

PRESS RELEASE**Regulated information**

Brussels, 20 April 2016 at 5:40 p.m.

Project to merge IMMOBEL and Allfin: Creating the largest listed real-estate development group in Belgium

- **Allfin and IMMOBEL, two major players in real-estate development in Belgium, are proposing to combine their businesses and expertise by means of a merger by absorption of Allfin by IMMOBEL.**
- **The new entity, which will operate under the name IMMOBEL, will become the largest publicly traded Belgian real-estate developer, with an expected market capitalisation of more than €400 million and assets of over €920 million¹.**
- **It will be stronger both operationally and financially. It will also offer some great growth prospects.**

The Boards of Directors of the two major players in real-estate development in Belgium, Allfin and IMMOBEL, have unanimously agreed to propose a merger of their businesses through a merger by absorption of Allfin by IMMOBEL.

IMMOBEL and Allfin were assisted by several independent experts (PWC, BNP Paribas Fortis, ING, KBC, Allen&Overy and Linklaters) and used a common methodology for studying the feasibility of the merger.

The advantages of this operation are clear:

- It will create the largest listed real-estate development group in Belgium.
- The new entity will also be stronger both operationally and financially.
- The merged group will be able to take great growth opportunities.

All these advantages will benefit all shareholders.

¹ This is an update of the amount of €850 million announced on 6 April 2016.



IMMOBEL
since 1863

New operational advantages

We would recall that Allfin operates mainly on the residential market, offices and retail, and has offices in Belgium and the Grand Duchy of Luxembourg. Allfin is also a reference on the urban renewal market through the redevelopment of iconic sites in Brussels, such as Chambon (former headquarters of CGER) and the Ernest and Solvay projects (former headquarters of Solvay). Other flagship Allfin projects are O'Sea, Infinity, Polvermillen, Lebeau, Royal Louise and Riverview. Together the projects comprise nearly 327,000 m².

IMMOBEL, meanwhile, is active in three countries: Belgium, the Grand Duchy of Luxembourg and Poland, and in three segments: offices, residential and landbanking. IMMOBEL's flagship projects include: Brussels Tower (Möbius), Black Pearl, Universalis Park, CBD One, Cedet and Galerie Kons. Together these projects comprise nearly 440,000 m².

The complementary activities and expertise of the two groups will create a portfolio that is well diversified both geographically and in terms of segments and projects:

- Based on estimates of gross margins, within the next four years the distribution of the new entity will be 56% in Belgium, 33% in Luxembourg and 12% in Poland.
- The merged group will have a greater presence in the residential segment (58% from 2016 to 2019 as against 20% currently for IMMOBEL), which is more profitable and has a lower risk profile. This will be an opportunity to increase profitability.
- Finally, the portfolio will be more diversified, with more projects. The risk, associated with certain major projects, will therefore be reduced. Allfin's know-how and dynamism in managing its portfolio will also improve the rotation of the projects in the new entity.

"This merger will reinvigorate IMMOBEL, notably through greater expertise in the residential segment, increased presence in the Grand Duchy of Luxembourg, and a more dynamic management of the portfolio," announced Alexander Hodac, CEO of IMMOBEL.

A more robust financial situation

Aside from the operational aspects, the merger will bring many financial advantages:

- While IMMOBEL had a debt/equity ratio of 123.4%, Allfin's ratio is no more than 62.3%. The merged entity will have a lower debt ratio.
- The cash flow generated will also be more stable and regular.
- IMMOBEL reported an average Return on Equity (RoE) of 5% in 2014-2015, while Allfin reported 15% for the same period. The new entity will generate a higher RoE.

"The new entity will have the size and the financial resources needed to ensure good growth and take new opportunities. A prospect that will benefit all the shareholders", notes Marnix Galle, CEO of Allfin.



IMMOBEL
since 1863

These various financial advantages will enable the company to offer shareholders a more attractive and growing dividend on a regular basis.

Governance

In future, the group will be run by Marnix Galle as Executive Chairman and Alexander Hodac as CEO.

The new entity will also have a highly talented team of 94 people, notably including integrated sales and after-sales teams. This is an asset that will allow it to respond better and more quickly to market needs.

Forthcoming stages of the operation

At an Extraordinary General Meeting due to take place in June, IMMOBEL will invite the shareholders to approve the merger based on a valuation of IMMOBEL of €48.76 per share, or €201 million. This valuation reflects a premium of 18.7% in relation to the average IMMOBEL share price over the past 30 days (€41.07) at the time of the announcement, on 6 April 2016. Since Allfin has been valued at €286 million, the Allfin shareholder will hold a 58.77% stake in the new company.

As remuneration for the planned merger by absorption provided with Allfin, IMMOBEL will issue new shares and will hold 12.3% of its own shares. As long as the treasury shares will not be replaced on the financial market, the shareholder of Allfin will temporarily own 66% of the shares in circulation of the new entity.

All the documents required for the approval of the merger will be made available shortly.

The transaction is due to be completed by the end of June 2016, following approval by the competition authorities, related consultation procedures and final approval by the shareholders.

#

About IMMOBEL:

IMMOBEL, listed on Euronext Brussels since 19th September 1863, is since more than 150 years a major player in property development in Belgium. It is also active in the Grand Duchy of Luxembourg and in Poland. Its business covers the office, residential and landbanking sectors, ensuring the diversification of its portfolio of projects. Its vision of the market and its expertise enable it to design, develop and manage ambitious real estate projects that create long-term value while respecting the environment and integrating the major issues facing society.

IMMOBEL is listed on Euronext Brussels as "IMMOBEL".

For more information, see also: www.immobel.be



IMMOBEL
since 1863

About Allfin:

Allfin is a dynamic real-estate development company founded in 2001 and owned by Marnix Galle. It has grown rapidly and employs some 40 staff in Belgium and Luxembourg. It is a 360° developer that manages all phases of real-estate development, from buying land to conceptualisation and construction through to the marketing of the project by its integrated sales team. Allfin has a portfolio of 327,000 m² on the residential, office, retail and mixed markets, and has recently become a market reference for urban renewal through the redevelopment of iconic sites in Brussels (Chambon, Ernest Solvay, etc.). Allfin is also developing several residential projects at the coast and in the Grand Duchy of Luxembourg where it has set up an office to carry out various major projects.

For more information, see also: www.allfin.be

Further information:

Akkanto

Nathalie van Ypersele

Tel.: 0478/20.10.62

Mail: nathalie.van.ypersele@akkanto.com