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Granbero Holdings Ltd
Half year results 30.06.2015

Sound results and strong equity base from continued development, construction and commercialisation efforts in core Polish market segments

- **Net profit for the period of 36,757 KEUR (vs. 4,257 KEUR as of 30.06.14)**
- **Solvency ratio of 50% (vs. 54% as per 31.12.14)**
- **Significant construction and leasing efforts on the Warsaw Spire (+/- 108,000 sqm of office space in the Wola District of Warsaw), resulting in the finalisation of building C, the signing of a lease record-deal of approx. 22,000 sqm with anchor tenant Samsung and a lease rate of over 70% for the project on the whole.**

Preliminary remark

Granbero Holdings Ltd. (as the legal Cyprus entity with all its Polish subsidiaries) represents the Polish activities of the Ghelamco Group, a leading European real estate investor and developer active in the offices, residential, retail and logistics markets.

As Granbero Holdings acts in Poland under the commercial name Ghelamco, we refer hereafter to Granbero Holdings under the reference 'Ghelamco' or the 'Company'.

Summary

The Company closed its 2015 half-year accounts with a net profit of 36,757 KEUR, mainly as a result from its continued development, construction and commercialisation efforts. Thanks to these efforts the Company managed to achieve sustained growth, which is reflected in an increased balance sheet total of 1.025.378 KEUR and an increased equity of 517,294 KEUR. The solvency ratio amounted to 50%.

In Poland, the investing activities have during the first half of 2015 mainly been focused on the further realisation of the Warsaw Spire (+/- 108,000 sqm of office space in the Warsaw Wola District), resulting in the finalisation of satellite building C, and on the construction of the Woloska 24 project (approx. 20 Ksqm office project in the Warsaw Mokotow District). Continued and successful leasing efforts on the Warsaw Spire project have resulted in the fact that the project on the whole is currently leased for over 70%. In addition, the residential Q-Bik project was further commercialised in a way that currently 85% of available soft lofts have been sold.

Key figures (KEUR)

Results	**30.06.2015**	**30.06.2014**
Operating result	48,637	14,234
Net result of the period	36,757	4,257
Share of the group in the net result of the period	36,757	4,257
Balance sheet	**30.06.2015**	**31.12.2014**
Total assets	1,025,378	883,610
Cash and cash equivalents	56,691	46,755
Net financial debt (-)	381,536	318,799
Total equity	517,294	479,641

Revenue for the first semester of 2015 amounts to 8,759 KEUR and mainly relates to the sale of apartments (soft lofts) in the Q-Bik project in Warsaw Mokotow (6,315 KEUR) and rental income (mainly from the Warsaw Spire office project in Warsaw CBD).

The investment property (under construction) portfolio evolved from 417,553 KEUR per end 2014 to 531,743 KEUR per end of June 2015; evolution which is the combined result of current period's expenditures (59,799 KEUR), fair value adjustments (50,092 KEUR) and currency translation impact (4,299 KEUR). The current period's favorable fair value adjustment is mainly the consequence of the Company's sustained development, investment and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2015 totals to 48,637 KEUR; net profit for the period closes with 36,757 KEUR.

Property development inventories balance decreased by 5,720 KEUR to 44,463 KEUR; decrease which is mainly connected with the commercialisation of apartments in the Q-Bik project (350 residential soft lofts in Warsaw for which per mid 2015 approx. 85% of sales have been realized).

During the period the Company was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 50.6 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 1.2 MEUR, bringing the total outstanding amount of bank borrowings to 163.8 MEUR (compared to 114.3 MEUR at 31/12/2014). Also considering the outstanding (private and public) bonds (150,124 KEUR net) and the related party borrowings (121,490 KEUR), leverage[1] amounts to 43%.

[1] Calculated as follows: interest bearing loans and borrowings/ total assets

Overview

In Poland, the Company in first instance maintained its existing land bank but also took advantage of some expansion opportunities (with e.g. acquisition of the Grzybowska 73 plot, which will together with the Grzybowska 77 plot already in portfolio, allow for the future development of a +/- 30,000 sqm office project in central Warsaw).

During the first semester of 2015, the final building permit for the Foksal 13/15 residential project, prestiguous luxury apartment complex in the historic centre of Warsaw, has been received.

The Company focused on the continuation of construction works of the Warsaw Spire project, 220-meter, 49-storey development in the Warsaw Wola District which is to offer 108,000 sqm office space in total. During the first half of 2015, construction of satellite building C has been finalised, while construction works of the tower (building A) have well advanced. Also the Woloska 24 project (approx. 20,000 sqm office space in the Warsaw Mokotow District) is under construction, as well as the Plac Vogla project (approx. 5,200 sqm retail space in the Warsaw Wilanow District).

As to (pre-)leasing and occupation of projects:
Per date of the current report, the Warsaw Spire project has on the whole been leased for over 70%. Building B (delivered in 2014) is currently leased for over 90%, while building C (delivered in 2015) is leased for approx. 70%. In April 2015, the Company signed an anchor tenant lease agreement for approx. 22,000 sqm of space in the tower with Samsung. The deal is being seen as the largest office lease transaction ever in the Warsaw city centre, as well as one of the biggest in the country.

As to divestures and/or revenues:
Current period's revenues mainly related to the further commercialisation of the Q-Bik project: 350 residential soft lofts in Warsaw for which per mid 2015 approx. 85% of available units have been sold.

Outlook

It is the Company's strategy to further diversify its development portfolio by spreading its developments over different real estate segments.
For the second half of 2015, the Company will continue its sustained growth. In addition, it will closely monitor specific evolutions in its active markets and real estate segments. Considering its sound financial structure and the observed and expected further market evolutions (in terms of tenant activity and evolution in yields), the Company is confident to achieve this growth and its goals for 2015 in general.

Risks

Due to its activities, the Company is exposed to a variety of financial risks: market risk (including exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

These risks, which are described in detail in the Granbero Holdings Ltd IFRS Consolidated Financial Statements at 31 December 2014, remain applicable for 2015 and are closely managed and monitored by the Company's management.

Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

The Management, acting in the name of and on behalf of GRANBERO HOLDINGS LTD, attest that to the best of their knowledge,

- the interim condensed financial statements are prepared in accordance with applicable accounting standards and give, in all material respect, a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the Company and of its subsidiaries included in the consolidation for the six month period;
- the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.

Paul Gheysens	Philippe Pannier
CEO & Managing Director	CFO
Ieper	Ieper
28/09/2015	28/09/2015

About Ghelamco

Ghelamco Group is a leading European real estate investor and developer active in the offices, residential, retail and logistics markets. It maintains a high quality internal control with respect for agreed milestones over all its project development phases: land purchase, planning, coordinating the construction phase and sale or lease. Its projects combine prime and strategic locations with efficient and aesthetically inspiring designs and correct timing. Its successes on the Belgian, French, Polish, Ukrainian and Russian markets are generated by the Group's professional and enthusiastic staff that is driven by the vision and passion of its management.

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Condensed consolidated income statement (in KEUR)

	30/06/2015	30/06/2014
Revenue	8,759	10,321
Other operating income	320	912
Cost of Property Development Inventories	-5,285	-8,230
Gains from revaluation of Investment Property	50,092	23,404
Other operating expense	-5,249	-12,173
Operating result	**48,637**	**14,234**
Finance income	4,211	4,290
Finance costs	-6,598	-13,515
Result before income tax	**46,250**	**5,009**
Income tax expense	-9,493	-752
Result of the period	**36,757**	**4,257**
Attributable to		
Equity holders of parent	36,757	4,257
Non-controlling interests		

Condensed consolidated statement of comprehensive income (in KEUR)

	30/06/2015	30/06/2014
Profit for the period	36,757	4,257
Exchange differences on translating foreign operations	895	-285
Other	1	-12
Other recyclable comprehensive income of the period	896	-297
Total Comprehensive income for the period	**37,653**	**3,960**
Attributable to		
Equity holders of parent	37,653	3,960
Non-controlling interests		

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Condensed consolidated balance sheet (in KEUR)

	30/06/2015	31/12/2014
ASSETS		
Non-current assets		
Investment Property	531,743	417,553
Property, plant and equipment	32	32
Receivables and prepayments	251,749	234,996
Deferred tax assets	2,533	2,821
Other financial assets	378	1,022
Restricted cash	0	256
	786,435	**656,680**
Current assets		
Property Development Inventories	44,463	50,183
Trade and other receivables	137,789	129,702
Current tax assets	0	0
Derivatives	0	290
Assets classified as held for sale		
Restricted cash	0	0
Cash and cash equivalents	56,691	46,755
Total current assets	**238,943**	**226,930**
TOTAL ASSETS	**1,025,378**	**883,610**

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Condensed consolidated balance sheet (in KEUR) (cont'd)

	30/06/2015	31/12/2014
EQUITY AND LIABILITIES		
Capital and reserves attributable to the Company's equity holders		
Share capital	10	10
CTA	7,603	6,708
Retained earnings	507,780	471,022
	515,393	477,740
Non-controlling interests	1,901	1,901
TOTAL EQUITY	**517,294**	**479,641**
Non-current liabilities		
Interest-bearing loans and borrowings	411,453	329,154
Deferred tax liabilities	15,131	6,961
Other non-current liabilities	0	0
Long-term provisions	0	0
Total non-current liabilities	**426,584**	**336,115**
Current liabilities		
Trade and other payables	54,005	31,020
Current tax liabilities	721	434
Interest-bearing loans and borrowings	26,774	36,400
Short-term provisions		
Total current liabilities	**81,500**	**67,854**
Total liabilities	**508,084**	**403,969**
TOTAL EQUITY AND LIABILITIES	**1,025,378**	**883,610**

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Condensed consolidated cash flow statement (in KEUR)

	30/06/2015	30/06/2014
Cash flow from operating activities		
Result of the year before income tax	**46,250**	**5,009**
Adjustments for:		
- Change in fair value of investment property	-50,092	-23,404
- Depreciation, amortization and impairment charges		
- Result on disposal investment property		
- Change in provisions		
- Net interest charge	-530	7,714
- Movements in working capital:		
- change in inventory	5,720	11,602
- change in trade & other receivables	-8,087	-9,460
- change in trade & other payables	-894	-5,144
- change in fair value of derivatives	290	397
- Movement in other non-current liabilities		
- Other non-cash items	54	-254
Income tax paid	-748	-235
Interest paid	-1,562	-27,586
Net cash from operating activities	**-9,599**	**-41,361**
Cash flow from investing activities		
Interest received	4,211	4,290
Purchase of property, plant & equipment	-12	2
Purchase of investment property	-36,105	-29,139
Capitalized interest in investment property	-7,736	-2,987
Proceeds from disposal of investment property		0
Cash outflow on other non-current financial assets	-16,109	3,231
Movement in restricted cash accounts	256	98
Net cash flow used in investing activities	**-55,495**	**-24,505**
Financing Activities		
Proceeds from borrowings	87,898	135,293
Repayment of borrowings	-15,225	-56,254
Net cash inflow from / (used in) financing activities	**72,673**	**79,039**
Net increase in cash and cash equivalents	**7,579**	**13,173**

Cash and cash equivalents at 1 January	**46,755**	**38,808**
Effects of exch. Rate changes in non-EUR countries	2,357	0
Cash and cash equivalents at the end of the period	**56,691**	**51,981**

Condensed consolidated statement of changes in equity (in KEUR)

	Attributable to the equity holders			**Non-controlling interests**	**Total equity**
	Share capital	**Cumulative translation reserve**	**Retained earnings**		
Balance at 1 January 2014	**10**	**7,215**	**465,771**	**1,901**	**474,897**
Foreign currency translation (CTA)		-285			**-285**
Profit/(loss) for the period			4,257		**4,257**
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope			-12		**-12**
Balance at 30 June 2014	**10**	**6,930**	**470,016**	**1,901**	**478,857**
Balance at 1 January 2015	**10**	**6,708**	**471,022**	**1,901**	**479,641**
Foreign currency translation (CTA)		895			**895**
Profit/(loss) for the period			36,757		**36,757**
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope			1		**1**
Balance at 30 June 2015	**10**	**7,603**	**507,780**	**1,901**	**517,294**

Notes to the condensed consolidated interim financial statements at 30 June 2015

1. Basis of preparation

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

The new interpretations and standards that are applicable from 2015 (includng IFRIC21) did not have any significant impact on the Company's financial statements.

2. Significant accounting policies

The condensed consolidated interim financial statements are prepared on a historic cost basis, with the exception of investment property (under construction) and derivative financials instruments, which are stated at fair value.

All figures are in thousands of EUR (KEUR), unless stated otherwise.

The accounting policies adopted are consistent with those followed for the preparation of the Company's consolidated financial statements for the year ended 31 December 2014.

3. Property development inventories

Property Development Inventories contain mainly plots of land held for development of residential purposes and residential buildings either finished or still under construction.

	30/06/2015	**31/12/2014**
Property Development Inventories	44,463	50,183
	44,463	**50,183**

A large part (17,624 KEUR) of the 30/06/2015 inventory balance relates to the Q-Bik project (350 residential soft lofts in the Mokotów district of Warsaw); project for which at the date of this report, approx. 85% of available units have been sold.

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4. Investment property (under construction)

Balance at 31 December 2014	**417,553**
Acquisition of properties	**1,597**
Acquisition through business combinations	
Subsequent expenditure	**58,202**
Transfers	
- Assets classified as held for sale	
- Other transfers	
Adjustment to fair value through P/L	**50,092**
Disposals	
CTA	**4,299**
other	
Balance at 30 June 2015	**531,743**

Investment Properties are stated at fair value as determined by either independent appraisers or by management and are classified in 4 categories:

A. Land without pre-permit approval, held for capital appreciation or undetermined use (fair value based on comparative method);
B. Land with pre-permit approval held for development and investment (fair value based on the potential of constructing leasable m²);
C. Land + Construction ongoing (fair value based on the residual method);
D. Completed Projects held for investment,

SPV	Commercial Name	Valuation	Cat	30/06/2015	31/12/2014
				KEUR	KEUR
Apollo Invest	Spinnaker Tower	KNF	B	18,313	17,259
Postepu SKA/Business Bud	Postepu Business Park	KNF	B	10,030	10,043
Sienna Towers SKA/Capital SKA	Sienna Towers	KNF	B	55,658	52,897
WS SKA/Warsaw Spire	Spire and Chopin Tower	KNF	C/D	327,705	244,183
Sobieski SKA/Innovation	Sobieski Tower	DTZ	B	18,330	17,748
Market SKA	Mszczonow Logistics	ASB	B	2,832	2,832
SBP SKA/Pro Business	Synery Business Park Wroclaw	KNF	B	20,315	20,002
Grybowska77 SKA	Grzybowska	KNF	B	23,460	9,700
Wronia SKA/Logistyka SKA	Wronia	KNF	B	17,090	16,650
Vogla SKA/Callista SKA	Wilanow Retail	KNF	C	12,329	6,927
Tilia SKA/ACG1 SKA	Powisle	KNF	A	5,790	6,120
Dahlia SKA	Woloska 24	KNF	C	19,891	13,192
TOTAL :				**531,743**	**417,553**

Legend : KNF = Knight Frank, DTZ= DTZadelhof, ASB = Asbud

The average yields used in the expert valuations (applying residual method) on 30 June are as follows:

- 5.75% to 8.25% depending on the specifics, nature and location of the developments (vs. 6.50% to 8.25% per 31/12/2014).

5. Restricted cash

	30/06/2015	31/12/2014
Restricted cash non-current	0	256
Restricted cash current	0	0
	0	256

Last year’s outstanding balance (related to an amount on escrow and still to be released after the Trinity Park III sale of 2010) has in the current period been settled.

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6. Interest bearing loans and borrowings

	30/06/2015	31/12/2014
Non-current		
Bank borrowings – floating rate	139,762	94,515
Other borrowings – floating rate	271,691	234,639
	411,453	**329,154**
Current		
Bank borrowings – floating rate	24,012	19,832
Other borrowings	2,762	16,568
	26,774	**36,400**
TOTAL	**438,227**	**365,554**

6.1 Bank borrowings

During the period, the Company obtained new secured bank loans mainly expressed in EUR and/or PLN and withdrew on existing credit facilities for a total amount of 50.6 MEUR, all Euribor and Wibor based. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 1.2 MEUR, net of prolongation of a number of borrowings.

When securing debt finance for its (larger) projects, the Company always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (2 year term) into development loans (additional 2 year term) and swaps development loans into investment loans (usually 5 years term) upon the fulfilment of pre-agreed conditions.
Most banking partners of the Company have accepted the above as a "framework" for past, current and future co-operation.

With respect to the outstanding short-term bank borrowings, it is to be mentioned that in the second half of 2015, part will actually be reimbursed following the contractual terms and part will be prolonged or refinanced (e.g. through resp. swap to development or investment loan).

92% of the outstanding non-current bank borrowings is maturing within a 3 years-period and 8% is maturing after more than 5 years.

6.2 Bonds (150,124 KEUR long-term – 0 KEUR short-term)

The Company has in the current period (via Ghelamco Invest Sp. z o.o.) issued series PE within its 200 MPLN public bonds program for an amount of 50,000 KPLN to institutional investors. These bonds have a term of 4 years and bear an interest of Wibor 6 months + 4.5%.

In addition, the Company issued series PPB and PPC within its new 250 MPLN public retail bonds program for an amount of resp. 50,000 KPLN and 30,000 KPLN. These bonds have a term of 4 years and bear an interest rate of Wibor 6 months + 4.0%

The bond proceeds are to be applied for the financing of the Company's further investment projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

On the other hand, the Company has reimbursed following bond tranches, at their maturity date:
-55.800 KPLN remaining bonds from Series C of the 200 MPLN private bonds program;
-3.200 KPLN remaining bonds from Series D of the 200 MPLN private bonds program.

Total bonds balance outstanding per balance sheet date (150,124 KEUR) represents the amount of issue (617.60 MPLN + 6,3 MEUR) less capitalized issue costs, which are amortised over the term of the bonds.

6.3 Other loans (124,329 KEUR)

Remaining outstanding loans mainly relate to intercompany loans (121,490 KEUR), LT rent deposits (77 KEUR) and a short-term loan (2,750 KEUR) from a third party investor maturing on 30/09/2015.

The intercompany loans are granted at arm's length conditions.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2015.
Bank borrowings are secured by amongst others the property development projects of the Company, including land and in-process construction, pledge on SPV shares, etc.
The bonds are secured by a redemption surety granted by Granbero Holdings Ltd, (the Company).
The loan agreements granted by the bank are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the period and per end of the period, there were no events of default in respect of these borrowings.
Also the terms and conditions of the bond issues have been complied with as of balance sheet date.

7. Revenue

Revenue can be detailed as follows:

	30.06.2015	30.06.2014
Sales of Residential Projects	6,315	8,185
Rental Income	2,444	2,136
TOTAL REVENUE	**8,759**	**10,321**

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Rental income as of 30 June 2015 relates to rent from commercial projects (mainly Warsaw Spire).

The residential projects sales as of 30 June 2015 fully relate to soft loft apartments in the QBik project, Warsaw.

8. Other items included in operating profit/losss

Other operating income

The current period's other operating income mainly relates to re-charges to related parties.

	30/06/2015	30/06/2014
Gains from revaluation of Investment Property	50,092	23,404

Fair value adjustments over the first half of 2015 amount to 50,092 KEUR, which is mainly the result of current period's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels). Main fair value adjustments have been recognized on the Warsaw Spire project (of which building B was delivered in 2014 and building C in 2015) and the Grzybowska77 project (plot for the future development of a +/- 30 Ksqm mixed office and retail project).

	30/06/2015	30/06/2014
Other operating expenses		
Taxes and charges	783	336
Insurance expenses	17	9
Audit, legal and tax expenses	196	671
Sales expenses (agency fees and w/o agency fees)	754	6,439
Maintenance cost (projects)	223	-
Rental guarantee expenses	1,103	1,204
Operating expenses with related parties	964	597
W/o TPIII earn-out	256	-
Miscellaneous	953	2,917
Total:	**5,249**	**12,173**

End of June 2014 sales expenses related to a significant extent to the release to the P/L of capitalized agency fees on the Katowice Business Point, the Marynarska 12/T-Mobile Office Park and the Lopuszanska Business Park projects, which were sold shortly after period-end.

9. Finance income and finance costs

	30/06/2015	30/06/2014
Foreign exchange gains	-	-
Interest income	4,211	4,290
Other finance income		
Total finance income	**4,211**	**4,290**
Interest expense	-3,681	-12,004
Other interest and finance costs	-895	-1,447
Foreign exchange losses	-2,022	-64
Total finance costs	**-6,598**	**-13,515**

The decrease in interest expenses is explained by the fact that current period's portfolio mainly contains projects under development and/or construction, while last year's portfolio still contained a significant number of delivered projects (which have in Q3 2014 been sold to Starwood). Financing costs on not yet delivered projects are capitalized while financing costs on delivered/income generating projects are expensed.

10. Financial instruments

The table below summarizes all financial instruments by category and discloses the fair values of each instrument and the fair value hierarchy.

Financial instruments (x € 1 000)	**30.06.2015**				
	At fair value through P/L- held for trading	**Available for sale**	**Loans and receivables/HTM at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets		-	378	378	2
Non-current receivables					
Receivables and prepayments			251,749	251,749	2
Restricted cash			-	-	
Current receivables					
Trade and other receivables			124,901	124,901	2
Derivatives	-			-	
Cash and cash equivalents			56,691	56,691	2
Total Financial Assets	**0**	**0**	**433,719**	**433,719**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			139,762	139,762	2
Bonds			150,124	150,124	2
Other borrowings			121,567	121,567	2
Interest-bearing borrowings - current					
Bank borrowings			24,012	24,012	2
Bonds			-	-	2
Other borrowings			2,762	2,762	2
Current payables					
Trade and other payables			51,377	51,377	2
Total Financial Liabilities	**-**	**-**	**489,604**	**489,604**	

Financial instruments (x € 1 000)	31.12.2014				
	At fair value through P/L-held for trading	**Available for sale**	**Loans and receivables/HTM at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets		-	1,022	1,022	2
Non-current receivables					
Receivables and prepayments			234,996	234,996	2
Restricted cash			256	256	2
Current receivables					
Trade and other receivables			120,972	120,972	2
Derivatives	290			290	2
Cash and cash equivalents			46,755	46,755	2
Total Financial Assets	**290**	**0**	**404,001**	**404,291**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			94,515	94,515	2
Bonds			117,959	117,959	2
Other borrowings			116,680	116,680	2
Interest-bearing borrowings - current					
Bank borrowings			19,832	19,832	2
Bonds			13,806	13,806	2
Other borrowings			2,762	2,762	2
Current payables					
Trade and other payables			27,597	27,597	2
Total Financial Liabilities	**-**	**-**	**393,151**	**393,151**	

11. Transactions with related parties

Since 2007, Ghelamco (Consortium)'s business activities are structured in three major holdings under common control of the ultimate shareholders:

- Investment Holding: comprises resources invested in the development of real estate projects in Belgium, Poland, Russia and Ukraine and the intra-group Financing Vehicles – referred to as "Investment Group" or the "Group";

- Development Holding: represents international entities that provide construction, engineering and development services to the Investment Group;

- Portfolio Holding: consists of all other activities and real estate investments controlled by the ultimate shareholders.

Granbero Holdings Ltd (the "Company") is the holding company of the Polish activities of Ghelamco Group Comm. VA, which is in turn the holding company of the Investment Group. Granbero Holdings Ltd, together with its direct and indirect legal subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

Balances and transactions between the Company and related parties (belonging to the Development Holding and the Portfolio Holding) mainly relate to construction and development services on the one hand and financial related party transactions on the other hand.

Trading transactions: purchase of construction, engineering and other related services from related parties

Construction and development services
The Company has entered into property development and construction contracts with property development and construction companies ("Contractors"), subsidiaries of International Real Estate Services Comm. VA, the parent company of Ghelamco's "Development Holding":

- Ghelamco Poland with its registered office in Warsaw.

Engineering and architectural design services
APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland) and Safe Invest Sp. z o.o (a limited liability company registered under the laws of Poland), both direct and indirect legal subsidiaries of International Real Estate Services Comm. VA, the parent company of Ghelamco's "Development Holding", coordinate engineering and architectural design services provided to the Company in accordance with terms of the respective contracts. Purchases of services from Apec Ltd and Safe Invest Sp. z o.o exceed 80% of all engineering, architectural design and other related services acquired by the Company.

Other related party transactions

The excess cash balances generated by the Company's real estate development activities can, besides being reinvested in the Polish entities belonging to the Investment Holding, also be invested in entities belonging to the Development Holding and Portfolio Holding in the form of short and long-term loans. These loans are granted at the arm's length conditions.

Above described related party transactions and balances can be detailed as follows:

Purchases of construction, engineering and architectural design:	-52,239
related party trade receivable	4,839
related party trade accounts payable	-23,120
related party non-current loans receivable	241,767
related party interests receivable	44,645
related party C/A receivable	71,443
related party non-current loans payable	-121,490
related party interests payable	-15,767
related party C/A payable	-5,203

12. Post balance sheet events

- None

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Granbero Holdings Ltd and subsidiaries

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015

GHELAMCO

Deloitte.

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Granbero Holdings Ltd and subsidiaries

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015

We are pleased to report to you on the audit assignment you have entrusted us. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 12.

Report on the consolidated interim financial information

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

The condensed consolidated balance sheet shows total assets of 1,025,378 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 36,757 (000) EUR.

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

Scope of review

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

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Conclusion

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

Diegem, 28 September 2015

The independent auditor

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