Kimberly Enterprises N.V.

Amsterdam

Financial Statements for the year 2015

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After appropriation of results

	Note	2015		2014	
		Thousands Euro			
Financial fixed assets					
Subsidiaries	4.b	3,669		579	
Total financial fixed assets					
Current assets					
Loans to subsidiaries	4.b	4,100		8,159	
Loans given to subsidiaries	4.c	222		235	
Other assets		-		4	
Cash and cash equivalents		2		1	
Total current assets			4,324		8,399
TOTAL ASSETS			**7,993**		**8,978**
Equity					
Issued share-capital	4.d	878		878	
Share premium	4.d	39,298		39,298	
Legal reserve	4.e	2,688		2,940	
Other reserves	4.f	(83,258)		(73,256)	
Total equity			(40,394)		(30,140)
Provisions for negative equity value subsidiaries	4.g		19,908		10,202
Current liabilities					
Loans from subsidiaries	4.g	2,579		3,879	
Other liabilities	4.h	25,900		25,037	
Total current liabilities			28,479		28,916
TOTAL EQUITY AND LIABILITIES			**7,993**		**8,978**

After appropriation of results

	Note	2015		2014	
		Thousands Euro			
Result participations after taxation	4.b,4.g	(6,816)		(8,529)	
Gain from company disposal, net	4.b,4.g	745		-	
General and administrative expenses, net		(209)		(135)	
Operating results			(6,280)		(8,664)
Financial income and expenses, net	5.a		(3,722)		(1,288)
Results from ordinary activity before taxation			(10,002)		(9,952)
Corporate income tax			-		-
Result after taxation			**(10,002)**		**(9,952)**

NOTE 1 - GENERAL

Kimberly Enterprises N.V. (the “Company”) is a Company domiciled in The Netherlands. The Company owns entities in Eastern Europe which purchase, develop, hold and sell real estate assets.
The Company has been listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange, United Kingdom since 15 December 2005.

The main shareholder of the Company is Engel General Developers Ltd. (incorporated in Israel) (“EGD”) which owns, at 31 December 2015, 68.35% of the Company's issued share capital. Engel Resources and Development Ltd. (incorporated in Israel) (“ERD”) holds 100% of the share capital of EGD. See also subsequent even point e under the “other information” as per the changes on the shareholders of ERD.

The financial data of the Company are included in the consolidated financial statements of Engel General Developers Ltd.

At the Annual General Meeting of the Company held on 7 March 2012 it was approved to change the name of the Company from Engel East Europe N.V. to Kimberly Enterprises N.V.

Copies of the financial statements of the Company are available on the Company’s website (www.kimberly-enterprises.com) and upon request from the Company’s registered office at Laurierstraat 71, 1016PJ Amsterdam, Netherlands.

NOTE 2 - ACCOUNTING POLICIES

ACCOUNTING POLICIES IN RESPECT OF THE VALUATION OF ASSETS AND LIABILITIES

a. General

The financial statement has been prepared in accordance with accounting principles generally accepted in The Netherlands and is denominated in Euro’s.
Assets and liabilities are stated at cost, unless indicated otherwise.

b. Basis of preparation

The Company financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. The Company uses the option of Article 362.8 of Title 9, Book 2, of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU.

c. Foreign currencies

The functional currency of the Company is Euro. Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated into Euro at the rates prevailing on the balance sheet date. Exchange results are included in the result.
Exchange differences arising from the valuation of subsidiaries at year’s end, if any, are classified as equity and transferred to the Company’s translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

NOTE 2 - ACCOUNTING POLICIES (continued)

d. Financial fixed assets

The participating interests in whom the company is able to exert a significant influence on policy are included at the amount of the group's share of the net asset value of the interests concerned. The net asset value is calculated according to the same policies as have been applied to these financial statements. The other participating interests are stated at cost.
Participations with a negative equity are valued at nil. If the company fully or partly guarantees the liabilities of the participation concerned a provision is formed for the share in the losses incurred by the participation or for the amount of payments the company is expected to make on behalf of these participations, primarily against the receivables from this participation and for the remainder under provisions.
The loans to non-consolidated participating interests are stated at face value net of any provisions deemed necessary.

e. Provisions

Provisions are formed in respect of concrete or specific risks and liabilities existing on the balance sheet date, which extent is uncertain, but can reasonably be estimated.
The other provisions are stated at face value.

ACCOUNTING POLICIES IN RESPECT OF RESULT DETERMINATION

f. Other operating expenses

Expenses are based on the historical cost convention and attributed to the financial year to which they pertain.

g. Corporate income tax

Corporate income tax is calculated at the standard rates, taking account of fully and partly allowable items for tax purposes.

h. Profit in participating interests

The share of profit of participating interests consists of the share of the Company in the results of these participating interests.

i. Internal organisation and staffing establishment

The Company does not employee any personal. The activity in the Group is been done through management companies that operate in each country. The personal by the end of 2015 was 8 compare to 11 by the end of 2014.
As of today the Company is not intending to increase the number of employees in the Group.

NOTE 3 - THE COMPANY'S FINANCIAL POSTION

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to raise funding to meet its obligations to the banks, its employees and service providers.

During the reporting period, the Group reached settlement agreements with former employees and service providers for past open debts. As a result an income was recognised under General and administrative expenses, net

Since January 2011, the Group has been in breach of the obligation to make the lease payments for Marina Dorcol. During the reporting period, management recognised an expense of EUR 7,085 thousands as a result of the lease interest, inflation and loss of discount on the unpaid overdue lease contracted payments.

At 31 December 2015, the Group was in breach of EUR 33.3 million (2014: EUR 21.6 million) of lease payments. After the reporting date, the Company further breached its obligation to pay by an additional amount of EUR 0.2 million.

Following the above, the municipality initiated several claims during recent periods to collect those debts.
In the event that it does not settle the debt, the Company is exposed to the following sanctions and risks:

- Termination of the lease contracts which will cause the loss of the right to use of land;
- Should any party commence bankruptcy proceedings against Marina Dorcol, the Company would lose control of Marina Dorcol and would be exposed to uncertainty with respect to compensation from the bankruptcy estate, since the Company will be in the "last row of creditors".

In the event that the Serbian municipality decides to terminate the lease contract, it has to give to the Company written notice of its intention to do so and detail the reasons for the termination. The Company will have 90 days to remedy the breach in order to avoid the agreement termination (i.e. perform the payment obligation, and if it fails to do so the municipality is entitled to terminate the agreement).

In the event that the Company does not accept the reasons for the termination, they should initiate a procedure before the Commercial Court in Belgrade for the determination of the validity of the request for the termination and whether the request is based on valid legal and commercial reasons.

In the event of termination, the final result of termination would be the restitution of the amounts paid by the Group in respect of Marina Dorcol based on the agreements with the municipality, decreased by the amount of compensation for usage of such land for the period of duration of lease and for compensation of damages which occurred for the municipality, if any.

See the subsequent events note under other information as per the resent development on the above matter.

During the reporting period and in order to manage its financial situation, the Company approached Engel Resources and Development Ltd. ("ERD"), the parent company of the Company's immediate parent company, Engel General Developers Ltd. ("EGD"), to provide additional financial assistance to fund the Company's immediate liabilities.
During the first and second quarters of 2015, ERD provided several bridge loans for a total amount of EUR 304 thousands (2014: EUR 1 million). As of 31 December 2015, the outstanding debt toward ERD is EUR 25.1 million (2014: EUR 24.8 million) and was due by 30 April 2016.

NOTE 3 - THE COMPANY'S FINANCIAL POSTION (continued)

In order to finance the Company's immediate liabilities and to stabilise its financial position, management decided to realise several assets. During the reporting period, the Company realised several assets in Poland, Czech Republic and Canada (see below the effect on previous and current equity-accounted investments).

Management believes that the above mentioned conditions indicate the existence of material uncertainties which cast significant doubt on the Group's ability to continue as a going concern.
Should the going concern assumption not be appropriate, adjustments would have to be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the financial statements.

During the reporting period, before acquiring controlling interest in the previous jointly controlled entities, Arces and ENMAN repaid part of the loans granted by the Company in the total amount of EUR 4,705 thousands. The amount was generated from the sale of the plot in Troja and sales of assets in Poland and the Czech Republic.

An amount of EUR 4,000 thousands was used to repay part of the loans granted by while the remainder was used to repay the overdue liabilities of the Company and to finance the Group's operational activity in the upcoming few months.

During the reporting period, the jointly controlled entity, MLP, repaid part of the loans granted by the Company in the total amount of EUR 351 thousands. The amount was generated following the sale of Trianon plot in Montreal, Canada.

NOTE 4 - NOTES TO THE FINANCIAL POSITION STATEMENT

a. List of subsidiaries

At 31 December 2015, included under this heading are the following participating interests:

Name, registered office	Share in issued capital as percentage
Engel Management s.r.o., Prague, Czech Republic.	100,0
Palace Engel Troja a.s., Prague, Czech Republic. (d)	100,0
Engel Management S.p Z.o.o., Warsaw, Poland.	99,0
EURO-BUL Ltd., Tel- Aviv, Israel.	100,0
Arces International B.V., Bavel, The Netherlands. (c), (a)	100,0
ENMAN B.V., Amsterdam, The Netherlands. (c)	100,0
ECG Trust Canada Holding Trust, Montreal, Canada.	95,0
Marina Dorcol DOO, Belgrade, Serbia.	95,0
Marina Management DOO, Belgrade, Serbia.	100,0
Engel Rose s.r.l., Bucharest, Romania.(b)	95,0
Davero Invest s.r.l., Bucharest, Romania (a)	100,0
6212-964 Canada Inc., Montreal, Canada.	95,0
9152-8372 Quebec Inc., Montreal, Canada.	100,0

NOTE 4 - NOTES TO THE FINANCIAL POSITION STATEMENT (continued)

a. List of subsidiaries (continued)

(a) The subsidiary was sold during 2016.
(b) During 2016 the Company reached full control over this entity.
(c) On 31 July 2015 the Company reached an agreement with Heitman and as a result acquired control in Arces and ENMAN (a process which was completed during August 2015). According to the agreement the Company waived its share of distributions from Arces and ENMAN amounting to EUR 1.1 million (consists of EUR 0.9 million dividends and EUR 0.2 loans repayments) which will instead be paid to Heitman (out of an aggregate distribution of EUR 3.5 million, which was fully repaid during August 2015). In return Heitman will transfer to the Company all its rights in Arces and ENMAN.
Following the transaction the Company owns 100% of both Arces and ENMAN. In August 2015 the Company acquired control in Arces and ENMAN and began to consolidate both companies in its consolidated financial statements. As the two transactions are linked, the difference between the consideration paid and the fair value of the net assets acquired was calculated as a single amount for the two companies together.
As a result of the transaction which was done on a fair value basis, the effect of the transaction in the profit or loss is nil (the acquisition of Arces resulted in a loss of EUR 3,278 thousands while the acqicesion of ENMAN resoluted in a gain of EUR 3,278 thousands).
(d) Liquidated during 2016.

Participating interests are measured on the basis of the net asset value.

b. Financial fixed assets - participations and loans in group companies

	Subsidiaries	Loans to subsidiaries (*)	Total
		Thousands Euro	
Balance at 1 January 2015	579	8,159	8,738
Result for the year	216	260	476
Granted (repaid) loans	-	(3,190)	(3,190)
Loss from company disposal	(96)	-	(96)
Gain from company purchase (**)	3,278	-	3,278
Exchange rates results	(318)	(127)	(445)
Interest	-	134	134
	3,659	5,236	8,895
Movements	10	(1,136)	(1,126)
Balance at 31 December 2015	**3,669**	**4,100**	**7,769**

(*)The redemptions dates were not agreed and the interest rates are in the range of 0%-15%.
(**) See note 4.a.c.

NOTE 4 - NOTES TO THE FINANCIAL POSITION STATEMENT (continued)

c. Loans given to subsidiaries

		2015	2014
	Interest rate	Thousands Euro	
Palace Engel Veleslavin a.s	3M Euribor+0.75%	222	235
Total		**222**	**235**

The redemptions dates were not agreed.
The loan has been fully paid during 2016.

d. Issued share-capital

	31 December 2014 and 2015
	Thousands Euro
Authorised:	
120,000,000 ordinary shares of par value EUR 0.01 each	1,200
Issued and fully paid:	
At the beginning of the year (87,777,777 ordinary shares)	878
At the end of the year (87,777,777 ordinary shares)	**878**

On 15 December 2005 the Company initially offered its shares in the AIM stock exchange market in London ("the IPO"). The proceeds from the IPO were 30,000,000 British Pounds and 27,777,778 shares were issued, accordingly EUR 39,298 thousands were recorded as share premium.

e. Legal reserves

	2015	2014
	Thousands Euro	
Balance at 1 January	2,940	1,445
Movements during the year	(252)	1,495
Balance at 31 December	**2,688**	**2,940**

The reserve comprises all foreign exchange differences arising from the effect of movements in exchange rates of foreign subsidiaries into the Group's presentation currency.
The translation reserve and other legal reserves are previously formed under and still recognised and measured in accordance with the Dutch Civil Code.

f. Other reserves

	2015	2014
	Thousands Euro	
Balance at 1 January	(73,256)	(63,304)
Result after taxation	(10,002)	(9,952)
Balance at 31 December	**(83,258)**	**(73,256)**

NOTE 4 - NOTES TO THE FINANCIAL POSITION STATEMENT (continued)

g. Financial fixed liabilities - participations and provisions in group companies

	Provisions for negative equity value subsidiaries (**)	Loans from subsidiaries (*)	Total
	Thousands Euro		
Balance at 1 January 2015	(10,202)	(3,879)	(14,081)
Result for the year	(7,292)	-	(7,292)
Granted (repaid) loans	(1,471)	1,301	(170)
Gain from company disposal	841	-	841
Loss from company purchase (**)	(3,278)	-	(3,278)
Exchange rates results	196	(1)	195
Interest	172	-	172
	(21,034)	(2,579)	(23,613)
Movements	1,126	-	1,126
Balance at 31 December 2015	**(19,908)**	**(2,579)**	**(22,487)**

(*) The redemptions dates were not agreed and the loans carry no interest.
(**) See note 4.a.c.
(***) The Company did not provide any guarantees over the provisions booked over the negative value of its subsidiaries. The main reason for recording these liabilities is accounting and bookkeeping reasons, these provisions are expected to be realised within the operating cycle of the Company.

h. Other liabilities

	2015	2014
	Thousands Euro	
Loans granted by Engel Resources and Development Ltd.	25,081	23,881
Loans granted by GBES Ltd.	199	188
Trade accounts payables	32	382
Accruals	95	93
Minority interest	493	493
Total	**25,900**	**25,037**

NOTE 5 - NOTES TO THE PROFIT AND LOSS STATEMENT

a. Finance (income) expenses, net

	2015	2014
	Thousands Euro	
Bank charges	5	3
Interest on interest bearing loans from bank	101	212
Income from loans granted to related parties	(308)	(527)
Interest on loans from related parties	1,275	1,330
Net foreign exchange losses	2,649	270
Total	**3,722**	**1,288**

STATUARY AUDIT

This financial statement of Kimberly Enterprises N.V. have not been audited, because the standards are fulfilled which have been set out in Article 396, Book 2, of the Dutch Civil Code.

PROVISIONS IN THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF PROFIT

In accordance with the Company´s Articles of Association the result is at the disposal of the General Meeting of Shareholders.

PROPOSAL FOR PROFIT APPROPRIATION

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2015 loss after tax: an amount of EUR 10,002 (x 1,000) to be deducted from the other reserves. The result after taxes for 2015 is included under the other reserves item in the shareholders' equity.

SUBSEQUENT EVENTS

a. On 26 January 2016, the Company sold its investment in its wholly owned subsidiary, Davero Invest s.r.l ("Davero").
   As a consequence the Company no longer controls Davero, therefore ceased consolidating Davero in its financial statements. The Company will recognised income of EUR 115 thousands.

b. On 10 March 2016, the Company and its wholly owned subsidiary, Eurobul Ltd. ("Eurobul") signed a loan agreement totalling EUR 2,164 thousands with Real Property Investment (Guernsey) Limited ("RPIGL").
   According to the contract with RPIGL, the loan could only be used for the full repayment of the bank loans granted by Bank Leumi Le-Israel Ltd. to Eurobul.
   In order to secure the repayment of the loan the Company committed to use all funds generated from the following cash distributions:
   a. The net distribution generated from the sale of wholly owned subsidiary Palace Engel Vokovice s.r.o. (see note d below).
      During the reporting period, the Company paid RPIGL the funds according to this clause in the total amount of EUR 750 thousands.
   b. The net distribution generated from the sale of the two plots in Canada (see note h below).
      During the reporting period, the Company paid RPIGL the funds according to this clause in the total amount of EUR 1,164 thousands.
   c. 2/3 of the proceeds generated from the sale of any assets of the Company and Eurobul will be paid to RPIGL as soon as funds are available.
      During the reporting period, the Company paid RPIGL the funds according to this clause in the total amount of EUR 250 thousands.

   The loan is denominated in EUR and carries no interest.
   RPIGL holds 6.44% of the voting rights and issued share capital of the Company. RPIGL is a related party of GBES Limited as they are controlled by the same shareholder.

SUBSEQUENT EVENTS (continued)

c. On 14 March 2016 and 16 March 2016, Eurobul Ltd. (a wholly owned subsidiary of the Company) repaid two outstanding bank loans in full, granted by Bank Leumi Le-Israel Ltd. ("the lender bank"), totalling EUR 2,179 thousands.
According to the terms of the agreement with the lender bank, in the case of full repayment of the two loans, the lender bank will waive the third bank loan in full, totalling EUR 576 thousands.
The lender bank waived the loan on 16 March 2016 and the Company will recognised finance income totalling EUR 576 thousands.

d. On 16 December 2015, Arces International B.V. (a wholly owned subsidiary of the Company) signed a conditional agreement to sell its shares and receivables in the wholly owned subsidiary Palace Engel Vokovice s.r.o ("Vokovice s.r.o").
On 14 March 2016 the sale was completed. As the plot of land held by Vokovice s.r.o was measured as of 31 December 2015 based on its net realisable value which was determined based on the transaction price in the conditional agreement the transaction did not generate any material result in the profit or loss of the financial statements.
The proceeds have been used for the repayment of the loan granted by Real Property Investment (Guernsey) Limited, see note b above.

e. During 2016, the transfer of 2,871,460 ordinary shares ("Shares") in ERD held by advocates Yuri Nechushtan and Eyal Neiger as receivers to GBES Limited ("GBES") has been completed.
The ownership of the Shares was to be split between GBES and the Gabay Group, an Israeli real estate group (the "Gabay Group"). As an interim measure, during the first quarter of 2016, the Shares were transferred to GBES that held 1,133,372 ordinary shares in ERD in trust for the Gabay Group. As a result, GBES held 2,871,460 ordinary shares in ERD (representing 53.0% of the voting rights of ERD) and the Gabay Group held 536,555 ordinary shares in ERD (representing 9.9% of the voting rights of ERD).
During the second quarter of 2016, the ownership of 1,133,372 ordinary shares in ERD previously held in trust by GBES was transferred to a company that is 100% owned by Mr Eli Gabay.
As a result, GBES holds 1,738,088 ordinary shares in ERD (representing 32.1% of the voting right of ERD) and Gabay Group (through two different entities) holds a total of 1,669,927 ordinary shares in ERD (representing 30.9% of the voting right of ERD), including the 536,555 ordinary shares in ERD held by Gabay Group prior to the splitting of the Shares.

ERD controls Engel General Developers Ltd., which holds 68.35% of the issued share capital of the Company.
Accordingly, GBES currently holds a 21.9% economic interest in the Company and the Gabay Group currently holds a 21.1% economic interest in the Company.
In addition, Real Property Investment (Guernsey) Limited ("RPIGL") holds 6.4% of the voting rights and issued share capital of the Company. The shares of RPIGL and GBES are held by a discretionary settlement, of which certain members of the Morris family are potential beneficiaries, and which therefore currently has a combined economic interest in 28.3% of the Company.

f. On 15 July 2016, the Company sold its investment in the wholly owned subsidiary, Arces International B.V. ("Arces") to a third party for an immaterial amount.
As a consequence the Company no longer controls Arces, therefore ceased consolidating Arces in its consolidated financial statements. The Company will recognise an income of EUR 3,711 thousands under "other income" in profit or loss on the sale of its investment in Arces in 2016.

SUBSEQUENT EVENTS (continued)

g. During 2016, Mr. Liron Or who acted as Chief Executive Officer of the Company resigned from his position in the Company. In accordance with the terms of the agreement, Mr Or's role at the Company ceased on 31 March 2016.
As part of the termination agreement with Mr Or, the Board of the Company agreed to grant Mr. Or a discount of EUR 50 thousands for purchasing one residential unit in the Veleslavin project in Prague, Czech Republic. During the second quarter of 2016, Mr. Or completed the purchase of the unit.

h. On 13 January 2016, MLP completed the sale of two plots of land held for residential development purposes in Canada for a total cash consideration of CAD 20,227 thousands (EUR 13,095 thousands).
MLP recognised a profit before income tax in the amount of EUR 2,815 thousands (the Company's share was EUR 563 thousands and it was recognised under the "share of profit of equity-accounted investments, net of tax").
The Company's expected share of the distribution will be 20%, equalling to CAD 3,500 thousands.
During the reporting period the Company and Silverpeak agreed to distribute funds generated from the above sales to the partners.
The share of ECG trust in the distribution was CAD 3,500 thousands (EUR 2,434 thousands). The trustee agreed to distribute to the Company an amount of CAD 1,716 thousands (EUR 1,193 thousands) and that the rest would be held back until the final tax clearance from the Canadian tax authorities has been received. These amounts held back are being presented under "Prepayments and other assets" in the consolidated statement of financial position.
The proceeds from the above distribution have been used for the full repayment of the loan granted by Real Property Investment (Guernsey) Limited, see note b above.
Based on prior agreements with ERD, all the net future proceeds generated from the Company's assets in Canada will be used to repay the outstanding debts of the Company due to ERD.

i. On 30 March 2006 and 18 February 2008 Marina Dorcol d.o.o ("MD") (a 95% owned subsidiary of the Company) signed several lease agreements with the Directorate for City Building Land, controlled by the Municipality of Belgrade ("the Municipality").
Since January 2011, MD has been in breach of the obligation to make the lease payments, following which the Company recognised during the reporting period, an expense of EUR 2,580 thousands as a result of the lease interest and inflation on the unpaid overdue lease contracted payments.
Following the breach the Municipality initiated several claims during recent and previous periods to collect those debts.
On 3 June 2016, MD received from the Mayor of Belgrade a notice of termination of the lease agreement MD has in respect of the Marina Dorcol Project in Belgrade, Serbia.
On 22 July 2016, the Municipality delivered MD a unilateral termination of the lease agreement over the Marina Dorcol Project in Belgrade, Serbia ("termination letter").
On 29 September 2016, MD notified the Municipality that it accepted the termination letter and wished to negotiate with the Municipality in order to determine the amount and timing of the compensation due to MD as a result of the above termination.
Based on the agreement with the municipality, management believes that the final result of the termination will be the restitution of the amounts paid by MD less the amount of compensation to the Municipality for usage of such land for the period of duration of lease and for compensation of damages which occurred to the Municipality, if any. The Company and MD are currently in the process of negotiation with the Municipality about the amount and timing of the restitution.

SUBSEQUENT EVENTS (continued)

i. (continued)

Management expects that following the termination it will have a net cash inflow from the above restitution, however, the net cash flow and the timing to conclude the settlement with the Municipality cannot be predicted at this stage with certainty. Based on MD's advisers, the range of the restitution can be in the amount of RSD 337,507 thousands (approximately EUR 2,737 thousands) to RSD 487,316 thousands (approximately EUR 3,952 thousands).

As management has no certainty of the amount that MD will be able to settle with the Municipality, management did not record receivables at the Company's consolidated financial statements generated from the above mentioned restitution of the lease agreement.

As MD is no longer bound to make any further payments on the lease liabilities on one hand and has no rights over the leased land on the other hand, the management of the Group derecognised of the lease liability and related asset in the reporting period.

As a consequence, income of EUR 23,510 thousands will be recognise in profit and loss under "other income" in the consolidated financial statements of 2016.

j. During 2016 the Company repaid part of the loans granted by ERD in the amount of EUR 2,000 thousands.

SIGNATURES

______________________________	______________________________
Mr Terry Roydon	Mr Marius van Eibergen Santhagens
Director	Director

Date: ___________ 2016

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