[Directors' report]

[Directors' report]

Ladies and Gentlemen,

We have great pleasure in presenting our report on the activities of the IMMOBEL Group during 2011.

Despite the ongoing difficult economic situation and the fact that the office market in Brussels is generally very unfavourable, IMMOBEL ended 2011 with an operating income of 22.6 MEUR, well up on 2010 (13.2 MEUR).

This income generated a net consolidated profit of 16.2 MEUR, up 53 % compared to 2010 (10.6 MEUR).

I. Business development (art. 96 § 1, 1° and 119, 1° Company Code)

IMMOBEL Group business

Sales for the year ended came to 79.22 MEUR compared to 81.85 MEUR in 2010.

82 % of sales came from the residential and landbanking activities, which were both marked by a good level of unit sales, and by the transfer of several plots of land in their original state.

Throughout 2011, IMMOBEL pursued its development plan in its various spheres of activity, offices, residential, landbanking and, depending on the opportunities, retail, in the three countries where it is now active, Belgium, the Grand Duchy of Luxembourg and Poland. It has therefore made several important acquisitions, sales and leases, in accordance with its objectives, as described below.

a) Belgium

- **Acquisitions**
  - **Residential:** IMMOBEL acquired the *Papeblok* site in Tervuren, in the Flemish Region, with the intention of building and/or renovating 4 residential buildings there and developing about 60 apartments, for which an application for urban planning permission has already been submitted.
  - **Landbanking:** Important acquisitions of over 42.8 ha of urban development zone have been made, as well as acquisitions under conditions precedent, partnership agreements or options involving about 8 ha.
- **Sales and deliveries**
  - **Offices:**
    - In particular, IMMOBEL sold the office blocks from the following projects:
      - *Grand' Poste* in Verviers
      - *Boulevard Tirou* in Charleroi
      - *Boulevard Melot* in Namur
      - *South Crystal* (20 % participation), near the Gare du Midi in Brussels.
    - At the end of May the Group also delivered phase 3 of the *Forum* (in Brussels) project to the Chamber of Representatives, on schedule and in accordance with the contract, the pre-sale agreement having been signed in late 2009.
  - **Residential:**
    - In particular IMMOBEL sold nearly 80 apartments from the following projects: *Crespel* (50 % participation), *Espace Midi* - Rue de Russie (20 % participation), *Jardins de Jette* (50 % participation), *Jardin des Sittelles*, *Mercelis*, *Vallée du Maelbeek* (50 % participation) and *Rue Godecharle*, (50 % participation), all of which are in Brussels as well as *Résidence Saint-Hubert* (50 % participation) in Liège.
    - IMMOBEL also sold the company that owns the land situated at *Avenue de l'Observatoire* in Liège; a piece of land measuring 5.97 ha situated in Brussels (Haren) to the Régie des Bâtiments in the framework of the project for the new Brussels prison, as well as a building on the *Boulevard Melot* in Namur.
  - **Landbanking:**
    - The Group sold a commercial building in Wavre, where *Decathlon* has opened a 4,400 m² retail space.
    - Land sales counted for 168 transactions during 2011 and amounted to 20.56 ha net (IMMOBEL Group share) concerning the landbanking, a considerable increase compared to 2010. Expertises and mandates were also carried out on behalf of third parties.
- **Leasing**
  - **Offices:** IMMOBEL signed a lease for 65,000 m² with the Régie des Bâtiments (Public Buildings Administration) for use by the Federal Police, in phases D and F of the *Belair* project (40 % participation), following a decision of the Council of Ministers in December 2010.
- **Permits and work**

  During 2011, IMMOBEL obtained:
  - the permits for the *Black Pearl* (an office building of 11,000 m² situated in the middle of the Leopold district in Brussels).
  - 9 subdivision planning permits for various landbanking projects totalling over 16 ha and representing 177 plots.
  - the permit for the *Hôtel Trianon* (50 % participation) in Liège.
  - the permits for an apartment building in Etterbeek (33.33 % participation), Rue Père Eudore Devroye.

It also submitted applications for urban planning permits for the *Papeblok* project in Tervuren, *Charmeraie* in Uccle, *Jardin des Sittelles* (last phase) in Woluwe-Saint-Lambert, as well as various subdivision permits.

- The appeals for suspension and annulment of permits lodged by the inhabitants of the *Bella Vita* project in Waterloo were either rejected by the Council of State or were the subject of an agreement with the local residents.
- Following the lease of 65,000 m² of the *Belair* project, renovation/reconstruction work started on this major office and residential project.

Following the transfers and leases cited below, sales for the "offices" activity in Belgium reached 11.31 MEUR for the past fiscal year compared to 58.64 MEUR in 2010. The operating income came to -1.19 MEUR in 2011 compared to 11.05 MEUR in 2010.

As far as the "residential" activity is concerned, sales for the activity reached 35.19 MEUR in Belgium for the past fiscal year as opposed to 12.03 MEUR in 2010.

The operating income generated was 11.25 MEUR in 2011 compared to 0.38 MEUR in 2010.

Sales for the "landbanking" activity in Belgium came to 25.70 MEUR for the past fiscal year compared to 11.15 MEUR in 2010.

Operating income generated was 11.12 MEUR as against 1.88 MEUR in 2010.

b) Grand Duchy of Luxembourg

- **Sales - Residential**: Immobel sold 73 apartments in the *Green Hill* project (participation 50 %) in total, of which 51 in 2011.
- **Leases - Offices:** Fujitsu Technology Solutions signed a lease for 1,229 m² of offices in the *WestSide Village* project.

Sales figures for the "offices" activity in the Grand Duchy of Luxembourg came to 0.88 MEUR for the past fiscal year (compared to 0 in 2010) and the operating income generated was 0.49 MEUR in 2011.

As far as "residential" is concerned, sales figures for the Grand Duchy of Luxembourg came to 4.03 MEUR for the past fiscal year (compared to 0 in 2010) and the operating income generated was 0.77 MEUR in 2011.

c) Poland

- **Acquisitions**

  Immobel acquired two mixed offices and commercial projects for development, one in the centre of Warsaw (approximately 20,000 m²) and the other right in the centre of Poznan (close to 7,600 m²).

  Immobel has also acquired, in a 50 % partnership, 7 pieces of land in Poland. These plots represent a potential development of over 150,000 m² of offices/commercial and residential. Five of these lots are situated in Warsaw (Wronia/Prosta Str., Jana Kazimierza Str., Kierbedzia Str., Krakowska Str., Duracza Str.), one lot is in Gdansk (Kopernika Str.) and the last is in Cracow (Pokoju Av.).

- **Leases**

  In the project *Okraglak*, which is situated in Poznan and has been under renovation since March 2011, three leases were entered into during the financial year under review; Nordea Bank, Kredyt Bank and Open Finance have rented approximately 1,800 m² or nearly 24 % of the surface area available in this project.

The "offices" activity in Poland made sales of 2.11 MEUR in Poland during the past fiscal year (0 in 2010). This revenue came from rents received for the *Cedet* building (Warsaw) which is still partially occupied and operating income came to 0.15 MEUR in 2011.

Comments on the Annual Accounts

1. Consolidated accounts

INCOME STATEMENT

(MEUR)	31-12-2010	31-12-2011
Operating income	13.22	22.59
Financial result	-4.88	-5.42
Shares in the income of entities accounted for by the equity method	2.86	0.30
Result before tax	11.20	17.47
Taxes	-0.67	-1.30
Income from ongoing business	**10.53**	**16.17**
Income for the year	**10.53**	**16.17**
Group share of income	**10.55**	**16.18**

BALANCE SHEET

(MEUR)	31-12-2010	31-12-2011
Inventories	240.8	327.9
Participations	7.8	1.3
Trade receivables & other assets	20.7	30.6
Cash	34.2	47.0
Total assets	**303.5**	**406.8**
Equity	172.1	182.8
Provisions	5.7	4.8
Long-term financial liabilities	65.6	109.3
Short-term financial liabilities	22.5	74.3
Accounts payable to suppliers and others	37.6	35.6
Total liabilities	**303.5**	**406.8**

2. IMMOBEL SA company results

Income statement

The operating profit amounts to 8.75 MEUR for the past financial year compared to -4.86 MEUR for the year closed at 31 December 2010.

The financial result amounts to 6.96 MEUR as opposed to 3.44 MEUR in 2010. The increase in the financial result comes from the growth in dividends received from subsidiaries.

The exceptional result, affected by adjustments in the value of financial participations, amounts to 3.21 MEUR.

IMMOBEL's financial year ended with a net profit of 18.92 MEUR, compared to a net loss of 5.35 MEUR at 31 December 2010.

The Balance sheet

The Balance sheet total amounts to 313.66 MEUR compared to 215.96 MEUR for the financial year closed at 31 December 2010.

On 31 December 2011 equity came to 183.65 MEUR. In 2010 it was 171.94 MEUR.

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year, amounts to 120.48 MEUR.

The Board of Directors proposes to the Ordinary General Meeting of 24 May 2012 to distribute a gross dividend in respect of the 2011 financial year of 1.75 EUR per share.

The profit will therefore be allocated as follows:

- Dividend for the year: 7.21 MEUR
- Profit carried forward: 113.27 MEUR

The dividend will be made available for payment on 1 June 2012 upon presentation of coupon n° 23.

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 (Belgium, Luxembourg and Poland).

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 5 years 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 may face a higher risk due to the expansion of its operations into Poland.

In 2011 Immobel acquired 9 offices/residential/commercial projects in Poland, which are either under development or will be developed, thereby confirming its strategy to further expand in Central Europe and, in particular, in Poland.

Although Immobel has carried out development projects in Poland in the past, it has a more limited experience in managing projects outside of the Belux market and has a more restricted knowledge of the market and regulatory situation and requirements in this new market.

That is the reason why Immobel does not launch itself on a new market until it can count on the expertise and network of a local partner on the spot, who can help it limit the risks linked to the new market.

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 pre-leased 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 Remuneration & Appointments 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. During 2011, Immobel renewed or negotiated credit lines for 288 MEUR (100 % participation) either alone or with partners, and raised 30 MEUR with a bond issue in mid-December 2011 in the form of a private placement.

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. With the exception of the bond issue at the end of 2011, which is at a fixed rate, Immobel's financing is mainly provided on the basis of short-term interest rates (based on Euribor rates for 1 to 12 months). In the context of a global programme of risk management coverage, Immobel has set up a "hedging" policy aimed to provide adequate cover against the risk of interest rates on its debt with 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, 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, Luxembourg and Poland. Changes in direct or indirect fiscal legislation in any of these could impact Immobel's financial position.

II. Important events that took place after the end of the year (art. 96 § 1, 2° and 119, 2° Companies Code)

The Company has issued an extra tranche of bonds to the value of 10 MEUR on 13 February 2012 in addition to the obligatory 30 MEUR on 15 December 2011, under the same conditions and with the same maturity date (21 December 2016).

To the Directors' knowledge there were no other important events after the closure of the financial year.

III. Circumstances likely to have a significant influence on the development of the group (art. 96 § 1, 3° and 119, 3° Companies Code)

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

IV. Activities in terms of research & development (art. 96 § 1, 4° and 119, 4° Companies Code)

In as much as it is necessary the Board of Directors reiterates that, given the nature of its business, the Group 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 -1.81 MEUR at 31 December 2011.

VI. Evidence of the independence and competence of at least one member of the Audit & Finance Committee (art. 96 § 1, 9° and 119, 6° Companies Code)

As proposed by the Board of Directors, the Shareholders appointed as Directors Mr Wilfried Verstraete (during the Extraordinary General Meeting on 29 August 2007) and ARSEMA sprl, represented by Mr Didier Bellens, (during the Ordinary General Meeting on 28 May 2009). These Directors meet all of the criteria of independence in Articles 524 and 526ter of the Companies Code and sit on the Board of Directors and the Audit & Finance Committee of Immobel as independent Directors. These Directors hold university degrees in Economics and Business Administration (MBA) and have held or continue to hold the roles of Chief Executive Officer in international groups.

Mr Maciej Drozd, the present CFO of Eastbridge Group, also has the necessary expertise in accounting and audit.

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).

Regarding the information to be inserted pursuant to art. 96 § 1, 7° of the Companies Code the Board of Directors report:

- that no capital was raised that needs to be reported pursuant to article 608 of the Companies Code during the past year,
- that neither Immobel, nor any direct subsidiary, nor any other person acting in his own name but on behalf of Immobel or a direct subsidiary has bought or sold shares in Immobel (art. 624 Companies Code).

VIII. Information to be inserted pursuant to articles 523 and 524 of the Companies Code

The Board of Directors reports that it has used the procedure provided for in articles 523 and 524 of the Companies Code while decisions were being taken regarding the possible takeover by Immobel Poland of some twenty people currently employed by Centrum Development and Investments Polska (hereafter CDI Polska). CDI Polska is linked to Immobel Poland through the Reference shareholder of the Immobel Group Crésida Investment, a company under Luxembourg law.

The Committee of Independent Directors gave its advice on the proposed takeover of part of team of CDI Polska Sp. z o.o. by Immobel Poland Sp. z o.o. (cfr. *Appendix 1*) on 2 December 2011.

Based on this report by the Committee of Independent Directors and the report by the Auditor, Jean-François Cats, who assisted the Committee of Independent Directors in assessing the possible financial consequences of the operation envisaged, both for Immobel Poland, a company under Polish law, and for the Immobel Group, the Board of Directors decided to approve the operation in question on 14 December. It mandated Baron Buysse and/or Gaëtan Piret, acting together or separately, to carry out and finalise the negotiations with CDI Polska, and to sign the various documents required.

The Auditor made an assessment as to the accuracy of the data in the Committee's advice and in the minutes of the Board of Directors (cfr. *Appendix 2*).

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 risk management (art. 119, 7° Companies Code)

The Corporate Governance Statement is part of this Director's report (cfr. page 10 of the Annual Report).

X. Takeover bid

Pursuant to article 34 of the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market, Immobel states that:

1° the capital stock is 60,302,107.83 EUR represented by 4,121,934 shares, without any mention of par value, each representing an equal share of the capital stock (art. 4 of the Articles of Association).

2° the Board of Directors is authorised to increase the Company's capital by a maximum of 50,000,000 EUR (art. 13 of the Articles of Association), bearing in mind that the exercise of this power is limited in the case of a takeover bid by article 607 of the Companies Code.

3° the Board of Directors was specially authorised for a term of 3 years dating from the Extraordinary General Meeting of 13 April 2011, to purchase or dispose of shares in the company when this purchase or disposal is necessary to prevent any serious imminent harm (art. 14 of the Articles of Association);

- concerning the nomination and replacement of the Members of the Board of Directors, the Articles of Association specify that the Board of Directors should be composed of at least 5 Members, appointed by the Ordinary General Meeting at the proposal of the Remuneration & Appointments Committee for a maximum of 4 years,
- for the modification of the Articles of Association there are no regulations other than those established by the Companies Code.

XI. Management of the Company – Executive Committee

- During the Ordinary General Meeting on 24 May 2012, you will be able to express your opinion on the election of Mr **Dany DWEK** as a Director of the Company for a period of 4 years, i.e. until the Ordinary General Meeting to be held in 2016.

  Furthermore, during this same General Meeting there will be a proposal to renew the Directorship of **Baron BUYSSE** for a period of 4 years, which will expire during the Ordinary General Meeting to be held in 2016.
- During the Meeting of the Board of Directors held today, Mr **Laurent WASTEELS** was appointed as a new Member of the Investment & Asset Management Committee.
- During the Board Meeting held on 14 December 2011, Mr **Bartlomiej HOFMAN** was asked to sit as a new Member on the Executive Committee.

•••

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

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Agreed at the Meeting of the Board of Directors on 15 March 2012

Baron BUYSSE
Chairman of the Board

GAËTAN PIRET sprl
Managing Director

Appendix 1

[Committee of Independent Directors]

Report to the Board of Directors of 14 December 2011
Advice on the envisaged takeover of part of the management team of CDI Polska Sp. z o.o.

Brussels, 2 December 2011

In conformity with the procedure provided for in article 524 of the Companies Code, we have analysed the operation envisaged.

In the context of the strategy approved by the Board of Directors and, in particular, the evolution of the Group's development business, geographic diversification and the strengthening of Immobel's activities in Poland, Immobel SA has examined the possibility of taking over part of the management team of Centrum Development and Investment Polska Sp. z o.o (hereafter CDI Polska), which is linked to Immobel Poland Sp. z o.o. via the Reference shareholder of the Immobel Group, Cresida Investment S.à r.l., a company registered under Luxembourg law.

The operation envisaged relates to the continuity of the projects acquired in 2011 by the Immobel Group in Poland via its subsidiary Immobel Poland, more specifically:

- on 2 February 2011, the acquisition of two important development projects consisting mainly of offices/retail,
- on 10 November 2011, Immobel and Griffin Group acquired, in partnership, 7 plots in Poland belonging to Ruch S.A. These plots offer a development potential of over 150,000 m² of offices/commercial and residential.

In total then, at the moment, there are 9 projects, including several large-scale ones, which are or could be developed at various levels in Poland.

At the moment of reporting, Immobel Poland employs two people: Mr Bartlomiej Hofman (half-time) and Ms Patricia van Triet and relies on the services of CDI Polska and its team to see through the development of the projects.

The operation envisaged would therefore consist of taking on about twenty people currently employed by CDI Polska, which would provide Immobel Poland, and the Group, with a coherent team of familiar people on the spot, thereby assuring its current and future position in the local market and, in particular, its ability to develop the projects acquired by the Group, which would not be possible with the present team.

The Committee of Independent Directors has called on Jean-François Cats, an auditor associated with RSM InterAudit to help us assess the possible financial consequences of the operation envisaged, both for Immobel Poland Sp. z o.o., a company registered under Polish law, and for the Immobel Group.

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From a financial point of view, the cost per annum of taking on the personnel has been estimated by the management at around 1,500,000 EUR.

In order to limit the annual impact this personnel cost implies for Immobel Poland, we propose simultaneously concluding a project management contract with CDI Polska, for the period 2012-2014, for the provision of services to be supplied in the context of the development of certain CDI Polska real estate projects.

This contract will guarantee Immobel Poland a level of minimum income that will partially cover the personnel costs as well as the structural costs linked to the number of people employed.

The financial consequences for the Company are additional personnel costs per annum estimated at around 1,500,000 EUR the impact of which on Immobel will be limited by a provision of services contract.

The advantage of the operation envisaged will be the state of progress and smooth running of the (re)development projects.

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The Committee of Independent Directors considers that the operation envisaged is not of a nature likely to cause obvious serious damage to the Company in the light of the policy pursued by the Company.

Laurent Wasteels
Director

Luc Luyten
Director

ARSEMA sprl
Director
(represented by Didier Bellens)

Baron Buysse
Chairman of
the Board of Directors

Appendix 2

[Assessment of the statutory auditor]

in accordance with article 524 of the Companies Code Decision of the board of directors dated 9 December 2010

To the board of directors

In the context of the contemplated transaction between Immobel Poland Sp. Z.o.o, a 100% indirect subsidiary of Compagnie Immobilière de Belgique SA (the "Company" or "Immobel") and Centrum Development and Investments Polska Sp. Z.o.o., a related party entity of the Luxemburg company Cresida Investment Sàrl, reference shareholder of Immobel, our assessment is required in accordance with the requirements of article 524 of the Companies Code with respect to the faithfulness of the data included in the opinion dated 2 December 2011 of the committee of the independent directors, and in the minutes of the meeting of the board of directors held on 14 December 2011. This assessment will be attached to the minutes of the board of directors and will be included in the directors' report.

The proposed transaction aims at taking over part of the management team of CDI Polska by Immobel Poland Sp. Z.o.o.

In the frame of our mission, we have performed the following procedures:

a) we have obtained the report dated 2 December 2011 of the committee of independent directors and have compared the financial data included in this report with the report issued on 30 November 2011 by the independent expert Jean-François Cats (RSM InterAudit);

b) we have obtained the minutes of the meeting of the board of directors held on 14 December 2011 and have compared the conclusion with the conclusion of the committee of the independent directors.

Based on our procedures, our findings are as follows:

- with respect to item a) here above, we have found that the financial data included in the report of the committee of the independent directors dated 2 December 2011 correspond to the report issued on 30 November 2011 by the independent expert Jean-François Cats;
- with respect to item b) here above, we have found that the conclusion included in the minutes of the meeting of the board of directors held on 14 December 2011 corresponds to the conclusion of the committee of the independent directors; and therefore that
- the financial data included in the report of the committee of the independent directors and in the minutes of the meeting of the board of directors are faithful. This does not entail that we have assessed the value of the transaction nor the opportunity of the opinion of the committee of the independent directors or of the decision of the board of directors.

Our report can only be used in the frame of the above described transaction and cannot be used for other purposes. This report relates only to the financial data mentioned here above, excluding any other data whatever its nature.

Diegem, 7 March 2012

The statutory auditor

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

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid / Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

[Consolidated accounts and condensed Company accounts]

[Contents]

[Consolidated accounts (in thousands of EUR)]

Consolidated income statement

	NOTES	31-12-2011	31-12-2010
OPERATING INCOME		**81 146**	**85 616**
Turnover	2	79 223	81 850
Other operating income	3	1 923	3 766
OPERATING EXPENSES		**-58 556**	**-72 399**
Cost of sales	4	-42 479	-56 749
Personnel expenses	5	-7 097	-6 363
Amortisation, depreciation and impairment of assets (including reversals)	6	614	-349
Change in the fair value of investment property	13	6	309
Other operating expenses	7	-9 600	-9 247
OPERATING RESULT		**22 590**	**13 217**
Interest income		284	423
Interest expense		-5 221	-4 771
Other financial income		14	22
Other financial expenses		-501	-554
FINANCIAL RESULT	**8**	**-5 424**	**-4 880**
Share in the result of investments in associates	9	305	2 859
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		**17 471**	**11 196**
Income taxes	10	-1 297	-670
RESULT FROM CONTINUING OPERATIONS		**16 174**	**10 526**
RESULT FOR THE YEAR		**16 174**	**10 526**
Share of non-controlling interests		-10	-24
SHARE OF IMMOBEL		**16 184**	**10 550**
BASIC EARNINGS AND DILUTED EARNINGS PER SHARE (IN EUR)	**11**		
- Result of the continuing operations/Result of the year		3.93	2.56

Consolidated statement of comprehensive income

	NOTES	31-12-2011	31-12-2010
Result for the year		**16 174**	**10 526**
Other comprehensive income			
Cash flow hedges	20	-	1 114
Currency translation		-418	-
Actuarial gains and losses (-) on defined-benefit plans	22	59	53
Other comprehensive income		**-359**	**1 167**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**15 815**	**11 693**
Share of non-controlling interests		-10	-24
SHARE OF IMMOBEL		**15 825**	**11 717**

Consolidated statement of financial position

ASSETS	NOTES	31-12-2011	31-12-2010
NON-CURRENT ASSETS		**5 844**	**11 415**
Intangible assets		47	12
Property, plant and equipment	12	1 214	1 278
Investment property	13	2 286	2 280
Investments in associates	14	1 254	7 445
Participating interests available for sale	15	77	77
Deferred tax assets	16	717	74
Other non-current assets		249	249
CURRENT ASSETS		**400 954**	**292 093**
Inventories	17	327 863	240 769
Trade receivables	18	10 956	9 881
Tax receivables		5	546
Other current assets	19	15 166	6 358
Cash and cash equivalents	20	46 964	34 239
Non current assets classified as held for sale		-	300
TOTAL ASSETS		**406 798**	**303 508**

EQUITY AND LIABILITIES	NOTES	31-12-2011	31-12-2010
TOTAL EQUITY	**21**	**182 792**	**172 129**
EQUITY SHARE OF IMMOBEL		**182 825**	**172 152**
Share capital		60 302	60 302
Retained earnings		122 517	111 485
Reserves		6	365
NON-CONTROLLING INTERESTS		**-33**	**-23**
NON-CURRENT LIABILITIES		**112 644**	**71 949**
Employee benefit obligations	22	299	346
Provisions	23	2 997	3 003
Deferred tax liabilities	17	-	335
Financial debts	20	109 348	65 640
Trade payables	24	-	2 625
CURRENT LIABILITIES		**111 362**	**59 430**
Provisions	23	1 479	2 357
Financial debts	20	74 330	22 540
Trade payables	24	20 883	13 342
Tax liabilities		1 476	232
Derivative financial instruments	20	1 807	1 824
Other current liabilities	25	11 387	19 135
TOTAL EQUITY AND LIABILITIES		**406 798**	**303 508**

Consolidated cash flow statement

	NOTES	31-12-2011	31-12-2010
Operating result		22 590	13 217
Amortisation, depreciation and impairment of assets		-614	349
Change in the fair value of investment property		-6	-309
Change in provisions		-872	-2 202
Disposal of participating interests		59	-49
CASH FLOW FROM OPERATIONS BEFORE CHANGES OF WORKING CAPITAL, PAID INTERESTS AND PAID TAXES		**21 157**	**11 006**
Change in working capital	26	-89 935	-16 474
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		**-68 778**	**-5 468**
Paid interests		-4 997	-4 652
Paid income taxes		-490	-134
CASH FROM OPERATING ACTIVITIES		**-74 265**	**-10 254**
Disposal of investments		241	228
Repayment of capital and dividends collected from associates	14, 27	6 509	4 443
Acquisitions of tangible assets		-144	-111
Disposals of tangible assets		-	10
Change in investments available for sale and other non-current assets		-	30
CASH FROM INVESTING ACTIVITIES		**6 606**	**4 600**
Increase in financial debts	20	90 922	15 300
Repayment of financial debts	20	-5 424	-35 098
Interest received		284	423
Other financing cash flows		-246	-224
Gross dividend paid		-5 152	-8 244
CASH FROM FINANCING ACTIVITIES		**80 384**	**-27 843**
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		**12 725**	**-33 497**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**20**	**34 239**	**67 736**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**20**	**46 964**	**34 239**

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

Consolidated statement of changes in equity

	CAPITAL	RETAINED EARNINGS	RESERVE FOR CASH FLOW HEDGES	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2010								
BALANCE AS AT 01-01-2010	**60 302**	**109 179**	**-1 114**	**-**	**312**	**168 679**	**1**	**168 680**
Total comprehensive income for the year	-	10 550	1 114	-	53	11 717	-24	11 693
Dividends paid	-	-8 244	-	-	-	-8 244	-	-8 244
CHANGES IN THE YEAR	**-**	**2 306**	**1 114**	**-**	**53**	**3 473**	**-24**	**3 449**
BALANCE AS AT 31-12-2010	**60 302**	**111 485**	**-**	**-**	**365**	**172 152**	**-23**	**172 129**
2011								
BALANCE AS AT 01-01-2011	**60 302**	**111 485**	**-**	**-**	**365**	**172 152**	**-23**	**172 129**
Total comprehensive income for the year	-	16 184	-	-418	59	15 825	-10	15 815
Dividends paid	-	-5 152	-	-	-	-5 152	-	-5 152
CHANGES IN THE YEAR	**-**	**11 032**	**-**	**-418**	**59**	**10 673**	**-10**	**10 663**
BALANCE AS AT 31-12-2011	**60 302**	**122 517**	**-**	**-418**	**424**	**182 825**	**-33**	**182 792**

The capital is made up by 4,121,934 ordinary shares without par value.
A dividend of 7,213 KEUR, corresponding to 1.75 EUR gross per share, was proposed by the Board of Directors of 15 March 2012 and will be submitted to the Shareholder's approval at General Assembly of Shareholders of 24 May 2012. The appropriation of the result has not been accounted for in the financial statements as per 31 December 2011.

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 15 March 2012.

Standards and interpretations applicable for the annual period beginning on 1 January 2011

- Improvements to IFRS (2009-2010) (normally applicable for annual periods beginning on or after 1 January 2011)
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards – IFRS 7 exemptions* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IAS 24 *Related Party Disclosures* (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 Related Party Disclosures as issued in 2003.
- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (applicable for annual periods beginning on or after 1 February 2010)
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRIC 14 IAS 19 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (applicable for annual periods beginning on or after 1 January 2011)

The application of these new standards had no material impact for the Group.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2011

- IFRS 9 *Financial Instruments and subsequent amendments* (applicable for annual periods beginning on or after 1 January 2015)
- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 July 2011)
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Derecognition* (applicable for annual periods beginning on or after 1 July 2011)
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2012)
- Amendments to IAS 19 *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013)

The group expects to have an impact following the adoption of IFRS9 and IFRS11.

3. Preparation and 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 investment property, 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 consolidated using the proportionate method 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 defined as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Control is presumed to exist when the Group holds more than half of the voting rights, directly or indirectly.

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.

The Group consolidates its interests in joint ventures applying the proportionate consolidation method until the date when joint control ends.

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

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. 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 in foreign currencies in Group companies

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,
- right of building, emphyteutic lease or long lease: according to the duration of the right or the life span of the related asset, whichever is shorter,
- installations, complexes, machinery and specific equipments: 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 fair value model of IAS 40 – *Investment property*. It represents 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 it. Investment property (under construction) is initially measured at cost and subsequently carried at fair value. Any change in fair value is directly recognised in the income statement.

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 pruchase 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.

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.

Trade receivables

Short term trade receivables are measured at nominal value less appropriate allowances for estimated irrecoverable amounts. An assessment of the permanent character of doubtful trade receivables is carried out and any write-downs are recorded.

Cash and cash equivalents

Cash includes cash on hand and demand deposits (deposits of less than 3 months). Cash equivalents are very short term, highly liquid investments that are subject to an insignificant risk of change in value.

Cash and cash equivalents are carried in the balance sheet at amortized cost.

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.

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.

The classification of cash outflows resulting from acquisition of project companies as operating cash flows resulted in an impact of 51.892 KEUR (see note 32). Those cash flows were presented as investing activities in the previous periods.

Shareholders' 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.

Bank borrowings and overdrafts

Interest-bearing bank borrowings and overdrafts are recorded at the cash amount, less any transaction costs. After the initial recording they are measured at amortised cost. Any difference between the received consideration and the expected exit value is recognised under income over the term of the borrowing using the effective interest rate.

Trade payables

Short-term trade payables are recorded at their nominal value.

Derivative financial instruments and hedging transactions

Derivative financial instruments are initially measured at cost and subsequently carried at their fair values. The method of recognising the unrealised result from derivatives depends on the nature of the hedged item. On the date a derivative contract is entered into, the instrument is designated either as a hedge of the fair value of recognised assets or liabilities (fair value hedge) or as a hedge of future cash flows (cash flow hedge). Changes in the fair value of derivative financial instruments designated as fair value hedge are recorded in profit and loss, in addition to the changes in the fair value of the hedged asset or liability. With respect to cash flow hedges, the changes in the fair value are recognised in the other elements of comprehensive income. The ineffective hedging portion is recorded directly in profit and loss.

The changes in the fair value of derivative instruments that do not meet the hedge accounting requirements are recognised directly under income.

11. Construction contracts – Real Estate Development

Contract proceeds and costs are recognised according to the stage of completion of the contract based on the cost method (the relation between the costs already accrued for work performed and the total estimated contract costs) excluding the costs that do not reflect the work performed (land costs, goodwill allocated to the land, installation costs, etc.).

Contract proceeds include the amounts agreed to in the initial contract and in its amendments, indemnities, and other bonuses and incentive payments, if it is likely that they will be acquired and if they can be reliably measured.

Contract costs include costs that relate directly to the specific contract, expenses that may be allocated to contract activity in general and that may be reasonably allocated to the contract, and other similar costs that may be specifically invoiced to the customer under the terms of the contract.

If it seems that total contract costs will exceed total contract proceeds, the expected loss is immediately recognised as an expense.

Interests during construction are capitalised, for the projects started after 1 January 2009.

12. Inventories

Inventories are measured at cost or net realisable value, whichever is lower.

The acquisition cost of purchased goods includes acquisition cost and incidental expenses. For finished goods and work in progress, the costprice takes into account direct expenses and a portion of production overhead without including administrative and financial expenses.

Interests during construction are capitalised, for the projects started after 1 January 2009.

When specific identification is not possible, cost is determined using the weighted average cost method. 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.

13. 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 recognised as a provision and are mentioned in the notes to the financial statements, provided that the risk is significant.

Contingent assets are not recognised in the financial statements.

14. Post-employment benefits

The current post employment benefit plan of the Group is a defined benefit 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.

15. 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.

16. Revenue

Group revenue comes mainly from real estate development activities (including project management services) and also from lease agreements.

Revenue from "real estate development" activities is measured at the fair value of the consideration received or receivable.

To the extent that the sale contract contains several distinct parts and whose delivery is separate, the different parts are recognised separately for the proceeds of the sale.

To the extent that the contract of sale of a property development (or part of this contract) qualifies as a construction contract, the proceeds of the sale is recognised at the advancement of the project, as detailed in paragraph 11.

To the extent that the sale contract of a property development (or part of this contract) does not qualifies as a construction contract, the proceeds of the sale is recognised at delivery, unless the contract states that there is continuing transfer of ownership in order to be possible to recognise the revenue of the sale over the period of the transfer of ownership, or at the advancement of the project.

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.

17. Impairment of assets

The carrying amount of non-current assets (other than financial assets in the scope of IAS 39, 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 recognised 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 revoverable 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 recognised on goodwill.

18. Borrowing costs

Borrowing costs include interests on bank overdrafts and short- and long-term borrowings, amortisation of share premiums or repayment of borrowings, amortisation of accrued incidental borrowing costs. The costs are capitalised into the cost of qualifying assets.

19. Taxes

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

20. 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.

21. Main sources of incertainties 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.

The fair value of the investment properties is estimated by independent experts in accordance with the principles as described under note 13 of the financial statements.

As part of the tests of impairment losses, 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 bookvalue 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 for the release of margin and the computation of the rate of completion. At each closing date, the expenses to be incurred are estimated.

22. Temporary joint ventures

The accounts of the temporary joint ventures 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.

Notes to the consolidated financial statements (in thousands of EUR)

1. Information by segment - Financial information by business segment

The core business of the Company, real estate development, includes the activities of "offices", "residential development" and "land development". Projects are allocated to sectors based on their allocation in office buildings, residential buildings or parcelled or to parcel land.

The Group's activity, which was mainly carried out in Belgium and Grand Duchy of Luxembourg, is also carried out, since this year, in Poland.

Profit and loss

	TURNOVER		OPERATING RESULT	
	31-12-2011	31-12-2010	31-12-2011	31-12-2010
OFFICES				
Belgium	11 310	58 640	-1 186	11 054
Grand Duchy of Luxembourg	883	31	494	-98
Poland	2 107	-	150	-
SUBTOTAL OFFICES	**14 300**	**58 671**	**-542**	**10 956**
RESIDENTIAL				
Belgium	35 190	12 032	11 249	384
Grand Duchy of Luxembourg	4 029	-	768	-
SUBTOTAL RESIDENTIAL	**39 219**	**12 032**	**12 017**	**384**
LANDBANKING				
Belgium	25 704	11 147	11 115	1 877
SUBTOTAL LANDBANKING	**25 704**	**11 147**	**11 115**	**1 877**
TOTAL CONSOLIDATED	**79 223**	**81 850**	**22 590**	**13 217**
Belgium	72 204	81 819	21 178	13 315
Grand Duchy of Luxembourg	4 912	31	1 262	-98
Poland	2 107	-	150	-

Financial result	-5 424	-4 880
Share in the result of investments in associates	305	2 859
Income taxes	-1 297	-670
RESULT FROM CONTINUING OPERATIONS	**16 174**	**10 526**
NET RESULT	**16 174**	**10 526**

Cash and cash equivalent

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2011				
Operating result	-542	12 017	11 115	**22 590**
Amortisation, depreciation and impairment	-227	-434	47	**-614**
Change in the fair value of investment property	-6	-	-	**-6**
Change in provisions	-886	34	-20	**-872**
Disposal of participating interets	-	59	-	**59**
Change in working capital	-71 372	-1 092	-17 471	**-89 935**
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	**-73 033**	**10 584**	**-6 329**	**-68 778**
INVESTMENT CASH FLOW	**6 428**	**241**	**-63**	**6 606**
2010				
Operating result	10 956	384	1 877	**13 217**
Amortisation, depreciation and impairment	175	78	96	**349**
Change in the fair value of investment property	-309	-	-	**-309**
Change in provisions	-1 407	-381	-414	**-2 202**
Disposal of participating interets	-	-49	-	**-49**
Change in working capital	-15 007	2 073	-3 540	**-16 474**
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	**-5 592**	**2 105**	**-1 981**	**-5 468**
INVESTMENT CASH FLOW	**3 526**	**1 098**	**- 24**	**4 600**

Balance sheet items

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2011				
Segment assets	205 073	78 675	73 784	**357 532**
Unallocated items[1]				**49 266**
TOTAL ASSETS				**406 798**
Segment liabilities	18 931	14 104	4 010	**37 045**
Unallocated items[1]				**186 961**
TOTAL LIABILITIES				**224 006**
2010				
Segment assets	124 070	78 123	58 685	**260 878**
Unallocated items[1]				**42 630**
TOTAL ASSETS				**303 508**
Segment liabilities	23 927	12 178	6 527	**42 632**
Unallocated items[1]				**88 747**
TOTAL LIABILITIES				**131 379**

1. Unallocated items: Assets: Investments in associates & participating interests available for sale - Deferred tax assets - Other non-current assets - Tax receivables - Cash and cash equivalents - Liabilities: Deferred tax liabilities - Financial debts - Tax liabilities - Derivative financial instruments. Non current assets are allocated to segments based on an allocation formula.

	BELGIUM	GRAND DUCHY OF LUXEMBOURG	POLAND	TOTAL
Segment assets 31-12-2011	240 123	54 499	62 910	**357 532**
Segment assets 31-12-2010	214 313	46 565	-	**260 878**

2. Turnover

The components of the turnover are as follows:

	31-12-2011	31-12-2010
Asset sales	75 591	81 570
Services fees	510	280
Rents	3 122	-
TOTAL TURNOVER	**79 223**	**81 850**

Turnover is allocated as follows per segment:

	31-12-2011	31-12-2010
Offices[1]	14 300	58 671
Residential Development[2]	39 219	12 032
Land Development[3]	25 704	11 147
TOTAL TURNOVER	**79 223**	**81 850**

In 2011, Immobel recorded two transactions representing each more than 10 % of the turnover. These two transactions impacting segments "residential development" and "land development".

3. Other operating income

This heading includes recoveries of taxes and withholdings, reinvoicing of expenses and other miscellaneous reimbursements.

Other operating income is allocated by segment as follows:

	31-12-2011	31-12-2010
Offices	1 537	2 293
Residential Development	166	1 337
Land Development	220	136
TOTAL OTHER OPERATING INCOME	**1 923**	**3 766**

1. The "offices" turnover is mainly influenced by the sale of the buildings of the third phase of the *Forum* project in Brussels City and by the sale of the *South Crystal* building in Brussels City.
2. *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Jardins de Jette* in Brussels (Jette), *Foncière du Parc* in Brussels City and *Green Hill* in the Grand Duchy of Luxembourg contribute in particular to the "residential development" turnover. In addition to these promotions, the "residential development" turnover is favourably influenced by the sale of some of the land in Haren (Brussels). This land, originally intended for residential development, was sold to the Régie des Bâtiments for the implementation of a new prison.
3. Major recurrent sales relate to the land development projects in *Bredene*, *Chastre*, *Enghien*, *Limbourg*, *Mons* and *Waterloo*. Turnover also includes proceeds from the sale of a retail project located in Wavre.

4. Cost of sales

Cost of sales is allocated as follows per segment:

	31-12-2011	31-12-2010
Offices	-6 936	-40 484
Residential Development	-24 158	-9 772
Land Development	-11 385	-6 493
TOTAL COST OF SALES	**-42 479**	**-56 749**

and are related with the turnover and the projects above.

5. Personnel expenses

This heading includes salaries and fees of personnel, Members of the Executive Committee and non-executive Directors.

They break down as follows:

	31-12-2011	31-12-2010
Salaries and fees of personnel and Members of the Executive Committee	-5 760	-5 176
Salaries of the non-executive Directors	-662	-421
Social security charges	-424	-582
Pension costs - defined contribution plan	-209	-146
Other	-42	-38
PERSONNEL EXPENSES	**-7 097**	**-6 363**

Tne number of full time equivalents for the personnel on 31 December, 2011 amount 18 as opposed to 26 in 2010. The year 2010 was positively influenced by use of provisions made in prior years.

6. Amortisation, depreciation and impairment of assets

Break down as follows:

	31-12-2011	31-12-2010
Amortisation of intangible assets and depreciation of tangible assets	-174	-213
Impairment loss on assets classified as held for sale	-	-36
Impairment gain on participating interests available for sale	-	17
Write down on inventory	-471	-14
Reversal of write down on inventory	928	-
Write down on trade receivables	-5	-104
Reversal of write down on trade receivables	336	1
AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	**614**	**-349**

7. Other operating expenses

Break down as follows:

	31-12-2011	31-12-2010
Services and other goods	-8 274	-8 760
Provisions	879	1 021
Other expenses	-2 205	-1 508
OTHER OPERATING EXPENSES	**-9 600**	**-9 247**

Main components of **services and other goods**:

	31-12-2011	31-12-2010
Rent and service charges, including mainly rent and service charges for the registered office, current and older for 2010 (to link with the use of provision for evaluation and organisation of the Group - see the main components of provisions below)	-508	-1 448
Third party payment, including in particular the fees paid to third parties and related to the turnover	-6 301	-6 423
Other services and other goods, including company supplies, advertising, maintenance and repair expenses, etc.	-1 465	-889
TOTAL SERVICES AND OTHER GOODS	**-8 274**	**-8 760**

Operating **lease obligations**:

Total amount of payments recognised under expenses for the year	-424	-452
Total minimum payments to be made:		
- within one year	-389	-416
- after one year but within 5 years	-1 465	-1 467

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

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

	31-12-2011	31-12-2010
Audit fees at consolidation level	-175	-180
Fees for extraordinary services and special missions accomplished within the Group[1] :	-28	-265
- Tax consulting missions	-	-40
- Other missions outside the audit mission	-28	-225

Main components of variations in provisions:

	31-12-2011	31-12-2010
Provisions related to the sales	861	-4
Provisions for evaluation & organisation of the Group	-	1 095
Other provisions	18	-70
TOTAL VARIATIONS IN PROVISIONS	**879**	**1 021**
Increase	-267	-356
Use	1 046	1 045
Release	100	332

The **other expenses** of -2,205 KEUR mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

8. Financial result

The financial result breaks down as follows:

	31-12-2011	31-12-2010
Cost of gross financial debt at amortises costs	-6 210	-4 881
Activated interests on projects in development	989	-
Fair value changes on financial instruments	-241	-198
Financial income from cash investments	284	423
Other financial charges	-260	-246
Other financial income	14	22
FINANCIAL RESULT	**-5 424**	**-4 880**

The amounts relating to fair value changes are from financial instruments acquired for hedging purposes, but which were not designated as hedging for accounting hedges under IAS39. These instruments are detailed in note 20.

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

9. Share in the result of associates

The result of associates, 305 KEUR, affects the "offices" activity.

10. Income taxes

Income taxes are as follows:

	31-12-2011	31-12-2010
Current income taxes for the current year	-2 065	-445
Current income taxes for the previous financial years	53	-45
Deferred taxes	715	-180
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	**-1 297**	**-670**

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

	31-12-2011	31-12-2010
Result before taxes	17 471	11 196
Share in the result of investments in associates	-305	-2 859
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF INVESTMENTS IN ASSOCIATES	**17 166**	**8 337**
THEORETICAL INCOME TAXE CHARGE AT 33.99 %	**-5 835**	**-2 834**
Tax impact:		
- non-taxable income	-	20
- non-deductible expenses	-181	-135
- use of taxes losses and notional interests deduction carried forward on which no DTA was recognised in previous years	5 595	1 521
- losses and notional interests deduction in 2011, on which no DTA is recognised	-1 366	974
Recognition during the year of DTA on tax losses and notional interests deduction generated in prior years	445	-
Adjustment to current income taxes for the previous financial years & Other	45	-217
TAX CHARGE	**-1 297**	**-670**
EFFECTIVE TAX RATE OF THE EXERCISE	**7.6 %**	**8.0 %**

11. Earnings per share

Due to the absence of potential dilutive ordinary shares in circulation, the basic result per share is the same as the diluted result per share.

Basic earnings and diluted earnings per share are determined using the following information:

	31-12-2011	31-12-2010
Average number of shares considered for basic earnings and diluted earnings	4 121 934	4 121 934
Net result from continuing operations	16 174	10 526
Group's share in the net result for the year	16 184	10 550
Net per share (in EUR):		
- Result of the continuing operations	3.92	2.55
- Group's share in the net result of the year	3.93	2.56

12. Property, plant and equipment

Property, plant and equipment evolve as follows:

	31-12-2011	31-12-2010
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**1 682**	**1 686**
Acquisitions	104	99
Disposals and retirements	-44	-103
ACQUISITION COST AT THE END OF THE YEAR	**1 742**	**1 682**
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**-404**	**-306**
Depreciations	-168	-191
Disposals and retirements	44	93
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	**-528**	**-404**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**1 214**	**1 278**

Tangible assets consist primarily of development costs of the headquarters.

13. Investment property

Investment property is measured by independent experts in accordance with the fair value model of the IAS 40 standard.

Investment property evolve as follows:

	31-12-2011	31-12-2010
FAIR VALUE ON 1 JANUARY	**2 280**	**1 971**
Change in the fair value recognised in the income statement	6	309
FAIR VALUE ON 31 DECEMBER	**2 286**	**2 280**

This account contains a land under leasehold of an office building.

The fair value of this asset is estimated considering the transfer charges to be on charge of the purchaser.

Key assumptions used to determine fair value:

	31-12-2011	31-12-2010
Rental price (EUR) per m² of offices	185	175
Discount rate	8.15 %	8.50 %

14. Investments in associates

Investments in associates refer to the "offices development" activity and are as follows:

	31-12-2011	31-12-2010
VALUE AS AT 1 JANUARY	**7 445**	**9 194**
Share in result	305	2 859
Acquisitions and transfers from accounts	13	14
Disposals and retirements	-	-179
Dividends paid by the companies	-4 634	-
Repayment of capital by the companies	-1 875	-4 443
CHANGES FOR THE YEAR	**-6 191**	**-1 749**
VALUE AS AT 31 DECEMBER	**1 254**	**7 445**

The dividends paid et the repayment of capital have been made by the companies Espace Midi and Promotion Léopold.

The condensed financial statements of these entities are as follows:

	31-12-2011	31-12-2010
Total assets	11 474	37 883
Total liabilities	7 394	8 241
Net assets	4 080	29 642
Share in the net asset of the Group Immobel	1 055	4 080
Turnover	6 534	2 549
Net result of the year	1 651	13 665
Share of Immobel in the net result of the year	305	2 859

The associates are listed under note 32.

15. Investments available for sale

The investments available for sale moved as follows:

	31-12-2011	31-12-2010
VALUE AS AT 1 JANUARY	**77**	**70**
Disposals/Reverse	0	-10
Impairment gain on participating interests	-	17
CHANGES FOR THE YEAR	**0**	**7**
VALUE AS AT 31 DECEMBER	**77**	**77**

The book value as at 31 December 2011 of the participating interests available for sale is considered to be representative of their fair value.

16. Deferred tax assets and liabilities

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 income statement unless they refer to items directly recognised under the equity. Deferred taxes on the balance sheet refer to the following temporary differences:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	31-12-2011	31-12-2010	31-12-2011	31-12-2010
Tax losses	717	74	-	-
Inventories	-	-	-	335
TOTAL	**717**	**74**	**-**	**335**

	ASSETS	LIABILITIES	TOTAL
ON 1 JANUARY 2011	**74**	**-335**	**-261**
CHANGES FOR THE YEAR	**643**	**335**	**978**
ON 31 DECEMBER 2011	**717**	**-**	**717**

Deferred tax assets have been recognised in 2011 on tax loss carry forwards, where the subsidiaries have demonstrated taxable profits will be realised in the future.

	31-12-2011	31-12-2010
TAX LOSS AMOUNTS FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNIZED IN THE BALANCE SHEET, FROM WHICH:	**33 327**	**45 893**
Expiring at the end of 2013	92	92
Expiring at the end of 2014	176	377
Expiring at the end of 2015	850	1 236
Expiring at the end of 2016	1 019	1 579
Expiring at the end of 2017	732	4 043
Expiring at the end of 2018	1 210	-
Not time-limited	29 248	38 566

17. Inventories

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

	31-12-2011	31-12-2010
Offices	190 381	113 916
Residential Development	71 500	72 249
Land Development	65 982	54 604
TOTAL INVENTORIES	**327 863**	**240 769**

Allocation of this position by geographical area is as follows:

	31-12-2011	31-12-2010
Belgium	217 141	194 759
Grand Duchy of Luxembourg	49 866	46 010
Poland	60 856	-
TOTAL INVENTORIES	**327 863**	**240 769**

The book value of inventories is as follows:

	31-12-2011	31-12-2010
INVENTORY AS AT 1 JANUARY	**240 769**	**260 250**
Purchases for the year	127 668	41 275
Disposals of the year	-41 757	-57 152
Activated interests	989	-
Transfers from other accounts	-263	-3 590
Write-offs recorded	-471	-14
Write-offs reversed	928	-
MOVEMENTS DURING THE YEAR	**87 094**	**-19 481**
INVENTORY AS AT 31 DECEMBER	**327 863**	**240 769**
Book value of inventories which are pledged for bank loan securities	274 022	166 379

Break down of the movements of the year per segment:

	PURCHASES	DISPOSALS	ACTIVATED INTERESTS	TRANSFERS	NET IMPAIRMENT	NET
Offices	78 850	-5 905	838	2 692	-10	76 465
Residential Development	25 492	-24 167	151	-2 692	467	-749
Land Development	23 326	-11 685	-	-263	-	11 378
TOTAL	**127 668**	**-41 757**	**989**	**-263**	**457**	**87 094**

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

	PURCHASES	DISPOSALS	ACTIVATED INTERESTS	TRANSFERS	NET IMPAIRMENT	NET
Belgium	59 576	-38 226	838	-263	457	22 382
Grand Duchy of Luxembourg	7 236	-3 531	151	-	-	3 856
Poland	60 856	-	-	-	-	60 856
TOTAL	**127 668**	**-41 757**	**989**	**-263**	**457**	**87 094**

Market risks and uncertainties

With the exception of the risks and uncertainties inherent in the activities carried out by the Group (in particular a significant increase in interest rates and credit margins, a downturn in the real estate market, changes in global economic trends, loss of interest by investors in the real estate market, a tightening of credit conditions by the banks,…) and in view of the building permits already obtained, the Board of Directors is confident that it will obtain the necessary permits to develop the Group’s existing projects and is not aware, on the basis of the information currently available, of any major risks or uncertainties that could significantly damage the Group’s future results.

The main risks and uncertainties are developed in the Director’s report.

18. Trade receivables[1]

Trade receivables refer to the following segments:

	31-12-2011	31-12-2010
Offices	2 174	5 029
Residential Development	2 893	1 902
Land Development	5 889	2 950
TOTAL	**10 956**	**9 881**

Credit risk

The credit risk is related to the possible failing 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 covering 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 2011 there was no concentration of credit risk with a sole third party. The maximum risk amounts to the book value of the receivables.

The recorded impairments of trade receivables is as follows:

	31-12-2011	31-12-2010
BALANCE AT 1 JANUARY	**553**	**523**
Additions	5	31
Reversals	-336	-1
MOVEMENTS OF THE YEAR	**-331**	**30**
BALANCE AT 31 DECEMBER	**222**	**553**

19. Other current assets[1]

The components of this account are:

		31-12-2011	31-12-2010
Other receivables		10 634	5 402
from which:	advances to joint ventures, associates and on projects in participation	4 205	1 440
	taxes (other than income taxes) and VAT receivable	3 518	786
	grants and allowances receivable	1 358	515
	other	1 553	2 661
Deferred charges and accrued income		4 532	956
from which:	on projects in developement	3 833	558
	other	699	398
TOTAL OTHER CURRENT ASSETS		**15 166**	**6 358**

1. The book value of this account approximates its fair value.

and are related to the following segments:

	31-12-2011	31-12-2010
Offices	9 675	2 350
Residential Development	4 074	3 364
Land Development	1 417	644
TOTAL OTHER CURRENT ASSETS	**15 166**	**6 358**

20. Information related to the net financial debt[1]

The Group's net financial debt is the balance between the cash & cash equivalents and the financial debts (current and non current). It is -136,714 KEUR as at 31 December 2011 compared to -53,941 KEUR as at 31 December 2010.

	31-12-2011	31-12-2010
Cash and cash equivalents (+)	46 964	34 239
Non current financial debts (-)	109 348	65 640
Current financial debts (-)	74 330	22 540
NET FINANCIAL DEBT	**-136 714**	**-53 941**

The Group's gearing ratio is 75 % as at 31 December 2011 compared to 31 % at the end of 2010.

Available cash and cash equivalents

Cash deposits and cash at bank and in hand amount to 46,964 KEUR compared to 34,239 KEUR at the end of 2010, representing an increase of 12,725 KEUR.

The available cash moved as follows:

	31-12-2011	31-12-2010
Term deposits with duration of maximum 3 months	2 191	2 975
Cash at bank and in hand	44 773	31 264
AVAILABLE CASH AND CASH EQUIVALENTS	**46 964**	**34 239**

The explanation of the change in available cash is given in the consolidated cash flow statement.

Financial debts

Financial debts increase with 95,498 KEUR, from 88,180 KEUR at 31 December 2010 to 183,678 KEUR at 31 December 2011. The components of financial debts are as follows:

	31-12-2011	31-12-2010
Bond issue maturity 21-12-2016 at 7 % - nominal amount 30 MEUR	29 403	-
Credit institutions	79 945	65 640
NON CURRENT FINANCIAL DEBTS	**109 348**	**65 640**
Credit institutions	74 330	22 506
Other debts	-	34
CURRENT FINANCIAL DEBTS	**74 330**	**22 540**
TOTAL FINANCIAL DEBTS	**183 678**	**88 180**

1. The book value of this account approximates its fair value.

Financial debts evolve as follows:

	31-12-2011	31-12-2010
FINANCIAL DEBTS AS AT 1 JANUARY	**88 180**	**103 775**
Contracted debts	100 922	19 503
Repaid debts	-5 424	-35 098
FINANCIAL DEBTS AS AT 31 DECEMBER	**183 678**	**88 180**

In connection with the acquisition of Cedet Sp. z o.o., the Group has taken a current debt amounting to 10 MEUR, which is not included in the cash flow statement (note 32).

All the financial debts are denominated in EUR.

Immobel issued, in December 2011, a bond for an amount of 30 MEUR. The bonds will be redeemed in december 2016 at 100 % of their principal amount and bear a coupon of 7 %, payable annually in arrears. Except the bond, the financing of the Group and the financing of the Group's projects are provided based on a short-term rate, the 1 to 12 month euribor, increased by commercial margin.

Immobel disposes at December 31, 2011 of 60 MEUR credit facility (corporate credit signed in May 2011), of which 42 MEUR used at end of December 2011, due in June 2014.

Moreover, Immobel disposes at December 31, 2011 of confirmed bank credit lines for 127.5 MEUR of which 112.3 MEUR used at end of December 2011. These credit lines (project financing credits) are specific for certain projects in development.

At December 31, 2011, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to 276 MEUR

The financial debt schedule of the Group is summarised as follows:

DUE IN	2012	2013	2014	2016	TOTAL
Bond	-	-	-	29 403	**29 403**
Corporate credit	-	-	42 000	-	**42 000**
Project Financing credits	74 330	31 860	6 085	-	**112 275**
TOTAL FINANCIAL DEBT	**74 330**	**31 860**	**48 085**	**29 403**	**183 678**

Interest rate risk

On the basis of the situation as per 31 December 2011, each change in interest rate of 1 % involves an annual increase or decrease of the interest charge on debts at variable rate of 1,543 KEUR.

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 2011, the derivative financial instruments have been concluded as to hedge future risks and are the following:

	PERIOD	OPTIONS	STRIKE	NOTIONAL AMOUNTS
	06/2009 - 06/2012	CAP bought	3.50 %	16 250
	02/2011 - 06/2013	CAP bought	3.50 %	15 750
	06/2011 - 06/2014	CAP bought	4.00 %	36 000
	09/2011 - 09/2012	CAP bought	5.00 %	19 775
	03/2010 - 03/2014	IRS bought	3.02 %	10 000
	03/2010 - 03/2014	IRS bought	3.07 %	8 000
	03/2010 - 03/2014	IRS bought	2.99 %	7 000
	06/2010 - 06/2013	IRS bought	2.88 %	20 000
TOTAL				**132 775**

The fair value of derivatives is determined based on valuation models and interest rate futures ("level 3"). The change in fair value of financial instruments is recognized through the income statement as those have not been designated as cash flow hedges.

	31-12-2011	31-12-2010
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Cash flow hedges :		
- Bought CAP Options	20	3
- Bought IRS Options	-1 827	-1 827
TOTAL	**-1 807**	**-1 824**

	EFFECTIVE PART	NON EFFECTIVE PART	TOTAL
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS			
SITUATION AT 1 JANUARY 2010	**-1 114**	**-1 058**	**-2 172**
Changes during the period	1 114	-766	348
SITUATION AT 31 DECEMBER 2010	**-**	**-1 824**	**-1 824**
Changes during the period	-	17	17
SITUATION AT 31 DECEMBER 2011	**-**	**-1 807**	**-1 807**

No instrument has been documented as hedge accounting at 31 December 2011.

Liquidity risk

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

Financial commitments

The Group is, for the majority of the mentionned financial debts, subject 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 2011, 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.

However, the functional currency of the offices activity currently developped in Poland has been determined to be the EUR, thereby eliminating any exchange risk.

21. Equity

The equity is 182,792 KEUR compared to 172,129 KEUR as at 31 December 2010, representing an increase of 10,663 KEUR. The explanation of the change in equity is given in the consolidated statement of changes in equity.

Risk management related to the capital

Immobel is attending to optimise 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 and any unrecognized past service costs.

	31-12-2011	31-12-2010
AMOUNTS RECORDED IN THE BALANCE SHEET		
Present value of funded defined benefit obligations	2 200	2 222
Fair value of plan assets at the end of the period	-1 901	-1 876
LIABILITIES RECOGNISED IN THE BALANCE SHEET	**299**	**346**
MOVEMENTS OF THE NET OBLIGATIONS IN THE BALANCE SHEET		
OBLIGATIONS AS AT 1 JANUARY	**346**	**786**
Total expense breaks down as follows:	115	-7
- Cost of services rendered during the year	93	114
- Financial Cost	99	114
- Expected return on plan's assets	-77	-74
- Recognition of past service cost	-	-161
Group contributions	-103	-380
Amount recognised in Statement of comprehensive income	-59	-53
OBLIGATIONS AS AT 31 DECEMBER	**299**	**346**
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY	**2 222**	**2 540**
Cost of services rendered during the period	93	114
Employee contributions	37	41
Interest cost	99	114
New vested past service cost	-	-161
Actuarial (gains) losses	-109	-104
Paid benefits	-142	-322
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	**2 200**	**2 222**
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY	**1 876**	**1 754**
Expected return on plan's assets	77	74
Group contributions	103	380
Employee contributions	37	41
Actuarial gains (losses)	-50	-51
Paid benefits	-142	-322
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	**1 901**	**1 876**
Contribution of the employer expected for 2013/2012	104	129
ACTUAL RETURN ON THE PLAN ASSETS	**26**	**22**
ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS		
Discount rate	3.80 %	4.50 %
Expected rate of return on plan's assets	4.10 %	3.94 %
Expected salary growth rate	3.50 %	3.50 %
Average inflation rate	2.00 %	2.00 %

The pension plans are funded through a group insurance. The underlying assets of the insurance contracts are primarily invested in bonds. The expected rate of return on the plan assets reflects the guaranteed interest rate by the insurance company and the expected insurance dividends. The actuarial gain recognized in the statement of other comprehensive income equals 59 KEUR.

The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals 424 KEUR.

Historical review of the key figures of the four last years :

	2011	2010	2009	2008
Present value of defined benefit obligations	2 200	2 222	2 540	3 831
Fair value of plan assets at the end of the period	1 901	1 876	1 754	2 166
Deficit of financed plans	299	346	786	1 665
Experience adjustments on:				
- plan assets	223	136	1 168	-88
- plan liabilities	-50	-51	-83	-64

23. Provisions

The components of provisions are as follows:

				31-12-2011	31-12-2010
Provisions related to the sales				1 278	2 140
Provisions for litigations				2 980	2 980
Other provisions				218	240
TOTAL PROVISIONS				**4 476**	**5 360**
	RELATED TO THE SALES	LITIGATIONS	OTHER		
PROVISIONS AS AT 1 JANUARY	**2 140**	**2 980**	**240**	**5 360**	**7 175**
Additions	86	-	180	266	356
Utilisations	-848	-	-202	-1 050	-1 839
Release	-100	-	-	-100	-332
CHANGES FOR THE YEAR	**-862**	**-**	**-22**	**-884**	**-1 815**
PROVISIONS AS AT 31 DECEMBER	**1 278**	**2 980**	**218**	**4 476**	**5 360**
From which current provisions				1 479	2 357

Allocation of this position by segment is as follows:

	31-12-2011	31-12-2010
Offices	2 988	3 869
Residential Development	1 062	1 065
Land Development	426	426
TOTAL	**4 476**	**5 360**

These provisions made correspond to the best estimate of outgoing resources considered as likely by the Board of Directors.

The provisions are made up based in 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/or environmental permits introduced by third parties at the State Council without any financial consequence for the Group.

24. Trade payables[1]

This account is allocated by segment as follows:

	31-12-2011	31-12-2010
Offices	12 441	8 829
Residential Development	6 156	5 599
Land Development	2 286	1 539
TOTAL TRADE PAYABLES	**20 883**	**15 967**

25. Other current liabilities[1]

The components of this account are:

	31-12-2011	31-12-2010
Personnel debts	611	861
Taxes (other than income taxes) and VAT payable	286	2 909
Advance on sales (mainly related to residential projects)	3 088	4 341
Advances from joint ventures and associates	2 313	5 099
Accrued charges and deferred income	1 052	858
Operating grants	2 263	2 263
Other current liabilities	1 774	2 804
TOTAL OTHER CURRENT LIABILITIES	**11 387**	**19 135**

1. The book value of this account approximates its fair value.

Other current liabilities are related to the following segments:

Offices	3 359	9 773
Residential Development	6 832	5 113
Land Development	1 196	4 249
TOTAL OTHER CURRENT LIABILITIES	**11 387**	**19 135**

Trade receivables and payables and other receivables and payables

	31-12-2011	31-12-2010
Trade receivables	10 956	9 881
Other current assets	15 166	6 358
TOTAL OF TRADE RECEIVABLES AND OTHER CURRENT ASSETS	**26 122**	**16 239**
Trade payables	20 883	13 342
Other current liabilities	11 387	19 135
TOTAL OF TRADE PAYABLES AND OTHER CURRENT LIABILITIES	**32 270**	**32 477**
NET SITUATION OF RECEIVABLES AND PAYABLES	**-6 148**	**-16 238**

26. Change in working capital

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

	31-12-2011	31-12-2010
Inventories, including acquisition of entities that are not considered as business combinations	-77 055	20 082
Trade receivables	-744	-4 829
Trade payables	4 916	-9 476
Other current assets and liabilities	-17 052	-22 251
CHANGE IN WORKING CAPITAL	**-89 935**	**-16 474**

Changes by segment are described under note 1 (financial information by segment).

27. Repayment of capital and dividends collected

Repayment of capital and dividends collected relate to the companies Promotion Léopold and Espace Midi.

28. Main contingent assets and liabilities

	31-12-2011	31-12-2010
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	48 085	47 014
- construction contracts	215	215
- other assets	329	329
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	**48 629**	**47 558**
These guarantees consist of:		
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	13 615	13 201
- guarantees "Law Breyne" (guarantees given in connection with the sale of houses or apartments under construction)	7 036	11 521
- guarantees "Good end of execution" (guarantees given in connection with the execution of works)	16 718	11 576
- guarantees "Payment" and "Other" (successful completion of payment, rental...)	11 260	11 260
TOTAL	**48 629**	**47 558**
Mortgage power - Amount of inscription	49 036	29 036
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	276 308	168 659
BOOK VALUE OF PLEDGED GROUP'S ASSETS	**276 308**	**168 659**
Amount of debts guaranteed by above securities		
- Non current debts	79 945	65 640
- Current debts	74 330	17 506
TOTAL	**154 275**	**83 146**
Commitments for the acquisition of inventories	15 124	38 618
Commitments for the disposal of inventories	26 607	13 521
The commitments from which the value of acquisition or disposal can not be defined, because depending from future events (permit to obtain, number of m² to construct…), are not included.		

29. Information on related parties

The list of subsidiaries, joint ventures and associates is included under note 32.

The transactions between Immobel, subsidiaries and joint ventures are eliminated in consolidation. The relationships with associates consist mainly of loans or advances, whose amounts are recorded in the balance sheet in the following accounts:

	31-12-2011	31-12-2010
Other current assets	1 229	541
Other current liabilities	-	3 088

Relationships with shareholders - Main shareholders

	31-12-2011	31-12-2010
Cresida Investment S.à r.l.	25.00 %	25.00 %
JER Audrey S.à r.l.	5.53 %	5.53 %
Capfi Delen Asset Management n.v.	5.06 %	5.06 %
Fidea n.v.	3.46 %	3.46 %
KBC Assurances n.v.	1.73 %	1.73 %
Other	59.22 %	59.22 %
Number of representative capital shares	4 121 934	4 121 934

Immobel has acquired on 2 February 2011 two offices projects to be developed in Poland. Those two transactions were completed with the company Centrum Development and Investments Polska Sp. z o.o., a related party of Cresida Investment S.à r.l., Reference shareholder of Immobel.

Relationships with senior executives

These are the salaries of Members of the Executive Committee and non-executive Directors.

	31-12-2011	31-12-2010
Salaries	3 897	3 234
Post-employment benefits	81	86
Other Benefits	9	9
TOTAL	**3 987**	**3 329**

Relationships with other related parties

These are relationships with related companies not included in the consolidation scope.

	31-12-2011	31-12-2010
Amounts recognized as income	0	-
Amounts recognized as expenses	276	-
Amounts capitalized on inventories	200	-
Amounts due to related parties	33	-
Amounts due by related parties	0	-

30. Events subsequent to reporting date

No significant event that may change the financial statements occured from the reporting date on 31 December 2011 up to 15 March 2012 when the financial statements were approved by the Board of Directors.

Immobel has completed on 13 February 2012 an additional bookbuilding of 10 MEUR to the private placement of bonds of 15 December 2011.

31. Joint ventures

The companies jointly controlled are listed under note 32. The participating interests of the Group in these companies are reported using the proportionate consolidation method grouping the accounts line by line. The share of the joint ventures in the consolidated financial statements are detailed as follows:

	31-12-2011	31-12-2010
Total non-current assets	2	5
Total current assets	117 200	84 934
Total non-current liabilities	7 565	18 518
Total current liabilities	42 718	23 278
Total income	6 970	3 885
Total charges	7 828	2 950

32. Subsidiaries, joint ventures and associates

Companies forming part of the Group as at 31 December 2011:

Subsidiaries

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
Cedet	-	Warsaw	100.00
Compagnie Immobilière de Lotissements (Lotinvest)	0451 565 088	Brussels	100.00
Compagnie Immobilière de Participations Financières (CIPAF)	0454 107 082	Brussels	100.00
Compagnie Immobilière de Wallonie (CIW)	0401 541 990	Wavre	100.00
Compagnie Immobilière Luxembourgeoise	-	Luxembourg	100.00
Entreprise et Gestion Immobilières (Egimo)	0403 360 741	Brussels	100.00
Espace Nivelles	0472 279 241	Brussels	100.00
Foncière Jennifer	0464 582 884	Brussels	100.00
Foncière Montoyer	0826 862 642	Brussels	100.00
Harmonia	0444 218 131	Brussels	100.00
Immobel Poland	-	Warsaw	100.00
Immobiliën Vennootschap van Vlaanderen (Investimmo)	0403 342 826	Brussels	100.00
Immobilière Deka	0417 100 196	Brussels	100.00
Katavia Invesment	-	Warsaw	100.00
Les Jardins du Nord	0444 857 737	Brussels	76.00
Okraglak Development	-	Warsaw	100.00
Project Papeblok	0831 193 097	Brussels	100.00
Quomago	0425 480 206	Brussels	100.00
The Green Corner	0443 551 997	Brussels	100.00
Torres Investment	-	Warsaw	100.00
Veldimmo	0430 622 986	Brussels	100.00
WestSide	-	Luxembourg	100.00

1. The % interest corresponds with the voting rights.

Joint ventures

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
Bella Vita	0890 019 738	Brussels	50.00
Bitra Enterprise	-	Warsaw	50.00
Château de Beggen	-	Luxembourg	50.00
Espace Trianon	0450 883 417	Embourg	50.00
Fanster Enterprise	-	Warsaw	50.00
Foncière du Parc	0433 168 544	Brussels	50.00
Ilot Ecluse	0441 544 592	Gilly	50.00
Intergénérationnel de Waterloo	0890 182 460	Brussels	50.00
Lex 2000	0403 364 996	Brussels	50.00
RAC 1	0819 582 791	Antwerp	40.00
RAC 2	0819 585 959	Antwerp	40.00
RAC 3	0819 588 830	Antwerp	40.00
RAC 4	0819 593 481	Antwerp	40.00
Société Espace Léopold	0435 890 977	Brussels	50.00
Temider Enterprise	-	Warsaw	50.00
Universalis Park	0891 775 438	Brussels	50.00
Vilpro	0437 858 295	Brussels	50.00

Associates

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
DHR Clos du Château	0895 524 784	Brussels	33.33
Espace Midi	0402 594 342	Brussels	20.00
Esplanade 64	0888 411 419	Brussels	25.00
Promotion Léopold	0439 904 896	Brussels	35.50

SCOPE OF CONSOLIDATION - NUMBER OF ENTITIES	31-12-2011	31-12-2010
Subsidiaries - Global method of consolidation	22	19
Joint ventures - Proportionate method of consolidation	17	14
Associates - Equity method	4	4
TOTAL	**43**	**37**

1. The % interest corresponds with the voting rights.

Changes in 2011

Acquisition - incoming companies

- Cedet - acquisition of 100 % shares of the company
- IMMOBEL Poland - acquisition of 100 % shares of the company
- Katavia Invesment - acquisition of 100 % shares of the company
- Okraglak Development - acquisition of 100 % shares of the company
- Project Papeblok - acquisition of 100 % shares of the company
- Quomago - acquisition of 100 % shares of the company
- Torres Investment - acquisition of 100 % shares of the company
- Bitra Enterprise - acquisition of 50 % shares of the company
- Fanster Enterprise - acquisition of 50 % shares of the company
- Temider Enterprise - acquisition of 50 % shares of the company.

Fair values of assets and liabilities of acquired companies are

	31-12-2011
Inventories	61 063
Other assets	2 373
Cash and cash equivalents	776
TOTAL ASSETS	**64 212**
Financial debts	10 000
Other liabilities	1 544
TOTAL LIABILITIES	**11 544**
PAID PRICE	**52 668**

Purchase price paid in cash	-52 668
Acquired cash	776
OPERATING CASH FLOW	**-51 892**

The acquisitions are not recognized as business combinations under IFRS 3 since the acquired assets and liabilities are not activities ("business"). The acquired assets and liabilities are therefore accounted for using the applicable standard (mainly IAS 2 - "Inventories").

Disposals – outgoing companies

- Sale of the participating interests in the company Duwol (100 % holding)
- Progex - 100 % holding - merged by absorption by IMMOBEL
- Sofipari - 100 % holding - merged by absorption by IMMOBEL
- Demetex - 100 % holding - merged by absorption by Compagnie Immobilière de Wallonie (CIW).

Statement from the responsible persons

The undersigned persons state that, to the best of their knowledge:

- the Consolidated Financial Statements of NV Immobel SA and its subsidiaries as of 31 December 2011 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; and
- the Director's Report on the financial year ended at 31 December 2011 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:

GAËTAN PIRET SPRL
Chief Executive Officer

Baron Buysse CMG CBE
Chairman of the Board of Directors

Statutory Auditor's report

on the consolidated financial statements for the year ended 31 December 2011

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Compagnie Immobilière de Belgique, en abrégé: Immobel SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 406.798 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 16.184 (000) EUR.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2011, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which do not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, 15 March 2012

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Laurent Boxus

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

Condensed Company accounts

(in thousands of EUR)

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.immobel.be

The Statutory Auditor issued an unqualified report on the financial statements of IMMOBEL SA.

Condensed balance sheet

	31-12-2011	31-12-2010
ASSETS		
FIXED ASSETS	**105 848**	**114 561**
Start-up costs	597	-
Intangible fixed assets	47	12
Tangible fixed assets	1 155	1 014
Financial fixed assets	104 049	113 535
CURRENT ASSETS	**207 813**	**101 403**
Stocks and contracts in progress	63 235	37 306
Amounts receivable within one year	109 170	37 278
Short term investments	192	212
Cash balance	34 128	26 125
Deferred charges and accrued income	1 088	482
TOTAL ASSETS	**313 661**	**215 964**
LIABILITIES		
SHAREHOLDERS' EQUITY	**183 645**	**171 936**
Capital	60 302	60 302
Reserves	10 075	10 075
Accumulated profits	113 268	101 559
PROVISIONS AND DEFERRED TAXES	**3 024**	**3 022**
Provisions for liabilities and charges	3 024	3 022
DEBTS	**126 992**	**41 006**
Amounts payable after one year	83 700	-
Amounts payable within one year	43 019	40 944
Accrued charges and deferred income	273	62
TOTAL LIABILITIES	**313 661**	**215 964**

Condensed income statement

	31-12-2011	31-12-2010
Operating income	22 407	5 188
Operating charges	-13 655	-10 045
OPERATING PROFIT	**8 752**	**-4 857**
Financial income	9 576	5 088
Financial charges	-2 615	-1 648
FINANCIAL RESULT	**6 961**	**3 440**
OPERATING PROFIT BEFORE TAXES	**15 713**	**-1 417**
Extraordinary income	7 209	671
Extraordinary charges	-3 996	-4 604
EXTRAORDINARY RESULT	**3 213**	**-3 933**
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	**18 926**	**-5 350**
Taxes	-4	-
PROFIT OF THE FINANCIAL YEAR	**18 922**	**-5 350**
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	**18 922**	**-5 350**

Appropriation account

	31-12-2011	31-12-2010
PROFIT TO BE APPROPRIATED	**120 481**	**106 711**
Profit for the financial year available for appropriation	18 922	-5 350
Profit carried forward	101 559	112 061
RESULT TO BE CARRIED FORWARD	**113 268**	**101 559**
Profit to be carried forward	113 268	101 559
PROFIT AVAILABLE FOR DISTRIBUTION	**7 213**	**5 152**
Dividends	7 213	5 152

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.

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.

S/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 s/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, s/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.

Financial services
• BNP Paribas Fortis
• KBC Bank
• ING Belgique
• Bank Degroof

Investor relations
Philippe Opsomer
Tel.: 32(0)2/422.53.61 - Fax: 32(0)2/422.53.02
E-mail: philippe.opsomer@immobel.be

Financial calender

Publication of annual accounts 2011:	15 March 2012
Ordinary General Meeting 2012:	24 May 2012
Publication of 2012 half-year results :	31 August 2012
Publication of 2012 annual accounts:	March 2013
Ordinary General Meeting 2013:	23 May 2013

Chief editor
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IMMOBEL
since 1863

IMMOBEL
Limited company
Rue de la Régence, 58 - 1000 Brussels - Belgium