the revenue upon completion of the performance obligation (upon the signing of the final deed, once the unit being sold is delivered).

Other sales of residential projects

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

LANDBANKING

For this segment, the sales revenue is recorded when the asset is transferred.

The revenue from the sale of a project is recognized in gross (sales price and cost of sales) regardless of the structure of the transaction (share deal / asset deal). Disposals of controlled companies dedicated to a project are therefore considered part of the normal business of the Group and are therefore recognized in sales and cost of sales.

The method of legal ownership has no impact on the recognition of the margin but on its presentation, which will differ depending on whether it is:

- Direct property, subsidiary: the results are recorded in sales and cost of sales irrespective of the legal structure of ownership of the asset;
- Joint ventures: in accordance with IFRS 11, when a partnership gives rise to joint control over net assets, IMMOBEL recognizes an investment for its interest in the joint venture and recognizes it using the equity method (IAS 28). The result of the sales is therefore presented under the heading "Share in the profit or loss of joint ventures and associates"
- Joint activities: in accordance with IFRS 11, in the case of a partnership under which the parties exercising joint control have asset rights, and liability obligations, IMMOBEL recognizes assets, liabilities and results for its jointly held share (proportionate consolidation 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 IFRS 9, 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 recoverable 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) TAXES

Income tax for the year includes current and deferred tax. Current and deferred income taxes are recognised in profit and loss unless 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.

18) 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.

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

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.

Investment properties are amortized using the straight-line method based on an estimate of the duration up to the beginning of the development of the project, date when they are transferred to inventories, and taking into account a residual value estimated at that date.

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.

The assessment of the recoverable amount of a project involves assumptions about future events that are inherently subject to change. These assumptions include the expected selling price (depending on the nature of the project, its location, etc…), the estimated total cost per project, the economic market conditions. These assumptions are monitored during the project by the project manager through the update of the feasibility and on a quarterly basis by the management.

The valuation of the revenues from the sale of real estate development involves significant judgments, mainly related to the determination of the existence of an effective contract in accordance with IFRS 15, the assessment of when IMMOBEL meets the performance obligation (at a specific point in time or over time (based on the percentage of completion)), the evaluation of the costs to be incurred and, in case the revenue is recognized at percentage of completion, the determination of the completion rate, taking into account the costs already incurred and the total estimated cost price.

As mentioned in note E.15, income from the sale of a project is recognized in gross (sales price and cost of sales) regardless of the structure of the transaction (asset deal / share deal). Disposals of controlled companies dedicated to a project are therefore considered part of the Group’s normal business and are therefore recognized as revenue and cost of sales. The Group has decided this presentation taking into account the specificities of its sector and activity.

20) 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.

IMMOBEL considers that the activities carried out through temporary companies, which do not have a legal personality, meet the definition proposed by the standard IFRS 11 of joint activity, which is a joint agreement by which parties that exercise joint control have rights over the assets, and obligations.

21) 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 “landbanking”.

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IN THOUSANDS EUR)

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 "landbanking”.

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.

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. This internal view before IFRS 11 implies that the Group's share in all the results of projects is included in operating income and expenses, with the exception of those arising from associates (list in note 31).

In the internal view, the revenue from the sale of a project held by a joint venture is presented in gross for IMMOBEL's share in the proceeds and expenses of the sale.

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

URBAN LIVING BELGIUM and NAFILYAN are treated as associates in the internal view.

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

INCOME STATEMENT	31/12/2018	31/12/2017
OPERATING INCOME	371 265	226 716
Turnover	357 131	222 165
Other operating income	14 134	4 551
OPERATING EXPENSES	-297 440	-198 940
Cost of sales	-270 994	-176 778
Cost of commercialisation	-1 288	-2 741
Administration costs	-25 158	-19 421
JOINT VENTURES AND ASSOCIATES	- 445	- 326
Gain (loss) on sales of joint ventures and associates	- 114	
Share in the net result of joint ventures and associates	- 331	- 326
OPERATING RESULT	73 380	27 450
Interest income	1 736	1 732
Interest expense	-5 746	-5 159
Other financial income / expenses	-1 766	-2 954
FINANCIAL RESULT	-5 776	-6 381
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	67 604	21 069
Income taxes	-10 691	-10 140
RESULT FROM CONTINUING OPERATIONS	56 913	10 930
RESULT OF THE YEAR	56 913	10 930
Share of non-controlling interests	99	- 102
SHARE OF IMMOBEL	56 814	11 032

	TURNOVER 31/12/2018	OPERATING RESULT 31/12/2018	TURNOVER 31/12/2017	OPERATING RESULT 31/12/2017
OFFICES				
Belgium		- 57	9 963	4 608
Grand-Duchy of Luxemburg			55 050	- 769
Poland	125 413	21 534		-1 959
SUBTOTAL OFFICES	125 413	21 477	65 013	1 880
RESIDENTIAL				
Belgium	137 057	26 996	110 448	18 161
Grand-Duchy of Luxemburg	64 216	15 443	24 515	3 114
Poland	9 330	2 328		- 792
SUBTOTAL RESIDENTIAL	210 603	44 767	134 963	20 483
LANDBANKING				
Belgium	21 115	7 136	22 190	5 087
SUBTOTAL LANDBANKING	21 115	7 136	22 190	5 087
TOTAL CONSOLIDATED	357 131	73 380	222 166	27 450
Belgium	158 172	34 075	142 601	27 856
Grand-Duchy of Luxemburg	64 216	15 443	79 565	2 345
Poland	134 743	23 862		-2 751

SUMMARY OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (INTERNAL VIEW)

STATEMENT OF FINANCIAL POSITION	31/12/2018	31/12/2017
NON-CURRENT ASSETS	187 279	25 398
Intangible and tangible assets	1 374	1 439
Investment property	158 284	2 960
Investments in associates	21 224	9 627
Deferred tax assets	5 487	4 487
Other non-current assets	910	6 885
CURRENT ASSETS	896 035	845 576
Inventories	598 057	606 585
Trade receivables	21 558	11 773
Tax receivables and other current assets	90 327	67 884
Cash and cash equivalents	186 093	159 334
TOTAL ASSETS	1 083 314	870 974
TOTAL EQUITY	344 749	303 578
NON-CURRENT LIABILITIES	414 877	383 990
Financial debts	403 805	368 671
Deferred tax liabilities	9 918	6 507
Other non-current liabilities	1 154	8 812
CURRENT LIABILITIES	323 688	183 406
Financial debts	194 522	68 888
Trade payables	56 328	46 068
Tax payables and other current liabilities	72 838	68 450
TOTAL EQUITY AND LIABILITIES	1 083 314	870 974

FINANCIAL POSITION ITEMS	OFFICES	RESIDENTIAL	LANDBANKING	CONSOLIDATED
Segment assets	207 896	575 305	106 066	889 267
Unallocated items[1]				194 047
TOTAL ASSETS				1 083 314
Segment liabilities	28 460	90 507	1 355	120 322
Unallocated items[1]				618 243
TOTAL LIABILITIES				738 565

	BELGIUM	GRAND-DUCHY OF LUXEMBURG	POLAND	FRANCE	SPAIN	CONSOLIDATED
Segment assets	591 264	245 677	42 322	10 000	4	889 267
Non-current segment assets	126 813	43 987	83	10 000	4	180 887

(1) Unallocated items: Assets: Deferred tax assets - Other non-current financial assets - Other non-current assets - Tax receivables - Other current financial assets - Cash and equivalents - Liabilities: Deferred tax liabilities - Tax liabilities – Derivative financial instruments. Intangible assets and tangible assets are allocated to segments based on an allocation formula.

For the analysis of projects in progress by segment and by geographical area, inventories should be taken into consideration, as well as investment property, since the latter contains leased out property acquired with a view to be redeveloped.

INVENTORIES AND INVESTMENT PROPERTY	31/12/2018	31/12/2017
Allocation of inventories and investment property by segment :		
Offices	192 522	167 372
Residential Development	463 925	352 575
Land Development	99 894	89 598
TOTAL INVENTORIES AND INVESTMENT PROPERTY	756 341	609 545
Allocation of inventories and investment property by geographical area :		
Belgium	498 156	393 855
Grand-Duchy of Luxemburg	225 818	114 944
Poland	32 367	100 746
TOTAL INVENTORIES AND INVESTMENT PROPERTY	756 341	609 545

RECONCILIATION TABLE

	31/12/2018		
	Operating Segment	Adjustments	Published Information
Turnover	357 131	-43 711	313 420
Operating result	73 380	-3 031	70 349
Total balance sheet	1 083 314	-116 944	966 370

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

2) TURNOVER

The group generates its revenues through commercial contracts for the transfer of goods and services in the following main revenue categories:

Cross-analysis by segment and geographical zone	Belgium	Grand-Duchy of Luxemburg	Poland	31/12/2018
Offices			120 092	120 092
Residential	101 776	61 107	9 330	172 213
Landbanking	21 115			21 115
Total	122 891	61 107	129 422	313 420

Cross-analysis by segment and geographical zone	Belgium	Grand-Duchy of Luxemburg	Poland	31/12/2017
Offices	5 098			5 098
Residential	94 592	23 121		117 713
Landbanking	22 189			22 189
Total	121 879	23 121		145 000

The diversification of the Group's "customers" portfolio guarantees its independence in the market. The developments Chambon and Ste Anne in Brussels, Lake Front in Knokke-Heist, Riverview in Nieuwpoort, O'Sea in Oostende, as well as Greenhill Park, Royal Louise, 't Zout and Parc Seny contribute in particular to the "Residential Development" turnover. From an international viewpoint, the projects Infinity in Grand-Duchy of Luxemburg, as well as Cedet and Granaria in Poland have also contributed to the turnover.

Revenue on commercial contracts is recognized when the customer obtains control of the goods or services sold for an amount that reflects what the entity expects to receive for those goods and services.

The contractual analysis of the Group's sales contracts led to the application of the following recognition principles:

SALES OF OFFICE BUILDINGS

The revenue from office sale contracts is recognized after analysis on a case-by-case basis of the performance obligations stipulated in the contract (land, buildings, commercialisation). The revenue allocated to each performance obligation is recognized:

- either upon progress of completion when the goods or services are the subject to a gradual transfer of control;
- or at the transfer of control of goods or services rendered.

As of December 31, 2018, no "Office" contract organizing a gradual transfer of control is in progress.

RESIDENTIAL PROJECT SALES

For "Residential" projects, revenue is recognized according to the contractual and legal provisions in force in each country to govern the transfer of control of projects sold in the future state of completion.

- Belgium / Luxembourg: upon progress of completion based on costs incurred (Breyne Act or equivalent);
- Poland: when the performance obligation is fulfilled (at the signing of the final act, once the sold unit has been delivered).

LANDBANKING

The sales revenue is generally recorded when the asset is transferred.

The breakdown of sales according to these different recognition principles is as follows:

	Timing of revenue recognition		
	Point in time	Over time	Total
OFFICES	120 092		120 092
Land			
Building			
Other project	120 092		120 092
RESIDENTIAL	9 330	162 883	172 213
Residential unit per project - Law Breyne		162 883	162 883
Residential unit per project - Other			
Other project	9 330		9 330
LANDBANKING	21 115		21 115
TOTAL TURNOVER	150 537	162 883	313 420

Revenues relating to performance obligations unrealized or partially realized at 31 December 2018 amounted to € 314.2 million.

It mainly concerns the sales of residential units of which construction is in progress (for the totality of their value or the unrecognized part based on progress of completion) as well as the sales of offices of which the contract analysis deemed to assume that the recognition criteria were not met under IFRS 15.

	31/12/2018
OFFICES	
Construction, commercialisation and other contractual arrangements	97 627
RESIDENTIAL	
Construction of sold units	216 578
Construction, commercialisation and other contractual arrangements	4 630
LANDBANKING	-
TOTAL	318 835

The Group's management estimates that 56% of the price allocated to these outstanding performance obligations as at December 31, 2018 will be recognized as revenue in fiscal year 2019.

3) OTHER OPERATING INCOME

Break down as follows:

	31/12/2018	31/12/2017
Rental income on projects awaiting future development	5 831	
Other income (recoveries of taxes and withholdings, miscellaneous reinvoicing...)	6 880	3 999
TOTAL OTHER OPERATING INCOME	12 711	3 999

Rental income fully relates to leased properties awaiting future development and which are presented as investment properties.

4) COST OF SALES

Cost of sales is allocated as follows per segment:

	31/12/2018	31/12/2017
Offices	-94 996	-2 697
Residential	-134 079	-91 357
Landbanking	-12 739	-12 657
TOTAL COST OF SALES	-241 814	-106 711

Cost of sales is allocated as follows per country:

	31/12/2018	31/12/217
Belgium	-103 872	-87 151
Grand-Duchy of Luxemburg	-43 013	-19 560
Poland	-94 929	
TOTAL COST OF SALES	-241 814	-106 711

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

5) COST OF COMMERCIALISATION

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

6) ADMINISTRATION COSTS

Break down as follows:

	31/12/2018	31/12/2017
Personnel expenses	-9 334	-8 584
Amortisation, depreciation and impairment of assets	-4 698	- 470
Other operating expenses	-10 403	-9 140
TOTAL ADMINISTRATION COSTS	-24 435	-18 194

PERSONNEL EXPENSES

	31/12/2018	31/12/2018
Salaries and fees of personnel and memebers of the Exectuive Committee	-14 645	-12 773
Project monitoring costs capitalized under "inventories"	6 378	5 399
Salaries of the non-executive Directors	- 270	- 300
Social security charges	- 641	- 670
Pension costs	10	- 12
Other	- 166	- 228
TOTAL PERSONNEL EXPENSES	-9 334	-8 584

AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

Break down as follows:

	31/12/2018	31/12/2017
Amortisation of intangible and tangible assets, and of investment property	-4 596	- 496
Write down on inventories		
Write down on trade receivables	- 102	26
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	-4 698	- 470

OTHER OPERATING EXPENSES

Break down as follows:

	31/12/2018	31/12/2017
Services and other goods	-9 052	-7 963
Other operating expenses	-1 309	-1 645
Provisions	- 42	468
TOTAL OTHER OPERATING EXPENSES	-10 403	-9 140

Main components of services and other goods:

	31/12/2018	31/12/2017
Rent and service charges, including mainly rent and service charges for the registered office	-1 161	- 846
Third party payment, including in particular the fees paid to third parties and related to the turnover	-4 979	-5 464
Other services and other goods, including company supplies, advertising, maintenance and repair expense of properties available for sale awaiting for development	-2 912	-1 653
TOTAL SERVICES AND OTHER GOODS	-9 052	-7 963

Operating lease obligations:

	31/12/2018	31/12/2017
Total amount of payments recognised under expenses for the year	-1 161	- 846
Total minimum payments to be made:		
- within one year	- 829	- 827
- after one year but within 5 years	-2 938	-2 043
- more than 5 years	- 169	- 1

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

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

	31/12/2018	31/12/2017
Audit fees at consolidation level	- 307	- 258
Fees for extraordinary services and special missions accomplished within the Group:	- 76	- 104
- Missions of legal advice		
- Tax advice and other missions	- 6	- 7
- Other missions outside the audit mission	- 70	- 97

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

Main components of variations in provisions:

	31/12/2018	31/12/2017
Provisions related to the sales	325	
Other provisions	- 367	468
TOTAL VARIATIONS IN PROVISIONS	- 42	468
Increase	- 230	
Use and reversal	188	468

7) JOINT VENTURES AND ASSOCIATES

These gains can be summarized as follows:

	31/12/2018	31/12/2017
Sale price of joint ventures	117	15 361
Book value of sold or liquidated investments	- 231	-10 993
GAIN (LOSS) ON DISPOSAL OF JOINT VENTURES AND ASSOCIATES	- 114	4 368

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

	31/12/2018	31/12/2017
Operating result	9 083	1 168
Financial result	-3 176	-1 613
Income taxes	- 622	- 544
RESULT OF THE PERIOD	5 285	- 989

Further information related to joint ventures and associates are described in note 14.

8) FINANCIAL RESULT

The financial result breaks down as follows:

	31/12/2018	31/12/2017
Cost of gross financial debt at amortised cost	-11 392	-15 806
Activated interests on projects in development	5 280	9 648
Fair value changes	970	1 980
Interest income	2 099	2 199
Gains and losses on sales of financial assets	-1 764	-2 789
FINANCIAL RESULT	-4 807	-4 768
Cost of gross financial debt at amortised costs	-11 392	-15 806
Amortization of loan expenses	238	410
Change in interest paid / unpaid	-1 910	1 376
PAID INTERESTS (STATEMENT OF CASH FLOW)	-13 064	-14 020

9) INCOME TAXES

Income taxes are as follows:

	31/12/2018	31/12/2017
Current income taxes for the current year	-6 330	-3 481
Current income taxes for the previous financial years	- 596	535
Deferred taxes on temporary differences	-1 703	-5 950
Derecognized deferred tax asset		- 700
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-8 629	-9 596
Current taxes	-6 926	-2 946
Change in tax receivables / tax payables	-1 663	-5 051
PAID INCOME TAXES (STATEMENT OF CASH FLOW)	-8 589	-7 997

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

	31/12/2018	31/12/2017
Result from continuing operations before taxes	65 542	20 529
Result from joint ventures and associates	-5 285	989
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	60 257	21 518
THEORETICAL INCOME TAXE CHARGE AT :	29,58%	33,99%
	-17 824	-7 314
Tax impact		
- non-taxable income	3 239	1 542
- non-deductible expenses	- 948	- 646
- use of tax losses and notional interests deduction carried forward on which no DTA was recognised in previous years	1 128	142
- tax losses of current year on which no DTA is recognised	-2 084	-3 855
- tax losses of prior years on which a DTA is recognised	5 180	
- recognized tax latencies	- 461	
- unrecognized tax latencies	840	
- different tax rates	2 896	
Income taxes for the previous financial years	- 596	535
TAX CHARGE	-8 630	-9 596
EFFECTIVE TAX RATE OF THE YEAR	14,32%	44,59%

10) EARNINGS PER SHARE

The basic result per share is obtained by dividing the result of the year (net result and comprehensive income) by the average number of shares.
The computation of average number of shares is defined by IFRS 3 B 26.

Basic earnings per share are determined using the following information:

	31/12/2018	31/12/2017
Net result of the year	56 814	11 035
Comprehensive income of the year	56 936	10 496
Weighted average share outstanding		
Ordinary shares as at 1 January	9 997 356	9 997 356
Treasury shares as at 1 January	-1 225 603	-1 230 398
Treasury shares granted to a member of the executive committee		4 795
Treasury shares sold	5 413	
Ordinary shares as at 31 December	8 777 166	8 771 753
Weighted average ordinary shares outstanding	8 771 991	8 767 169
Net result per share	6,477	1,259
Comprehensive income per share	6,491	1,197

To take into account the potential dilutive impact of performance shares, diluted earnings per share are calculated. The calculation of the diluted earnings per share is based on the following data:

	31/12/2018	31/12/2017
Dilutive elements		
Net result of the year	56 814	11 035
Comprehensive income of the year	56 936	10 496
Weighted average ordinary shares outstanding	8 771 991	8 767 169
Dilutive element : performance shares	8 279	
Weighted average shares for diluted earnings per share	8 780 270	8 767 169
Diluted net result per share	6,471	1,259
Diluted comprehensive income per share	6,485	1,197

11) INTANGIBLE ASSETS

Intangible assets evolve as follows:

	31/12/2018	31/12/2017
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	823	474
Acquisitions	152	349
ACQUISITION COST AT THE END OF THE YEAR	975	823
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	- 419	- 333
Amortisation	- 130	- 86
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	- 549	- 419
NET CARRYING AMOUNT AS AT 31 DECEMBER	426	404

12) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment evolve as follows:

	31/12/2018	31/12/2017
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	4 201	3 655
Entry in consolidation scope	234	
Acquisitions	199	546
Disposals	- 479	
ACQUISITION COST AT THE END OF THE YEAR	4 155	4 201
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-3 167	-2 757
Entry in consolidation scope	- 229	
Depreciations	- 291	- 410
Depreciation cancelled on disposals	479	
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-3 208	-3 167
NET CARRYING AMOUNT AS AT 31 DECEMBER	947	1 034

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

13) INVESTMENT PROPERTY

Until December 31, 2017, this heading contained a land under leasehold of an office building with a long lease expiring October 31, 2025. This property was measured by independent experts in accordance with the fair value model of the IAS 40 standard.

Since January 1, 2018, this heading also includes leased out property acquired with a view to be redeveloped. This represents a change in accounting method applied to such property compared to prior years, during which related costs were transferred to inventories until the start of development.

In this context, the valuation rule applied to investment property as from January 1, 2018 will also change to the cost model, which has been considered by management as being more appropriate to measure the leased out property until the start of development.

As a consequence, as from the financial statements 2018, the following changes are applied : (i) to classify as investment property all our leased out properties acquired with a view to be redeveloped, (ii) to apply the related recognition of the rent revenue in the statement of comprehensive income and (iii) to measure the investment properties after initial recognition at cost.

As explained hereabove, applying the cost model represent a change in the valuation rule applied so far to the land under leasehold which previously was the unique property included in this heading. The change of valuation method for this property has no impact on the accounts as per January 1, 2018, considering that the impact of the application of the fair value model in the past has always been very limited and that no depreciation is applicable (land).

Investment property evolve as follows:

	31/12/2018
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	2 960
Transfer of the net carrying value of investment property at the end of the previous period	81 387
Entry in consolidation scope	24 118
ACQUISITION COST AT THE END OF THE YEAR	108 465
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	
Depreciations	-4 175
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-4 175
NET CARRYING AMOUNT AS AT 31 DECEMBER	104 290

	31/12/2017
FAIR VALUE ON 1 JANUARY 2017	2 874
Change in the faire value recognized in the statement of comprehensive income	86
FAIR VALUE ON 31 DECEMBER 2017	2 960

The fair value of the investment property at 31 December 2018 amounts to € 105.7 million. This amount is determined on the basis of a valuation of level 3 which does not integrate observable market data and is based on internal analyses (feasibility study sensitive to the expected rent after redevelopment, to the estimated rate of return and to the construction costs to incur).

14) 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:

	31/12/2018	31/12/2017
Investments in associates	21 224	9 627
Investments in joint ventures	25 227	16 759
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	46 451	26 386

	31/12/2018	31/12/2017
Share in the net result of joint ventures	5 616	- 663
Share in the net result of associates	- 331	- 326
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5 285	- 989

	31/12/2018	31/12/2017
Gain on sales of joint ventures and associates	- 114	4 368
Book value of sold or liquidated investments	231	10 993
CASH FLOW FROM DISPOSAL OF JOINT VENTURES AND ASSOCIATES	117	15 361

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

		31/12/2018	31/12/2017
VALUE AS AT 1 JANUARY (before restatement IFRS 15)		26 387	35 388
Impact IFRS 15 (on equity at the beginning of the year)		65	
Share in result		5 285	- 989
Acquisitions and capital injections		16 569	12 893
Dividends received from joint ventures and associates		- 226	
Disposals of joint ventures and associates	-5.776	622	-10 993
Repayment of capital		-2 257	-9 902
Currency translation		6	- 10
CHANGES FOR THE YEAR		20 064	-9 001
VALUE AS AT 31 DECEMBER		46 451	26 387

The acquisitions made during the year mainly concern the acquisition of 30% of Urban Living Belgium SA. This acquisition was considered the acquisition of a group of assets and not a business combination in the application of the equity method.

Furthermore, in fiscal year 2018, IMMOBEL carried out a review of its share in the fair value of the identifiable net assets of NAFILYAN & PARTNERS, of which IMMOBEL had acquired 15% in December 2017.

This review of the purchase price allocation can be summarized as follows:

ACQUISITION 15% OF NAFILYAN & PARTNERS	
Non-current assets	2 232
Current assets	244 390
TOTAL ASSETS	246 622
Equity	5 916
Non-controlling interests	3 201
Non-current liabilities	32 059
Current liabilities	205 446
TOTAL EQUITY AND LIABILITIES	246 622
NET ASSETS AT 31 DECEMBER 2017	5 916
Fair value adjustments	
Options on land and projects	6 100
Financial debts at fixed rate	- 665
Deferred taxes on fair value adjustments	-1 522
Deferred taxes on fiscal losses	2 918
Total fair value adjustments	12 747
NET ASSETS AFTER FAIR VALUE ADJUSTMENTS (100%)	12 747
SHARE IMMOBEL (15%)	1 912
ACQUISITION PRICE	9 999
Goodwill	8 087
Cap	38

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	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bella Vita	50%	50%	112	2 670	- 75	- 250
CBD International	50%	50%	-1 798	-1 465	- 334	- 476
Château de Beggen	50%	50%	577	546	31	234
CSM Development	50%		31			
CSM Properties	50%		3 533		- 367	
Debrouckère Development	50%		625			
Fanster Enterprise		50%				25
Foncière du Parc		50%		119	- 2	
Gateway	50%	50%	326	328	- 2	- 17
Ilot Ecluse	50%	50%	174	177	- 2	- 11
Immo Keyenveld 1	50%	50%	88	- 21	108	- 15
Immo Keyenveld 2	50%	50%	85	- 26	111	- 10
Immo PA 33 1	50%	50%	1 595	1 849	- 254	- 709
Immo PA 44 1	50%	50%	658	421	263	214
Immo PA 44 2	50%	50%	2 262	1 551	790	736
Kons Investment		33%				- 116
Les Deux Princes Developement	50%	50%	2 204	- 51	2 085	- 83
M1	33%	33%	-1 112	- 850	- 262	- 448
M7	33%	33%	476	137	234	104
ODD Construct	50%	50%	26	30	- 4	- 1
Plateau d'Erpent	50%		12		- 19	
RAC 3	40%	40%	3 003	2 982	21	55
RAC 4	40%	40%	3 103	3 614	- 511	- 448
RAC4 Developement	40%	40%	1 201	396	6	- 4
RAC 5	40%	40%	5 126	4 848	278	- 74
SPV WW 13	50%	50%			1	
Unipark	50%	50%	3 873	2 530	1 323	68
Universalis Park 2	50%	50%	-1 324	-1 324		- 42
Universalis Park 3	50%	50%	-1 866	-1 867		- 55
Universalis Park 3AB	50%	50%	1 689	43	1 651	434
Universalis Park 3C	50%	50%	548	122	546	231
Vilpro		50%				- 7
TOTAL JOINT VENTURES			25 227	16 759	5 616	- 665
DHR Clos du Château	33%	33%	26	33	- 8	- 3
Elba Advies	60%		2 946		- 156	
Graspa Development	25%	25%		- 406	- 339	- 323
Nafilyan	15%	15%	10 000	10 000		
ULB Holding	60%		-4 792		- 4	
Urban Living Belgium	30%		13 044		176	
TOTAL ASSOCIATES			21 224	9 627	- 331	- 326
TOTAL JOINT VENTURES AND ASSOCIATES			46 451	26 386	5 285	- 991

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 intercompany.

	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP
AS AT 31 DECEMBER 2018	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY		
Bella Vita	- 9	- 149	1 088	864	224	112	
CBD International	10 643	- 668	26 772	30 791	-4 019	-1 798	11 510
Château de Beggen		63	2 323	1 168	1 155	577	
CSM Development			76	14	62	31	
CSM Properties	1	- 733	106 895	99 828	7 067	3 533	62
Debrouckère Development		- 1	1 997	748	1 249	625	
Foncière du Parc		- 2		0	0		
Gateway		- 4	655	2	653	326	
Ilot Ecluse		- 5	355	6	349	174	4
Immo Keyenveld 1	840	216	217	42	175	88	
Immo Keyenveld 2	840	226	211	42	169	85	
Immo PA 33 1	1 321	- 507	4 750	1 560	3 190	1 595	
Immo PA 44 1	1 491	527	3 561	2 245	1 316	658	503
Immo PA 44 2	4 472	1 580	11 010	6 485	4 525	2 262	1 366
Les Deux Princes Developement	29 268	4 171	9 905	5 498	4 407	2 204	1 956
M1		- 786	58 385	61 721	-3 336	-1 112	8 817
M7	10 349	701	7 935	6 507	1 428	476	856
ODD Construct		- 7	163	110	53	26	11
Plateau d'Erpent		- 38	6 455	6 431	24	12	2 204
RAC 3		52	9 400	1 891	7 509	3 003	782
RAC 4		-1 277	29 085	21 328	7 757	3 103	6 078
RAC4 Developement		14	2 977	- 26	3 003	1 201	
RAC 5		696	12 970	154	12 816	5 126	
SPV WW 13		1	21 442	21 441	1		
Unipark	24 855	2 645	13 360	5 614	7 746	3 873	352
Universalis Park 2			20 902	23 549	-2 647	-1 324	5 504
Universalis Park 3			29 624	33 357	-3 733	-1 866	7 225
Universalis Park 3AB	6 833	3 301	4 366	988	3 378	1 689	228
Universalis Park 3C	1 564	1 092	1 862	766	1 096	548	3 057
TOTAL JOINT VENTURES	92 468	11 108	388 741	333 124	55 617	25 227	50 515
DHR Clos du Château	14	- 24	1 557	1 480	77	26	366
Elba Advies		33	1 257	1 057	200	2 946	
Graspa Dev.		-1 357		0	0		
Nafilyan*	169 665	3 801	283 098	271 534	11 564	10 000	
ULB Holding		- 7	15 652	15 597	55	-4 792	
Urban Living Belgium	6 711	586	166 725	157 970	8 755	13 044	19 598
TOTAL ASSOCIATES	176 390	3 032	468 289	447 638	20 651	21 224	19 964
TOTAL JOINT VENTURES AND ASSOCIATES	268 858	14 140	857 030	780 762	76 268	46 451	70 479
* non audited figures							

Main components of assets and liabilities :		
Investment property	108 519	
Other fixed assets	26 805	
Inventories	383 497	
Cash and cash equivalents	76 540	
Receivables and other assets	261 669	
Non-current financial debts		205 079
Current financial debts		79 438
Deferred tax liabilities		477
Shareholder's loans		197 765
Other liabilities		298 003
TOTAL	857 030	780 762

Main projects and financial debts:	INVENTORIES AND INVESTMENT PROPERTY	FINANCIAL DEBTS
CSM Properties	105 308	98 950
Immo PA	13 915	
M1 M7	59 196	32 379
Nafilyan	41 329	58 761
RAC(s)	29 466	
Universalis Park	52 491	31 630
Urban Living Belgium	143 637	62 420
Others	46 674	377
TOTAL	492 016	284 517

	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP
AS AT 31 DECEMBER 2017	TURNOVER	COMPREHESIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY		
Bella Vita	6 554	- 500	6 481	1 142	5 339	2 670	
CBD International		- 952	22 057	25 408	-3 352	-1 465	8 975
Château de Beggen		469	2 346	1 255	1 092	546	
Fanster Enterprise		50					
Fonc. du Parc	23	- 1	240	3	237	119	
Gateway		- 33	659	2	657	328	
Ilot Ecluse		- 22	361	8	354	177	
Immo Keyenveld 1		- 31	522	564	- 41	- 21	280
Immo Keyenveld 2		- 20	523	576	- 53	- 26	286
Immo PA 33 1	4 652	-1 417	7 280	3 582	3 697	1 849	530
Immo PA 44 1	2 950	429	3 928	3 085	842	421	488
Immo PA 44 2	8 850	1 472	12 301	9 199	3 102	1 551	1 345
Kons Investment		-68 470					
Les Deux Princes Develop.	3 024	- 167	11 394	11 495	- 101	- 51	1 898
M1		-1 343	52 351	54 901	-2 550	- 850	7 141
M7	4 039	312	9 020	8 609	411	137	814
ODD Construct		- 2	62	2	60	30	
RAC3	396	137	9 223	1 766	7 456	2 983	723
RAC4		-1 120	27 921	18 887	9 034	3 614	7 596
RAC4 Developt		- 11	1 096	107	989	396	
RAC5		- 185	12 471	350	12 121	4 848	
SPV WW 13		- 3	2	3	- 1		
Unipark	4 683	137	16 034	10 973	5 061	2 530	
Universalis Park 2		- 84	20 582	23 229	-2 648	-1 324	5 326
Universalis Park 3		- 110	29 165	32 898	-3 733	-1 867	6 952
Universalis Park 3AB	3 248	869	6 556	6 469	87	43	226
Universalis Park 3C	1 724	462	1 185	942	243	121	156
Vilpro		- 15					
TOTAL JOINT VENTURES	40 143	-70 148	253 761	215 457	38 303	16 759	42 735
DHR Clos du Château	32	- 8	1 576	1 476	100	33	138
Graspa Dev.		-1 292	24 551	26 173	-1 622	- 406	406
Nafilyan*	94 657	3 185	83 446	81 593	1 853	10 000	
TOTAL ASSOCIATES	94 689	1 885	109 573	109 242	331	9 628	544
TOTAL JOINT VENTURES AND ASSOCIATES	134 832	-68 263	363 334	324 699	38 635	26 387	43 279

Main components of assets and liabilities :		
Inventories	225 757	
Cash and cash equivalents	24 804	
Receivables and other assets	13 151	
Non-current financial debts		88 315
Current financial debts		12 227
Shareholder's loans		111 692
Other liabilities		30 872
TOTAL	263 712	243 106

Main projects and financial debts:	INVENTORIES	FINANCIAL DEBTS
CBD International	21 780	
M1 M7	57 281	33 678
RAC(s)	27 004	
Universalis Park	66 428	44 758
Solvay	27 562	10 096
Graspa	24 120	11 632
Others	1 583	377
TOTAL	225 757	100 541

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.

	31/12/2018	31/12/2017
Book value of assets pledged for debt securities	334 058	176 886
Amount of debts guranteed by above securities	284 517	100 541

For the main debts towards credit institutions mentioned above, the company IMMOBEL SA has engaged itself to provide the necessary financial means in order to bring the different 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 associates, nor specific risks or commitments other than those relating to bank loans.

15) 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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Tax losses	4 329			
Revenue recognition	1 734	3 487	11 476	6 361
Financial debts		112		
Fair value of financial instruments	134	568		32
Other items			- 99	114
Netting (net tax position per entity)	-1 696		-1 696	
TOTAL	4 501	4 167	9 681	6 507

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
VALUE AS AT 1 JANUARY (before restatement IFRS 15)	4 167	6 507
Impact IFRS 15 (on equity at the beginning of the year)	210	1 347
Deferred tax recognised in the consolidated statement of comprehensive income	124	1 827
VALUE AS AT 31 DECEMBER	4 501	9 681

Based on the situation per 31 December 2018, each change in tax rate of 1% involves an increase or decrease of taxes of € 207 thousand.

TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	26 800
Expiring at the end of 2019	172
Expiring at the end of 2020	269
Expiring at the end of 2021	26
Expiring at the end of 2022	62
Expiring at the end of 2023	124
Not time-limited	26 147

16) INVENTORIES

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

	31/12/2018	31/12/2017
Offices	128 039	153 239
Residential Development	283 962	275 676
Landbanking	99 836	89 599
TOTAL INVENTORIES	511 837	518 514

Allocation of the inventories by country is as follows:

	31/12/2018	31/12/2017
Belgium	330 187	333 020
Grand-Duchy of Luxemburg	162 496	95 850
Poland	19 154	89 644
TOTAL INVENTORIES	511 837	518 514

The inventories break down as follows:

	31/12/2018	31/12/2017
INVENTORIES AS AT 1 JANUARY (before restatement IFRS 15)	518 514	443 115
Impact IFRS 15 (on equity at the beginning of the year)	1 459	
Transfer of the net book value of investment property at the end of the previous period	-70 354	
Purchases of the year	121 971	56 926
Developments	170 355	115 538
Disposals of the year	-235 325	-106 713
Borrowing costs	5 217	9 648
Write-off		
CHANGES FOR THE YEAR	-6 677	75 399
INVENTORIES AS AT 31 DECEMBER	511 837	518 514

Break down of the movements of the year per segment:	Impact IFRS 15	Transfer investment property	Purchases/ Developments/ Disposals	Borrowing costs	Net
Offices		-17 267	-9 236	1 303	-25 200
Residential	1 459	-53 087	56 675	3 239	8 286
Landbanking			9 562	675	10 237
Total	1 459	-70 354	57 001	5 217	-6 677

Break down of the movements of the year per geographical area :	Impact IFRS 15	Transfer investment property	Purchases/ Develop- ments/ Disposals	Borrowing costs	Net
Belgium	201	-53 087	46 347	3 706	-2 833
Grand-Duchy of Luxemburg	1 258	-17 267	81 057	1 598	66 646
Poland			-70 403	- 87	-70 490
Total	1 459	-70 354	57 001	5 217	-6 677

The value of the stock to be recovered in:

12 months	121 880
> 12 months	389 957
Breakdwon of the stock by type:	
Without permit	286 067
Permit obtained but not yet in development	13 380
In development	212 390

17) TRADE RECEIVABLES

Trade receivables refer to the following segments:

	31/12/2018	31/12/2017
Offices	1 538	839
Residential	15 943	10 078
Landbanking	3 253	777
TOTAL TRADE RECEIVABLES	20 734	11 694

The analysis of the delay of payment arises as follows:	31/12/2018	31/12/2017
Due < 3 months	631	6 650
Due > 3 months < 6 months	203	231
Due > 6 months < 12 months	443	406
Due > 1 year	657	1 962

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 2018, there was no concentration of credit risk with a sole third party. The maximum risk amounts to the book value of the receivables. However, within the meaning of IFRS 9, there is no expected credit loss that can be deemed significant at that date.

The impairments recorded on trade receivables evolve as follows:

	31/12/2018	31/12/2017
BALANCE AT 1 JANUARY	275	301
Additions	93	- 26
MOVEMENTS OF THE YEAR	93	- 26
BALANCE AT 31 DECEMBER	368	275

18) CONTRACT ASSETS

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

	31/12/2018	01/01/2018	31/12/2017
Offices			
Residential Development	10 954	8 280	
Land Development			
TOTAL CONTRACT ASSETS	10 954	8 280	

Upon initial recognition, the Group measures trade receivables at their transaction price as defined by IFRS 15. Contract assets include the amounts to which the entity is entitled in exchange for goods or services that it already has provided to a customer but for which the payment is not yet due or is subject to the fulfilment of a specific condition provided for in the contract.

When an amount becomes due, it is transferred to the receivable account.

A trade receivable is recognized as soon as the entity has an unconditional right to collect a payment. This unconditional right exists from the moment in time which makes the payment due.

It is expected that the entire amount reflected as at December 31, 2018 will become due and be cashed in fiscal year 2019.

In the same way as trade receivables and other receivables, contract assets are subject to an impairment test in accordance with the provisions of IFRS 9 on expected credit losses. This test does not show any significant potential impact since these contract assets (and their related receivables) are generally covered by the underlying assets represented by the building to be transferred.

19) OTHER CURRENT ASSETS

The components of this line item are:

	31/12/2018	01/01/2018	31/12/2017
Other receivable	20 232	28 217	28 217
of which : advances and guarantees paid	1 399	6 974	6 974
taxes (other than income taxes) and VAT receivable	11 674	7 445	7 445
receivable upon sale (escrow account)	1 000	1 094	1 094
advances and guarantees paid		358	358
rental income for projects in development		11 033	11 033
other	6 159	1 313	1 313
Deferred charges and accrued income	2 330	3 029	7 846
of which: on projects in development			
other	2 330	3 029	7 846
TOTAL OTHER CURRENT ASSETS	22 562	31 246	36 063

The other current assets are related to the following segments:

	31/12/2018	01/01/2018	31/12/2017
Offices	11 479	14 587	14 587
Residential Development	10 022	15 574	20 391
Land Development	1 061	1 085	1 085
TOTAL OTHER CURRENT ASSETS	22 562	31 246	36 063

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 € -344 903 thousand as at 31 December 2018 compared to € -250 980 thousand as at 31 December 2017.

	31/12/2018	31/12/2017
Cash and cash equivalents	170 886	147 926
Non current financial debts	322 040	330 090
Current financial debts	193 749	68 816
NET FINANCIAL DEBT	-344 903	-250 980

The Group's gearing ratio (net financial debt / equity) is 100,1% as at 31 December 2018, compared to 82,7% as at 31 December 2017.

CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to € 170 886 thousand compared to € 147 926 thousand at the end of 2017, representing an increase of € 22 960 thousand. The breakdown of cash and cash equivalents is as follows:

	31/12/2018	31/12/2017
Term deposits with an initial duration of maximum 3 months		60 000
Cash at bank and in hand	170 886	87 926
AVAILABLE CASH AND CASH EQUIVALENTS	170 886	147 926

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

An amount of € 17 888 thousand relates to cash at bank pledged as a security for debt obligations. The relating bank accounts can only be used for expenditures directly linked to the related construction project.

FINANCIAL DEBTS

Financial debts increase with € 116 883 thousand, from € 398 906 thousand at 31 December 2017 to €515 789 thousand at 31 December 2018. The components of financial debts are as follows:

	31/12/2018	31/12/2017
Bond issues:		
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR		35 518
Bond issue maturity 31-05-2022 at 3.00% - nominal amount 100 MEUR	99 885	99 647
Bond issue maturity 17-10-2023 at 3.00% - nominal amount 50 MEUR	50 000	
Bond issue maturity 17-10-2025 at 3.50% - nominal amount 50 MEUR	50 000	
Credit institutions	122 155	194 925
NON CURRENT FINANCIAL DEBTS	322 040	330 090
Bond issues:		
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR		59 936
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR - fair value adjustment		330
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR	35 517	
Credit institutions	154 666	3 074
Bonds - not yet due interest	3 566	5 476
CURRENT FINANCIAL DEBTS	193 749	68 816
TOTAL FINANCIAL DEBTS	515 789	398 906
Financial debts at fixed rates	235 402	195 431
Financial debts at variable rates	276 821	197 999
Bonds - not yet due interest	3 566	5 476
Amount of debts guaranteed by securities	276 821	197 999
Book value of Group's assets pledged for debt securities	369 690	385 919

Financial debts evolve as follows:

	31/12/2018	31/12/2017
FINANCIAL DEBTS AS AT 1 JANUARY	398 906	322 110
Contracted debts	239 485	168 833
Repaid debts	-120 600	-95 944
Change in the fair value recognized in the statement of comprehensive income	- 330	-1 980
Bonds - paid interest	-5 476	
Bonds - not yet due interest	3 392	5 476
Not yet due interest on other loans	174	
Amortization of deferred debt issue expenses	238	411
CHANGES FOR THE YEAR	116 883	76 796
FINANCIAL DEBTS AS AT 31 DECEMBER	515 789	398 906

All the financial debts are denominated in €.

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

As of December 31, 2018, IMMOBEL is entitled to use a Corporate credit line of € 10 million, which has not been used so far, and € 465 million of confirmed credit lines of which € 276 million were used at the end of December 2018.

These credit lines (Project Financing Credits) are specific for the development of certain projects.

At December 31, 2018, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to € 370 million.

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

DUE IN	2019	2020	2022	2023	2024	2025 and more	Total
Bonds (*)	35 650		100 000	50 000		50 000	235 650
Project Financing Credits (*)	108 961	83 332	8 600	46 443	11 150	18 335	276 821
Interets payable	8 656	6 250	4 500	3 063	1 750	1 531	25 750
TOTAL AMOUNT OF DEBTS	153 267	89 582	113 100	99 506	12 900	69 866	538 221

* The amount on the balance sheet, € 235 402 thousand, includes € 248 thousand charges to be amortized until maturity in 2019 and 2022.

INTEREST RATE RISK

Based on the situation as per 31 December 2018, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of € 2 768 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 2018, the derivative financial instruments which have been concluded to hedge future risks are the following:

Period	Instruments	Strike	Notional amounts
09/2014 - 12/2019	IRS bought	0,86%	57 370
		Total	57 370

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

	31/12/2018	31/12/2017
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Bought IRS Options	536	1 568
TOTAL	536	1 568
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	1 568	
Changes during the period:	-1 032	
SITUATION AT 31 DECEMBER	536	

No instrument has been documented as hedge accounting at 31 December 2018.

INFORMATION ON FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of financial instruments is determined as follows:

- If their maturities is short-term (e.g.: 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 (level 1). The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:
- Level 1: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities,
- Level 2: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments,
- Level 3: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data.

	Level of the fair value	Carrying amount 31/12/2018	Amortized cost	Fair value trough profit or loss	Fair value 31/12/2018
ASSETS					
Cash and cash equivalents	Level 1	170 886	170 886		170 886
Other non-current financial assets	Level 1	806		806	806
Other non-current assets	Level 2	97	97		97
Trade receivables	Level 2	20 734	20 734		20 734
Contract assets	Level 2	10 954	10 954		10 954
Other operating receivables	Level 2	93 962	93 962		93 962
Other current financial assets	Level 1	478		478	478
TOTAL		297 917	296 633	1 284	297 917
LIABILITIES					
Interest-bearing debt	Level 1 & 2	515 789	515 789		515 789
Trade payables	Level 2	48 470	48 470		48 470
Contract liabilities	Level 2	7 259	7 259		7 259
Other operating payables	Level 2	37 372	37 372		37 372
Derivative financial instruments	Level 2	536		536	536
TOTAL		609 426	608 890	536	609 426

LIQUIDITY RISK

The Company starts only new projects in case of appropriate financing by corporate, specific financing or pre-sale. Therefore, the cash risk related to the progress of a project is very limited.

FINANCIAL COMMITMENTS

The Group is subject, for bonds and credit line of € 10 million mentioned hereabove, 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 2018, 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. The functional currency of the offices activity currently developed in Poland has been determined to be the EUR, reducing significantly the exchange risk.

21) EQUITY

	2018	2017
Number of shares at 31 December	9 997 356	9 997 356
Number of shares fully paid at 31 December	9 997 356	9 997 356
Treasury shares at 31 December	1 220 190	1 225 603
Nominal value per share	9,740	9,740
Number of shares at 1 January	9 997 356	9 997 356
Number of treasury shares at 1 January	-1 225 603	-1 230 398
Treasury shares granted to a member of the executive committee		4 795
Treasury shares sold	5 413	
Number of shares (excluding treasury shares) at 31 December	8 777 166	8 771 753

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.

	31/12/2018	31/12/2017
STATEMENT OF FINANCIAL POSITION		
Present value of the defined benefit obligations	1 576	1 870
Fair value of plan assets at the end of the period	- 958	-1 198
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATION	618	672
STATEMENT OF COMPREHENSIVE INCOME		
Current service cost	- 67	- 73
Interest cost on the defined benfit obligation	- 20	- 15
Interest income on plan assets	13	15
Administration costs	- 5	- 4
DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	- 79	- 77
Acturial (gains) / losses on defined benefit obligation arising from		
- changes in financial assumptions		
- return on plan assets (excluding interest income)	- 63	106
- experience adjustments	108	- 666
REMEASUREMENTS OF NET DEFINED BENEFIT LIABILITY RECOGNISED IN OTHER COMPREHENSIVE INCOME	45	- 560
DEFINED BENEFIT COSTS	- 34	- 637

	31/12/2018	31/12/2017
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY	1 870	2 899
Current service cost	67	73
Interest cost	20	15
Contributions from plan participants	10	16
Actuarial (gains) losses	- 108	452
Benefits paid	- 283	-1 585
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	1 576	1 870

	31/12/2018	31/12/2017
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY	1 198	2 797
Interest income	13	15
Contributions from employer	89	67
Contributions from plan participants	10	16
Benefits paid	- 283	-1 585
Return on plan assets (excluding interest income)	- 63	- 108
Administrative costs	- 5	- 4
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	959	1 198
CONTRIBUTION OF THE EMPLOYER EXPECTED FOR 2019 / 2018	43	68

ACTURIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS		
Discount rate	1,30%	
Future salary increases	3,30%	
Inflation rate	1,80%	
Mortality table	MR/FR-3	

SENSITIVITY ANALYSIS OF THE DBO 31/12/2018			
Discount rate	0,80%	1,30%	1,80%
Amount of the DBO	1 671	1 576	1 489

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 € 45 thousand. The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals € 176 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 minimum 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 %.

Given these guaranteed minimum rates, these plans qualify as defined benefit plans. However, a comparison was made between the yield achieved and the guaranteed minimum rate and the company concluded on this basis that there was no underfunding.

EMPLOYER CONTRIBUTIONS IN THE DEFINED CONTRIBUTION PLAN (DC)	84

23) PROVISIONS

The components of provisions are as follows:

	31/12/2018	31/12/2017
Provisions related to the sales	1 028	1 354
Other provisions	868	1
TOTAL PROVISIONS	1 896	1 355

	Related to sales	Other	31/12/2018
PROVISIONS AS AT 1 JANUARY	1 354	1	1 355
Increase		729	729
Use	- 91		- 91
Reversal	- 97		- 97
CHANGES FOR THE YEAR	- 188	729	541
PROVISIONS AS AT 31 DECEMBER	1 166	730	1 896

Allocation by segment is as follows:

	31/12/2018	31/12/2017
Offices	1 326	1 041
Residential	500	219
Landbanking	70	95
TOTAL PROVISIONS	1 896	1 355

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:

	31/12/2018	31/12/2017
Offices	16 627	17 412
Residential	30 636	20 001
Landbanking	1 207	4 080
TOTAL TRADE PAYABLES	48 470	41 493

25) CONTRACT LIABILITIES

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

	31/12/2018	01/01/2018	31/12/2017
Offices			
Residential	7 259	470	
Landbanking			
TOTAL CONTRACT LIABILITIES	7 259	470	

Contract liabilities include amounts received by the entity as compensation for goods or services that have not yet been provided to the customer. The contract liabilities are settled by the recognition of the turnover.

Current contract liabilities include income still to be recognized of € 7 259 thousand at 31 December 2018.

All amounts reflected in contract liabilities are related to residential activities for which revenue is recognized as a percentage of progress, thus creating discrepancies between payments and the realization of benefits.

Other advances and down payments received for € 10 999 thousand, which are also contract liabilities under IFRS 15, remain presented in other current liabilities (see Note 26).

All of the contract liabilities as of January 1, 2018 has been recorded as revenue in 2018. It is expected that the amount reflected as at December 31, 2018 will be fully recognized in 2019.

26) OTHER CURRENT LIABILITIES

The components of this account are:

	31/12/2018	31/12/2017
Payroll related liabilities	450	450
Taxes (other than income taxes) and VAT payable	5 004	2 784
Advances on sales	10 999	8 894
Advances from joint ventures and associates	8 254	7 166
Accrued charges and deferred income	3 421	1 749
Operating grants		1 498
Acquisition price payable		13 320
Other	3 941	4 091
TOTAL OTHER CURRENT LIABILITIES	32 069	39 952

Other current liabilities mainly consist of the non-eliminated balance of advances received from joint ventures and associates, as well as advances received from customers under commercial contracts for which revenue recognition is expected at a specific point in time.

Other current liabilities are related to the following segments:

	31/12/2018	31/12/2017
Offices	390	10 013
Residential Development	31 460	29 003
Landbanking	219	936
TOTAL OTHER CURRENT LIABILITIES	32 069	39 952

27) MAIN CONTINGENT ASSETS AND LIABILITIES

	31/12/2018	31/12/2017
Gurantees from third parties on behalf of the Group with respect to:		
- inventories	143 394	189 353
- other assets		114
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	143 394	189 467
These guarantees consist of:		
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	18 553	27 409
- guarantees "Law Breyne" (guarantees given in connection with the sale of houses or apartments under construction)	64 972	139 995
- guarantees "Good end of execution" (guarantees given in connection with the execution of works) and "other" (successful completion of payment, rental,...)	59 869	22 063
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	143 394	189 467
Mortgage power - Amount of inscription	552 987	751 271
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	369 690	385 919
BOOK VALUE OF PLEDGED GROUP'S ASSETS	369 690	385 919
Amount of debts guranteed by above securities		
- Non current debts	146 154	194 925
- Current debts	130 667	3 074
TOTAL AMOUNT OF DEBTS GUARANTEED	276 821	197 999

28) CHANGE IN WORKING CAPITAL

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

	31/12/2018	31/12/2017
Inventories, including acquisition and sales of entities and investment property that are not considered as investing activities	-38 341	-65 751
Other current assets	-39 561	-3 999
Other current liabilities	-20 094	23 888
CHANGE IN WORKING CAPITAL	-97 996	-45 862

29) INFORMATION ON RELATED PARTIES

RELATIONSHIPS WITH SHAREHOLDERS – MAIN SHAREHOLDERS

	31/12/2018	31/12/2017
A3 Capital NV & A3 Management BVBA	58,77%	58,77%
Capfi Delen Asset Management n.v.	4,12%	4,12%
IMMOBEL (actions propres)	12,21%	12,26%
Number of representative capital shares	9 997 356	9 997 356

RELATIONSHIPS WITH SENIOR EXECUTIVES

These are the remuneration of members of the Executive Committee and of the Board of Directors.

(01.01.2018 - 31.12.2018)	Executive Chairman		CEO Executive Committee
Basic remuneration	325 000	325 000	1 279 402
Variable remuneration STI	254 638	254 638	267 500
Variable remuneration LTI	1477 shares	1477 shares	1052 shares
Individual pension commitment	None	None	None
Other	25 000	None	1 246

RELATIONSHIPS WITH JOINT VENTURES AND ASSOCIATES

The relationships with joint ventures and associates consist mainly of loans or advances, whose amounts are recorded in the balance sheet in the following accounts:

	31/12/2018	31/12/2017
Investments in joint ventures and associates - shareholder's loans	24 151	24 345
Other current assets	46 328	18 934
Other current liabilities	8 254	7 166
Interest income	1 428	1 092
Interest expense	448	344

See note 14 for further information on joint ventures and associates.

30) EVENTS SUBSEQUENT TO REPORTING DATE

No significant event that may change the financial statements occurred from the reporting date on 31 December 2018 up to 29 March 2019 when the financial statements were approved by the Board of Directors.

31) COMPANIES OWNED BY THE IMMOBEL GROUP

Companies forming part of the Group as at 31 December 2018:

SUBSIDIARIES – FULLY CONSOLIDATED

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
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
EDISON IMMOBILIER Sarl	B 226 603	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
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.	0000 48 02 78	Warsaw	90,00
HERMES BROWN II NV	0890 572 539	Brussels	100,00
HOTEL GRANARIA DEVELOPMENT Sp. z.o.o.	0000 51 06 64	Warsaw	90,00
ILOT SAINT ROCH SA	0675 860 861	Brussels	100,00
IMMO DEVAUX	0694 904 337	Brussels	100,00
IMMO DEVAUX II	0694 897 013	Brussels	100,00
IMMOBEL FRANCE SAS	833 654 221	Paris	100,00
IMMOBEL HOLDCO SPAIN S.L.	B 881 229 62	Madrid	100,00
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
IMMOBEL PROJECT MANAGEMENT SA	0475 729 174	Brussels	100,00
IMMOBEL R.E.M. FUND Sarl	B228335	Luxemburg	100,00
IMMOBEL REAL ESTATE FUND SC	B228393	Luxemburg	100,00
IMMOBEL URBAN LIVING	0695 672 419	Brussels	100,00
IMMO-PUYHOEK SA	0847 201 958	Brussels	100,00
INFINITY LIVING SA	B 211 415	Luxemburg	100,00
INFINITY WORKING & SHOPPING SA	B 211 410	Luxemburg	100,00
LAKE FRONT SA	0562 818 447	Brussels	100,00
LEBEAU DEVELOPMENT	0711 809 556	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
MICHAEL OSTLUND PROPERTY SA	0436 089 927	Brussels	100,00
MILAWEY	0000 63 51 51	Warsaw	100,00

SUBSIDIARIES – FULLY CONSOLIDATED

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
MÖBIUS I SA	0662 473 277	Brussels	100,00
MÖBIUS II SA	0662 474 069	Brussels	100,00
MÖBIUS CONSTRUCT SA	0681 630 183	Brussels	100,00
MONTAGNE RESIDENTIAL SA	0837 806 420	Brussels	100,00
MOULIN SA	B 179 263	Luxemburg	100,00
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
POLVERMILLEN SARL	B 207 813	Luxemburg	100,00
QUOMAGO SA	0425 480 206	Brussels	100,00
RIGOLETTO SA	0536 987 545	Brussels	100,00
PRINCE ROYAL CONSTRUCT SA	0633 872 927	Brussels	100,00
t ZOUT CONSTRUCT SA	0656 754 831	Brussels	100,00
THOMAS	B 33 819	Luxemburg	100,00
TRACTIM SARL	B 98 174	Luxemburg	100,00
VAARTKOM SA	0656 758 393	Brussels	100,00
VAL D'OR CONSTRUCT SA	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	Luxembourg	50,00
CSM DEVELOPMENT	0692 645 524	Brussels	50,00
CSM PROPERTIES	0692 645 425	Brussels	50,00
DEBROUCKERE DEVELOPMENT	0700 731 661	Brussels	50,00
FANSTER ENTERPRISE Sp. z.o.o.	0000 39 60 31	Warsaw	50,00
GATEWAY SA	0501 968 664	Brussels	50,00
ILOT ECLUSE SA	0441 544 592	Gilly	50,00
IMMO KEYENVELD 1 SA	0845 714 096	Brussels	50,00
IMMO KEYENVELD 2 SA	0845 714 492	Brussels	50,00
IMMO PA 33 1 SA	0845 710 336	Brussels	50,00
IMMO PA 44 1 SA	0845 708 257	Brussels	50,00
IMMO PA 44 2 SA	0845 709 049	Brussels	50,00
LES 2 PRINCES DEVELOPMENT SA	0849 400 294	Brussels	50,00
M1 SA	B 197 932	Strassen	33,33
M7 SA	B 197 934	Strassen	33,33
ODD CONSTRUCT SA	0682 966 706	Knokke-Heist	50,00
PLATEAU D'ERPENT	0696 967 368	Namur	50,00
RAC 3 SA	0819 588 830	Antwerp	40,00
RAC 4 SA	0819 593 481	Brussels	40,00
RAC 4 DEVELOPMENT SA	0673 640 551	Brussels	40,00
RAC5 SA	0665 775 535	Antwerp	40,00
UNIPARK SA	0686 566 889	Brussels	50,00
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

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
ELBA ADVIES	0819 335 244	Antwerp	60,00
NAFILYAN & PARTNERS SAS	800 676 850	Paris	15,00
ULB HOLDING	0688 610 720	Antwerp	60,00
URBAN LIVING BELGIUM	831672 258	Antwerp	30,00

Except the mentioned elements on note 14, 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.

G. 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 2018 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 2018 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[1]	Marnix Galle[2]
Chief Executive Officer	Chairman of the Board of Directors

[1] Vaste vertegenwoordiger van de vennootschap AHO Consulting bvba
[2] Vaste vertegenwoordiger van de vennootschap A^3 Management bvba

H. STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the shareholders' meeting of Immobel SA/NV for the year ended 31 December 2018 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Immobel SA/NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 24 May 2017, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. Due to a lack of online archive dating back prior 1997, we have not been able to determine exactly the first year of our appointment. We have performed the statutory audit of the consolidated financial statements of Immobel SA/NV for at least 22 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as of 31 December 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 966,4 million EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 56,9 million EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2018 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Project development costs and revenue, including those costs and revenue in investments accounted for under the equity method	
• The group recognized 357 million EUR of project development revenue and 271 million EUR of cost of sales (including an amount reported in the net result of joint ventures and associates of respectively 44 million EUR and 36 million EUR). • The group contracts in a variety of ways. Each project has a different risk and revenue profile based on its individual contractual and delivery characteristics. • The measurement of revenue from the sale of development projects is a key audit matter due to the significant expertise and high level of judgment required in particular for: - assessing the contractual terms of sale and settlement risks to determine when the risks and rewards of ownership transfer to the purchaser: at a single point in time (at completion upon or after delivery) or as construction progress (on the percentage of completion basis); - determining the total costs to complete, including land acquisition costs, construction costs, development related costs and eligible capitalized interest; - assessing, when the revenue should be recognized on percentage of completion basis, the stage of completion of the project based on the proportion of contract costs incurred and the estimated costs to complete and the expected margin of the project.	• We designed our audit procedures to be responsive to this key audit matter. Our audit procedures included: - Understanding of the group's processes regarding project management covering sales, purchases and project feasibilities. The relevant controls were subject to testing of both the design & implementation and the operating effectiveness. - Reviewing the main projects on a discussion basis with the relevant project manager to assess the management estimates and the margin recognized during the period. This review was covering construction status and commercialization and was performed by comparison with the updated feasibilities and prior year figures. Any material deviations were investigated. - Testing a sample of projects based on quantitative and qualitative information such as sales value, potential settlement risk and complexity of the contractual terms. For the sample selected we have: • traced a sample of sales recorded to the underlying sale documents and the receipt of cash; • assessed the group's determination of the risks and rewards related to ownership transfer by a detailed analysis of the contractual terms of sale against the criteria in the accounting standards; • recalculated the recognized margin over the period considering the actual recognized cost incurred and the project's expected profit margin.

Reference to disclosure

The revenue from the sale of projects recognized in the period is disclosed in Note F.2 of the consolidated financial statements. Projects are disclosed in Note F.4.

Note E.15 of the financial report discloses the accounting policy for recognition of such amounts.

Recoverability of Projects under Development - carrying value of inventories, including those in investments accounted for under the equity method	
• The group capitalizes development costs into inventory over the life of its projects. The inventories amount to 598 million EUR as of 31 December 2018 (including an amount of 86 million EUR reported in the investments in joint ventures and associates). • Development costs include the acquisition costs, development costs, borrowing costs and all other costs directly related to specific projects. An allocation of direct overhead expenses is also included. • Inventories are stated at the lower of the acquisition cost and net realizable value for each development project. The recoverability of these costs is a significant judgment as this assessment includes assumptions about future events which inherently are subject to the risk of change. These assumptions include future sales prices, total estimated costs of completion, selling costs, the nature and quality of inventory held, location and economic growth factors, Changes in the group's assumptions may have a material impact on net realizable value and therefore in determining whether the value of the project should be written down (impaired). • This is a key audit matter given the relative size of the inventory balance in the consolidated statement of financial position and the significant judgment involved in the estimates used to calculate the net realizable value and the timing of recognition of the capitalized incurred costs.	• We designed our audit procedures to be responsive to this key audit matter. Our audit procedures included: - Understanding of the group's processes regarding project management covering sales, purchases and project feasibilities. The relevant controls were subject to testing of both the design & implementation and the operating effectiveness. - For a sample of projects, we performed a risks analysis to review the ability of the group to sell those projects with a positive margin. Our selection of projects was based on quantitative and qualitative information such as inventory value, permit risks, economic conditions. We also selected projects, which have previously been impaired or where sales realized were not in line with projections. For the sample selected, we: • enquired with project manager and management to develop an understanding of the progress of development, the risks associated to the project and the projected performance. We also assessed their basis of estimates of net realizable value used; • inspected project feasibility and assessed the assumptions used in forecasting revenues and costs to complete by comparison with market data or similar transactions; • agreed a sample of costs capitalized over the period to invoice, including testing whether they were allocated to the appropriate project; • assessed the calculation of revenue and the related cost of sales recognized in the period against the criteria in the accounting standards ; • assessed whether the carrying value is the lower of the expected net realizable value and cost. - Testing of the financial cost allocated to the development business and thereafter capitalized to individual projects.

Reference to disclosure

The costs of the projects under development are disclosed in Note F.14 (for projects owned in investments accounted for under the equity method) and F.16 (Inventories) of the Consolidated Financial Statements.

Note E.11 discloses the accounting policy for recognition of such amounts

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (revised in 2018) to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report, i.e. :

- « Identity, Strategy & the Immobel Spirit »
- « Message from the Chairman »
- « Message from the CEO »
- « Key figures 2018 »
- « Shareholder Information »
- « Highlights in 2018 »
- « Activities »
- « Corporate Social Responsibility »

is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement. We do not express any kind of assurance on the annual report.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Gent, 19 April 2019

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/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.immobelgroup.com

The statutory auditor issued an unqualified report on the financial statements of IMMOBEL SA.

A. STATEMENT OF FINANCIAL POSITION (IN THOUSANDS EUR)

ASSETS	31/12/2018	31/12/2017
FIXED ASSETS	251 557	238 586
Start-up costs	345	650
Intangible fixed assets	398	405
Tangible fixed assets	745	820
Financial fixed assets	250 069	236 712
CURRENT ASSETS	409 666	368 037
Amounts receivable after one year	725	1 802
Stocks and contracts in progress	62 903	68 987
Amounts receivable within one year	194 062	143 995
Treasury shares	54 544	54 786
Cash equivalents	93 312	94 156
Deferred charges and accrued income	4 120	4 312
TOTAL ASSETS	661 223	606 623

LIABILITIES	31/12/2018	31/12/2017
SHAREHOLDERS' EQUITY	285 507	307 598
Capital	97 357	97 357
Reserves	107 076	107 076
Accumulated profits	81 074	103 166
PROVISIONS AND DEFERRED TAXES	831	789
Provisions for liabilities and charges	831	789
DEBTS	374 885	298 235
Amounts payable after one year	230 750	167 421
Amounts payable within one year	139 554	124 898
Accrued charges and deferred income	4 581	5 915
TOTAL LIABILITIES	661 223	606 623

B. STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)

	31/12/2018	31/12/2017
Operating income	10 328	14 286
Operating charges	-12 639	-16 986
OPERATING RESULT	-2 311	-2 701
Financial income	14 023	33 908
Financial charges	-12 076	-12 358
FINANCIAL RESULT	1 947	21 551
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	- 364	18 850
Taxes	- 487	517
PROFIT OF THE FINANCIAL YEAR	- 851	19 367
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	- 851	19 367

C. APPROPRIATION ACCOUNT (IN THOUSANDS EUR)

	31/12/2018	31/12/2017
PROFIT TO BE APPROPRIATED	102 315	122 464
Profit for the financial year available for appropriation	- 851	19 367
Profit carried forward	103 166	103 097
APPROPRIATION TO EQUITY		
To other reserves		
RESULT TO BE CARRIED FORWARD	81 074	103 166
Profit to be carried forward	81 074	103 166
PROFIT AVAILABLE FOR DISTRIBUTION	21 241	19 298
Dividends	21 241	19 298
Other beneficiaries		

D. 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.