

# CONSOLIDATED ACCOUNTS



**GRAND' POSTE**  
[VERVIERS] > Bureau d'archit. Lejeune, Giovanelli & associés Sprl

# INCOME STATEMENT (NOTE 1)

(IN THOUSAND EUR)

|  | NOTES    | 31-12-2005      | 31-12-2004      |
|--|----------|-----------------|-----------------|
| <b>OPERATING INCOME</b>  |          | <b>168 346</b>  | <b>206 057</b>  |
| Turnover   | 2        | 148 052         | 194 260         |
| Other operating income   | 3        | 9 981           | 11 193          |
| Change in the fair value of investment property                            | 4        | 10 313          | 604             |
| <b>OPERATING EXPENSES</b>  |          | <b>-140 300</b> | <b>-194 240</b> |
| Purchases  |          | -136 800        | -154 834        |
| Change in inventory  |          | 37 293          | 9 285           |
| Personnel expenses   |          | -10 235         | -11 026         |
| Change in the fair value of investment property                            | 4        | - 238           | -3 044          |
| Amortisation and impairment of assets                                      | 5        | -1 900          | - 972           |
| Other operating expenses   | 6        | -28 420         | -33 649         |
| <b>OPERATING INCOME</b>  |          | <b>28 046</b>   | <b>11 817</b>   |
| <b>NET FINANCIAL COSTS</b>   | <b>7</b> | <b>-8 988</b>   | <b>-7 589</b>   |
| <b>SHARE IN THE RESULT OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD</b> | <b>8</b> | <b>789</b>      | <b>1 687</b>    |
| <b>RESULT BEFORE TAXES</b>   |          | <b>19 847</b>   | <b>5 915</b>    |
| <b>TAXES</b>   | <b>9</b> | <b>-2 699</b>   | <b>-5 431</b>   |
| <b>RESULT FOR THE YEAR</b>   |          | <b>17 148</b>   | <b>484</b>      |
| Share of minority interests  |          | -10             | 0               |
| <b>SHARE OF COMPAGNIE IMMOBILIÈRE DE BELGIQUE</b>                          |          | <b>17 158</b>   | <b>484</b>      |
| Basic earnings/Diluted earnings per share (in EUR)                         | 10       | 4.17            | 0.12            |

# CASH FLOW TABLE

(IN THOUSAND EUR)

|  | NOTES | 31-12-2005     | 31-12-2004     |
|--|-------|----------------|----------------|
| Operating income   |       | 28 046         | 11 817         |
| Amortisation and impairment of assets  |       | 1 900          | 972            |
| Change in the fair value of investment property                              |       | -10 075        | 2 440          |
| Change in provisions   |       | -823           | -75            |
| <b>CASH FLOW FROM OPERATIONS BEFORE CHANGES OF WORKING CAPITAL AND TAXES</b> |       | <b>19 048</b>  | <b>15 154</b>  |
| Change in working capital  | 11    | 21 818         | -81 127        |
| <b>CASH FLOW FROM OPERATIONS BEFORE PAID TAXES</b>                           |       | <b>40 866</b>  | <b>-65 973</b> |
| Paid taxes   |       | -1 999         | -2 352         |
| <b>CASH FLOW FROM OPERATIONS</b>   |       | <b>38 867</b>  | <b>-68 325</b> |
| Acquisitions of participating interests                                      | 12    | -2 750         | -23            |
| Disposal of participating interests  | 13    | 860            |                |
| Dividends collected from subsidiaries consolidated by the equity method      |       | 2 685          |                |
| Acquisitions and disposals of fixed assets                                   | 14    | -482           | -521           |
| Change in interests available for sale and other fixed assets                |       | -100           | -223           |
| <b>CASH FLOW FROM INVESTMENTS</b>  |       | <b>213</b>     | <b>-767</b>    |
| Change in borrowings   | 15    | -8 954         | 76 458         |
| Net financial costs  | 16    | -9 334         | -8 495         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                   |       | <b>-18 288</b> | <b>67 963</b>  |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                               |       | <b>20 792</b>  | <b>-1 129</b>  |
| Impact of exchange rate fluctuation  |       | -111           | 337            |
| <b>CASH AND CASH EQUIVALENTS AT BEGIN OF THE YEAR</b>                        |       | <b>35 148</b>  | <b>35 940</b>  |
| <b>CASH AND CASH EQUIVALENTS AT YEAR END</b>                                 |       | <b>55 829</b>  | <b>35 148</b>  |

# BALANCE SHEET

(IN THOUSAND EUR)

| ASSETS   | NOTES | 31-12-2005     | 31-12-2004     |
|--|-------|----------------|----------------|
| <b>FIXED ASSETS</b>                            |       | <b>77 429</b>  | <b>72 378</b>  |
| Intangible assets                              | 17    | 73             | 168            |
| Goodwill                                       | 18    | 921            | 681            |
| Tangible assets                                | 19    | 1 708          | 2 005          |
| Investment property                            | 20    | 50 898         | 42 136         |
| Subsidiaries consolidated by the equity method | 21    | 20 365         | 24 152         |
| Interests available for sale                   | 22    | 1 119          | 1 088          |
| Deferred tax assets                            | 23    | 1 889          | 1 786          |
| Other non-current assets                       | 24    | 456            | 362            |
| <b>CURRENT ASSETS</b>                          |       | <b>408 592</b> | <b>419 822</b> |
| Inventories                                    | 25    | 283 731        | 245 218        |
| Trade receivables                              | 26    | 51 017         | 123 810        |
| Tax receivables                                |       | 836            | 629            |
| Other current assets                           | 27    | 17 179         | 15 017         |
| Cash and cash equivalents                      | 28    | 55 829         | 35 148         |
| <b>TOTAL ASSETS</b>                            |       | <b>486 021</b> | <b>492 200</b> |

| LIABILITIES AND SHAREHOLDERS' EQUITY                                   | NOTES     | 31-12-2005     | 31-12-2004     |
|--|-----------|----------------|----------------|
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                      | <b>29</b> | <b>181 270</b> | <b>165 950</b> |
| <b>SHAREHOLDERS' EQUITY SHARE OF COMPAGNIE IMMOBILIÈRE DE BELGIQUE</b> |           | <b>181 269</b> | <b>165 945</b> |
| Equity   |           | 100 285        | 100 000        |
| Reserves   |           | 79 859         | 62 986         |
| Translation differences  |           | 1 125          | 2 959          |
| <b>MINORITY INTERESTS</b>  |           | <b>1</b>       | <b>5</b>       |
| <b>LONG-TERM LIABILITIES</b>   |           | <b>181 951</b> | <b>107 551</b> |
| Pensions and similar obligations                                       | 30        | 1 123          | 1 148          |
| Provisions   | 31        | 1 561          | 2 569          |
| Deferred tax liabilities   | 23        | 9 193          | 7 547          |
| Financial debts  | 28        | 170 074        | 96 287         |
| <b>SHORT-TERM LIABILITIES</b>  |           | <b>122 800</b> | <b>218 699</b> |
| Provisions   | 31        | 1 226          | 939            |
| Financial debts  | 28        | 57 968         | 140 709        |
| Trade payables   | 32        | 31 621         | 44 475         |
| Tax liabilities  |           | 1 792          | 2 049          |
| Other current liabilities  | 33        | 30 193         | 30 527         |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                      |           | <b>486 021</b> | <b>492 200</b> |

# STATEMENT OF CHANGES IN TOTAL SHAREHOLDERS' EQUITY

(IN THOUSAND EUR)

|                                    | Equity         | Non distributed result | Other reserves | Translation differences | Shareholders' equity to be allocated to the Group | Minority interests | Total shareholders' equity |
|------------------------------------|----------------|------------------------|----------------|-------------------------|---|--------------------|----------------------------|
| <b>BOOK VALUE AS AT 31-12-2003</b> | <b>100 000</b> | <b>62 502</b>          |                | <b>4 225</b>            | <b>166 727</b>                                    | <b>5</b>           | <b>166 732</b>             |
| Result for the year                |                | 484                    |                |                         | 484   | 0                  | 484                        |
| Translation differences            |                |                        |                | -1 266                  | -1 266  |                    | -1 266                     |
| <b>CHANGES IN THE YEAR</b>         |                | <b>484</b>             |                | <b>-1 266</b>           | <b>-782</b>                                       | <b>0</b>           | <b>-782</b>                |
| <b>BOOK VALUE AS AT 31-12-2004</b> | <b>100 000</b> | <b>62 986</b>          |                | <b>2 959</b>            | <b>165 945</b>                                    | <b>5</b>           | <b>165 950</b>             |
| Result for the year                |                | 17 158                 |                |                         | 17 158  | -10                | 17 148                     |
| Capital increase by the Group      | 285            |                        | -285           |                         |   |                    |                            |
| Translation differences            |                |                        |                | -1 834                  | -1 834  |                    | -1 834                     |
| Other                              |                |                        |                |                         |   | 6                  | 6                          |
| <b>CHANGES IN THE YEAR</b>         | <b>285</b>     | <b>17 158</b>          | <b>-285</b>    | <b>-1 834</b>           | <b>15 324</b>                                     | <b>-4</b>          | <b>15 320</b>              |
| <b>BOOK VALUE AS AT 31-12-2005</b> | <b>100 285</b> | <b>80 144</b>          | <b>-285</b>    | <b>1 125</b>            | <b>181 269</b>                                    | <b>1</b>           | <b>181 270</b>             |

The decrease in translation differences for the 2005 year is basically related to the sale of the 100 % interest held in CoRE Kft Budapest by COMPAGNIE IMMOBILIÈRE DE BELGIQUE.

# ACCOUNTING PRINCIPLES AND METHODS

## 1. GENERAL INFORMATION

COMPAGNIE IMMOBILIÈRE DE BELGIQUE (hereafter named the "Company") is a limited company incorporated in Belgium. The address of its registered office is Avenue J. Dubrucq 175, box 1 at 1080 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.

In addition, the Group did not anticipate the implementation of new standards and interpretations issued before the authorisation date for publishing the financial statements but whose effective date is subsequent to 31<sup>st</sup> December 2005. Implementing the IFRS 7 standard - *Financial Instruments : Disclosure* that will become effective as of 2007 will lead to a change in the information recorded in the notes with respect to the financial instruments. The Company has not yet decided to record all actuarial differences directly under shareholders' equity following the amendment of the IAS 19 standard - *Employee Benefit*, which becomes effective as of 2006.

Adopting other new standards and interpretations during the following years should not have a significant impact on the consolidated financial statements.

## 3. PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements are presented in thousands of euros.

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 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<sup>st</sup> 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<sup>st</sup> December. The difference between 31<sup>st</sup> 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 cost 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.

The positive difference released at the increase of rate of interest in a subsidiary is recorded under goodwill.

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 Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, a joint entity or an associate over the cost 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.

In accordance with IFRS 1 – *First-time Adoption of IFRS*, the Company has used the exemption according to which business combinations that occurred before the date of transition to IFRS (1<sup>st</sup> January 2004) are not restated retroactively according to IFRS 3 – *Business Combinations*.

Goodwill resulting from past acquisitions has been subject to an impairment in value test at the date of transition to IFRS.

### **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.

The Group did not use the option offered by IFRS 1 allowing for the transfer of accumulated translation differences as at 1<sup>st</sup> January 2004 to the retained earnings under shareholders' equity.

#### **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) held by the Group so as to earn rent and/or create value for property rather than use or sell it. Investment property is initially measured at cost and subsequently carried at fair value. Any change in fair value is directly recognised in the income statement. At the end of the construction or development phase of an item of investment property, the difference between its cost and fair value is immediately recognised in profit and loss.

## 9. LEASES

### 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

The Group decided to use the option of IFRS 1 – *First-time Adoption of IFRS*, according to which standards IAS 32 - *Financial instruments : Disclosure and Presentation* and IAS 39 - *Financial instruments : Recognition and Measurement* are implemented only as of 1<sup>st</sup> January 2005. Therefore, the Group used the Belgian accounting standards for financial instruments for the 2004 financial year.

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 nominal value.

### 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 under shareholders' equity. 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

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 not capitalised.

## 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 cost price takes into account direct expenses and a portion of production overhead without including administrative and financial expenses.

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).

## 14. POST-EMPLOYMENT BENEFITS

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

For defined benefit plans, 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, adjusted for actuarial gains and losses 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 exceeding 10 % of the higher of the current value of the pension obligations and the fair value of plan assets at the reporting date are amortised over the expected average remaining working lives of participating employees.

In accordance with IFRS 1 – *First-time Adoption of IFRS*, the Group uses the exemption according to which all actuarial gains and losses accumulated at the date of transition to IFRS (1<sup>st</sup> January 2004) are recognised in adjustment of opening shareholders' equity.

## 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 Construction activities and lease agreements.

Revenue from Real Estate Development and Construction activities is measured at the fair value of the consideration received or receivable.

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 lessor 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. EXPENSES

### IMPAIRMENT IN VALUE OF ASSETS

At each reporting date, the book value of tangible and intangible assets of the Company is reviewed so as to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and, if applicable, an impairment loss is recognised in profit

and loss if the recoverable amount is lower than the book value. When the recoverable amount may not be individually determined for an asset, including goodwill, it is measured at the level of the cash generating unit to which the asset belongs.

The recoverable amount of an asset 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.

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).

#### **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 recognised in profit and loss for the financial year when they are incurred.

#### **18. 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.

# NOTES TO THE FINANCIAL STATEMENTS

(IN THOUSAND EUR)

The following notes refer to the numbers shown in the consolidated accounts.

## INFORMATION BY SECTOR

### 1. FINANCIAL INFORMATION BY SECTOR OF ACTIVITY

The core business of the Company, **Real Estate Development**, includes the activities of "Offices & Enterprise Real Estate", "Residential Development", "Land Development" and "Project Management" as a support activity.

The *Campona Shopping Center* building in Budapest and the Reforme company, active in the fields of construction and renovation are the other activities of the Group, included below under the **Miscellanea** section.

Except the *Campona Shopping Center*, the Group's activity is carried out mainly in Belgium.

### PROFIT AND LOSS

|  | Offices & Enterprise Real Estate | Residential Development | Land Development | Project Management | Development    | Miscellanea   | Eliminations | Consolidated   |
|--|----------------------------------|-------------------------|------------------|--------------------|----------------|---------------|--------------|----------------|
| <b>2005</b>                                  |                                  |                         |                  |                    |                |               |              |                |
| "External" turnover                          | 76 924                           | 32 611                  | 12 721           | 595                | <b>122 851</b> | <b>25 201</b> |              | <b>148 052</b> |
| "Intersector" sales <sup>(1)</sup>           |                                  |                         |                  | 1 870              | <b>1 870</b>   | <b>10 492</b> | -12 362      |                |
| "Sector" turnover                            | 76 924                           | 32 611                  | 12 721           | 2 465              | <b>124 721</b> | <b>35 693</b> | -12 362      | <b>148 052</b> |
| <b>OPERATING RESULT</b>                      | <b>10 716</b>                    | <b>1 067</b>            | <b>3 182</b>     | <b>363</b>         | <b>15 328</b>  | <b>12 718</b> |              | <b>28 046</b>  |
| Net financial costs                          |                                  |                         |                  |                    |                |               |              | -8 988         |
| Companies accounted for by the equity method | 789                              |                         |                  |                    | <b>789</b>     |               |              | <b>789</b>     |
| Taxes  |                                  |                         |                  |                    |                |               |              | -2 699         |
| <b>NET RESULT</b>                            |                                  |                         |                  |                    |                |               |              | <b>17 148</b>  |
| <b>2004</b>                                  |                                  |                         |                  |                    |                |               |              |                |
| "External" turnover                          | 111 063                          | 36 758                  | 8 700            | 1 007              | <b>157 528</b> | <b>36 732</b> |              | <b>194 260</b> |
| "Intersector" sales <sup>(1)</sup>           |                                  |                         |                  | 2 224              | <b>2 224</b>   | <b>7 885</b>  | -10 109      |                |
| "Sector" turnover                            | 111 063                          | 36 758                  | 8 700            | 3 231              | <b>159 752</b> | <b>44 617</b> | -10 109      | <b>194 260</b> |
| <b>OPERATING RESULT</b>                      | <b>8 872</b>                     | <b>2 463</b>            | <b>1 598</b>     | <b>91</b>          | <b>13 024</b>  | <b>-1 207</b> |              | <b>11 817</b>  |
| Net financial costs                          |                                  |                         |                  |                    |                |               |              | -7 589         |
| Companies accounted for by the equity method | 1 687                            |                         |                  |                    | <b>1 687</b>   |               |              | <b>1 687</b>   |
| Taxes  |                                  |                         |                  |                    |                |               |              | -5 431         |
| <b>NET RESULT</b>                            |                                  |                         |                  |                    |                |               |              | <b>484</b>     |

|                                | Belgium | Abroad | Total          |
|--------------------------------|---------|--------|----------------|
| "External" turnover 31-12-2005 | 143 756 | 4 296  | <b>148 052</b> |
| "External" turnover 31-12-2004 | 189 754 | 4 506  | <b>194 260</b> |

(1) Actual turnover based on market price.

### CASH AND CASH EQUIVALENTS ITEMS

|   | Offices & Enterprise Real Estate | Residential Development | Land Development | Project Management | Development    | Miscellaneous | Consolidated   |
|---|----------------------------------|-------------------------|------------------|--------------------|----------------|---------------|----------------|
| <b>2005</b>                             |                                  |                         |                  |                    |                |               |                |
| Operating result                        | 10 716                           | 1 067                   | 3 182            | 363                | 15 328         | 12 718        | 28 046         |
| Depreciation & impairment in value      | 720                              | 873                     | 25               | 141                | 1 759          | 141           | 1 900          |
| Change in fair value                    | 238                              |                         |                  |                    | 238            | -10 313       | -10 075        |
| Change in provisions                    | -1 067                           | -4                      | -17              | 8                  | -1 080         | 257           | -823           |
| Change in working capital               | 22 313                           | -6                      | 477              | 142                | 22 926         | -1 108        | 21 818         |
| <b>OPERATING CASH FLOW BEFORE TAXES</b> | <b>32 920</b>                    | <b>1 930</b>            | <b>3 667</b>     | <b>654</b>         | <b>39 171</b>  | <b>1 695</b>  | <b>40 866</b>  |
| Investment cash flow                    | 1 654                            | - 814                   | 15               | - 7                | 848            | -635          | 213            |
| <b>2004</b>                             |                                  |                         |                  |                    |                |               |                |
| Operating result                        | 8 872                            | 2 463                   | 1 598            | 91                 | 13 024         | -1 207        | 11 817         |
| Depreciation & impairment in value      | 1 003                            | -136                    | -108             | 41                 | 800            | 172           | 972            |
| Change in fair value                    | -604                             |                         |                  |                    | - 604          | 3 044         | 2 440          |
| Change in provisions                    | -189                             | -28                     | -17              | 5                  | - 229          | 154           | -75            |
| Cash and cash equivalents items         | -78 499                          | -9 909                  | -1 381           | 406                | -89 383        | 8 256         | -81 127        |
| <b>OPERATING CASH FLOW BEFORE TAXES</b> | <b>-69 417</b>                   | <b>-7 610</b>           | <b>92</b>        | <b>543</b>         | <b>-76 392</b> | <b>10 419</b> | <b>-65 973</b> |
| Investment cash flow                    | -357                             |                         |                  | -11                | -368           | -399          | -767           |

### BALANCE SHEET ITEMS

|                                  | Offices & Enterprise Real Estate | Residential Development | Land Development | Project Management | Development | Miscellaneous | Consolidated   |
|----------------------------------|----------------------------------|-------------------------|------------------|--------------------|-------------|---------------|----------------|
| <b>2005</b>                      |                                  |                         |                  |                    |             |               |                |
| Sector assets                    | 284 677                          | 45 672                  | 32 675           | 1 187              | 364 211     | 61 681        | 425 892        |
| Unallocated items <sup>(1)</sup> |                                  |                         |                  |                    |             |               | 60 129         |
| <b>TOTAL ASSETS</b>              |                                  |                         |                  |                    |             |               | <b>486 021</b> |
| Sector liabilities               | 40 959                           | 7 952                   | 2 704            | 697                | 52 312      | 13 412        | 65 724         |
| Unallocated items <sup>(1)</sup> |                                  |                         |                  |                    |             |               | 239 027        |
| <b>TOTAL LIABILITIES</b>         |                                  |                         |                  |                    |             |               | <b>304 751</b> |
| <b>2004</b>                      |                                  |                         |                  |                    |             |               |                |
| Sector assets                    | 310 637                          | 50 892                  | 31 708           | 3 368              | 396 605     | 56 582        | 453 187        |
| Unallocated items <sup>(1)</sup> |                                  |                         |                  |                    |             |               | 39 013         |
| <b>TOTAL ASSETS</b>              |                                  |                         |                  |                    |             |               | <b>492 200</b> |
| Sector liabilities               | 46 728                           | 11 597                  | 3 020            | 810                | 62 155      | 17 503        | 79 658         |
| Unallocated items <sup>(1)</sup> |                                  |                         |                  |                    |             |               | 246 592        |
| <b>TOTAL LIABILITIES</b>         |                                  |                         |                  |                    |             |               | <b>326 250</b> |

|                          | Belgium | Abroad | Total   |
|--------------------------|---------|--------|---------|
| Sector assets 31-12-2005 | 364 410 | 61 482 | 425 892 |
| Sector assets 31-12-2004 | 401 324 | 51 863 | 453 187 |

(1) Unallocated items : Assets : 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.

## INCOME STATEMENT

### 2. TURNOVER

The components of the turnover are as follows :

|                       | 31-12-2005     | 31-12-2004     |
|-----------------------|----------------|----------------|
| Asset sale            | 143 376        | 188 819        |
| Service fees          | 595            | 1 007          |
| Rent                  | 4 081          | 4 434          |
| <b>TOTAL TURNOVER</b> | <b>148 052</b> | <b>194 260</b> |

Turnover is allocated as follows per sector :

|   | 31-12-2005     | 31-12-2004     |
|---|----------------|----------------|
| Development :                                     |                |                |
| - Offices & Enterprise Real Estate <sup>(1)</sup> | 76 925         | 111 063        |
| - Residential Development <sup>(2)</sup>          | 32 611         | 36 758         |
| - Land Development <sup>(3)</sup>                 | 12 721         | 8 700          |
| - Project Management                              | 595            | 1 007          |
| <b>TOTAL DEVELOPMENT</b>                          | <b>122 852</b> | <b>157 528</b> |
| Miscellanea <sup>(4)</sup>                        | 25 200         | 36 732         |
| <b>TOTAL TURNOVER</b>                             | <b>148 052</b> | <b>194 260</b> |

(1) Construction contracts *Acec 38* in Charleroi, *Lex* in Brussels, *Les Mélanges* in Namur, disposal of the buildings *Chanmurly* in Liège, *Drapiers* in Ixelles and the disposal of the *Astrid Logistics Centre* project in Willebroek contribute in particular to the "Offices & Enterprise Real Estate" turnover.

(2) The "Residential Development" turnover is basically influenced by the *Jardin des Sittelles* promotions in Woluwe-Saint-Lambert, *Jardins de la Couronne* in Ixelles, *Jardins de Jette*, *Louise Michel* in Molenbeek-Saint Jean, *Omega Court* in Auderghem and the residence *Fisco Place des Martyrs* in Brussels.

(3) The marketing of the new developments in *Bredene*, *Vedrin*, *Soignies* and *Genval* have a favourable influence on the "Land Development" turnover.

(4) The "Miscellanea" includes the turnover from "Property" and "Construction" activities.

### 3. OTHER OPERATING INCOME

Other operating income is allocated by sector as follows:

|                                    | 31-12-2005   | 31-12-2004    |
|------------------------------------|--------------|---------------|
| Development :                      |              |               |
| - Offices & Enterprise Real Estate | 5 220        | 5 147         |
| - Residential Development          | 435          | 402           |
| - Land Development                 | 142          | 107           |
| - Project Management               | 87           | 26            |
| <b>TOTAL DEVELOPMENT</b>           | <b>5 884</b> | <b>5 682</b>  |
| Miscellanea                        | 4 097        | 5 511         |
| <b>OTHER OPERATING INCOME</b>      | <b>9 981</b> | <b>11 193</b> |
| Of which subsidies                 | 809          | 2 535         |

The “Offices & Enterprise Real Estate Development” sector records in particular the profit resulting from the closing of the *Galeries Saint Lambert* project in Liège.

The “Miscellanea” is mainly related to “Property” and “Construction” activities.

Received subsidies are recognised in the balance sheet (included in other short-term liabilities) as deferred income; they are recorded as income at the rate of recognition of the respective asset margin.

#### 4. CHANGE IN THE FAIR VALUE OF INVESTMENT PROPERTY

Net change (income-expenses) in the fair value of investment property breaks down as follows :

|  | 31-12-2005    | 31-12-2004    |
|--|---------------|---------------|
| Property Sector  | 10 313        | -3 044        |
| Offices & Enterprise Real Estate Development Sector        | - 238         | 604           |
| <b>NET CHANGE IN THE FAIR VALUE OF INVESTMENT PROPERTY</b> | <b>10 075</b> | <b>-2 440</b> |

Investment property valuation principles are described in note 20.

#### 5. AMORTISATION AND IMPAIRMENT OF ASSETS

Break down as follows :

|   | 31-12-2005    | 31-12-2004  |
|---|---------------|-------------|
| Impairment loss on Goodwill   | - 220         | - 612       |
| Amortisation of intangible assets and depreciation of tangible assets | - 627         | - 974       |
| Impairment losses on subsidiaries consolidated by the equity method   | - 385         |             |
| Write-off on other fixed assets - Increase                            |               | - 282       |
| Write-off on inventory - Increase                                     | - 912         | - 659       |
| Write-off on inventory - Decrease                                     | 12            | 1 820       |
| Write-off on trade receivables - Increase                             | - 118         | - 409       |
| Write-off on trade receivables - Decrease                             | 350           | 144         |
| <b>AMORTISATION AND IMPAIRMENT OF ASSETS</b>                          | <b>-1 900</b> | <b>-972</b> |

**6. OTHER OPERATING EXPENSES**

Break down as follows :

|                                 | 31-12-2005     | 31-12-2004     |
|---------------------------------|----------------|----------------|
| Services and other goods        | -25 660        | -30 595        |
| Provisions                      | 823            | 75             |
| Other expenses                  | -3 583         | -3 129         |
| <b>OTHER OPERATING EXPENSES</b> | <b>-28 420</b> | <b>-33 649</b> |

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

|  |                |                |
|--|----------------|----------------|
| Rent and service charges (this item includes mainly service charges for the registered office and rent with respect to the lease of equipment and machines in the Construction sector) | -2 956         | -2 949         |
| Services and other goods for investment property (of which most service charges are re-invoiced to tenants - Other operating income)   | -3 983         | -4 157         |
| Third party payment (this item includes in particular the fees paid to third parties and related to turnover)  | -16 206        | -20 139        |
| Other services and other goods (including company supplies, advertising, maintenance and repair expenses, etc.)  | -2 515         | -3 350         |
| <b>TOTAL SERVICES AND OTHER GOODS</b>  | <b>-25 660</b> | <b>-30 595</b> |

The **other operating expenses** of -3,583 KEUR mainly record taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

| <b>OPERATING LEASE OBLIGATIONS</b>  |       |  |
|---|-------|--|
| Total amount of payments recognised under expenses for the year               | 835   |  |
| Total minimum payments to be made :   |       |  |
| - within one year   | 802   |  |
| - after one year but within 5 years   | 2 720 |  |
| The amounts correspond mainly to the rent for the registered office and cars. |       |  |

**7. NET FINANCIAL COSTS**

Net financial costs break down as follows :

|   | 31-12-2005    | 31-12-2004    |
|---|---------------|---------------|
| - "Project Financing" financial expenses              | -7 707        | -5 824        |
| - "Project Financing" financial income                | 1 284         | 224           |
| "Project Financing" net treasury costs                | -6 423        | -5 600        |
| - "Corporate" financial expenses                      | -4 171        | -5 325        |
| - "Corporate" financial income                        | 1 178         | 1 125         |
| "Corporate" net treasury costs                        | -2 993        | -4 200        |
| Dividends and interests of other fixed assets         | 29            | 339           |
| Translation differences and exchange rate differences | 399           | 1 872         |
| <b>NET FINANCIAL COSTS</b>                            | <b>-8 988</b> | <b>-7 589</b> |

## 8. SHARE IN THE RESULT OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

The result of companies accounted for by the equity method affects the "Development - Offices & Enterprise Real Estate" activity.

Subsidiaries consolidated by the equity method are specified under note 38.

## 9. INCOME TAXES

Income tax expense includes current tax and deferred tax.

- Current tax represents tax paid or payable on taxable income for the year, as well as any adjustment paid or payable for previous years.
- Deferred tax represents tax that shall be due or collected only in future financial years but which has already been recognised for the past financial year and which corresponds to the change in the balance sheet deferred taxes.

Deferred tax assets on the tax losses carried forward and unused and usable tax credits are recognised if it is likely for these deductible timing differences to be charged in the future to taxable earnings. Deferred taxes are recognised according to a measurement process based on an analysis of the estimated profitability of the activities of the concerned companies.

Income taxes are as follows :

|  | 31-12-2005    | 31-12-2004    |
|--|---------------|---------------|
| Current taxes for the current year             | -1 436        | -3 811        |
| Current taxes for the previous financial years | - 99          | - 264         |
| Deferred taxes                                 | -1 164        | -1 356        |
| <b>TOTAL TAX CHARGES</b>                       | <b>-2 699</b> | <b>-5 431</b> |

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

|  | 31-12-2005    | 31-12-2004    |
|--|---------------|---------------|
| Result before taxes  | 19 847        | 5 915         |
| Result of the companies accounted for by the equity method                                     | -789          | -1 687        |
| Result before taxes and result of the companies accounted for by the equity method             | 19 058        | 4 228         |
| Average taxation rate  | 33.99 %       | 33.99 %       |
| Taxes at the average taxation rate   | -6 478        | -1 437        |
| Tax impact :   |               |               |
| - non-taxable income   | 1 582         | 350           |
| - non-allowed expenses   | -1 167        | -1 232        |
| - tax losses and timing differences for the previous financial years previously not recognised | 5 196         | 90            |
| - unrecognised tax losses and timing differences for the year                                  | -1 746        | -2 938        |
| Current taxes for the previous financial years   | -99           | - 264         |
| Deferred taxes for the previous financial years  | 13            |               |
| <b>ACTUAL TAX CHARGE</b>   | <b>-2 699</b> | <b>-5 431</b> |

**10. EARNINGS PER SHARE**

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

|   | 31-12-2005 | 31-12-2004 |
|---|------------|------------|
| 1) Group's share in the net result for the year   | 17 158     | 484        |
| 2) Average number of shares considered for basic earnings and diluted earnings <sup>(1)</sup> | 4 114 098  | 4 114 098  |

(1) If the 7,836 shares issued following the capital increase resulting from the merger with Immomills Development are held entirely by subsidiaries, the shares are not taken into account.

**CASH FLOW TABLE****11. CHANGE IN WORKING CAPITAL**

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

| + cash in, - cash out                | 31-12-2005    | 31-12-2004     |
|--------------------------------------|---------------|----------------|
| Inventories                          | -35 485       | -8 902         |
| Trade receivables                    | 72 561        | -33 882        |
| Trade payables                       | -12 854       | -26 398        |
| Other current assets and liabilities | -2 404        | -11 945        |
| <b>CHANGE IN WORKING CAPITAL</b>     | <b>21 818</b> | <b>-81 127</b> |

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

**12. ACQUISITIONS OF PARTICIPATING INTERESTS**

Participating interest acquisitions in 2005 relate to changes in percentage shareholding in the Immobilière Drève du Garde, Foncière du Parc and Les Jardins du Nord companies.

Changes in acquired % are described under note 38.

Acquisitions are allocated as follows :

| + cash in, - cash out                       | 31-12-2005    | 31-12-2004  |
|---|---------------|-------------|
| Acquisitions resulting in exclusive control | -851          |             |
| Other acquisitions                          | -1 971        | - 46        |
| <b>TOTAL PAID</b>                           | <b>-2 822</b> | <b>- 46</b> |
| Bank balances & acquired cash               | 72            | 23          |
| <b>NET CASH OUTFLOW ON ACQUISITIONS</b>     | <b>-2 750</b> | <b>- 23</b> |

Fair values of assets and liabilities of acquired companies (resulting in exclusive control) are :

|  |            |  |
|--|------------|--|
| Total assets                                   | 1 798      |  |
| Long-term liabilities                          | - 296      |  |
| Short-term liabilities                         | - 726      |  |
| <b>NET ASSETS</b>                              | <b>776</b> |  |
| Goodwill                                       | 75         |  |
| <b>TOTAL PRICE PAID</b>                        | <b>851</b> |  |
| Net cash outflow on acquisition                | -805       |  |
| - cash payment                                 | -851       |  |
| - bank balances and acquired cash              | 46         |  |
| Book value of acquired participating interests | 851        |  |
| Book value of net assets before acquisition    | 146        |  |

### 13. DISPOSAL OF PARTICIPATING INTERESTS

Disposals refer to the participating interests held in Alcor (held at 100 %), CoRE Kft Budapest (held at 100 %) and Espace Belliard (held at 25 %).

| <b>+ cash in, - cash out</b>    | <b>31-12-2005</b> |  |
|---------------------------------|-------------------|--|
| Net assets disposed of          | 540               |  |
| Income generated by disposals   | 1 472             |  |
| Cash collected on disposals     | 2 012             |  |
| Bank balances & cash sold       | -1 152            |  |
| <b>NET CASH INFLOW ON SALES</b> | <b>860</b>        |  |

### 14. ACQUISITIONS AND DISPOSALS OF FIXED ASSETS

| <b>+ cash in, - cash out</b>       | <b>31-12-2005</b> | <b>31-12-2004</b> |
|------------------------------------|-------------------|-------------------|
| Acquisitions for the year          | -686              | -530              |
| Disposals for the year             | 204               | 9                 |
| <b>NET OF THE YEAR</b>             | <b>-482</b>       | <b>-521</b>       |
| Allocation by sector of activity : |                   |                   |
| - Development                      | 39                | -122              |
| - Miscellanea                      | -521              | -399              |
| <b>TOTAL</b>                       | <b>-482</b>       | <b>-521</b>       |

**15. CHANGE IN BORROWINGS**

| <b>+ cash in, - cash out</b> | <b>31-12-2005</b> | <b>31-12-2004</b> |
|------------------------------|-------------------|-------------------|
| New contracted borrowings    | 106 314           | 118 857           |
| Repaid loans                 | -115 268          | -42 399           |
| <b>NET OF THE YEAR</b>       | <b>-8 954</b>     | <b>76 458</b>     |

**16. NET FINANCIAL COSTS**

Net received/paid financial costs are detailed as follows :

| <b>+ cash in, - cash out</b>                          | <b>31-12-2005</b> | <b>31-12-2004</b> |
|---|-------------------|-------------------|
| - "Project Financing" financial expenses              | -7 707            | -5 824            |
| - "Project Financing" financial income                | 1 284             | 224               |
| "Project Financing" net treasury costs                | -6 423            | -5 600            |
| - "Corporate" financial expenses                      | -4 093            | -5 325            |
| - "Corporate" financial income                        | 1 153             | 1 125             |
| "Corporate" net treasury costs                        | -2 940            | -4 200            |
| Dividends and interests of other fixed assets         | 29                | 339               |
| Translation differences and exchange rate differences |                   | 966               |
| <b>NET FINANCIAL COSTS</b>                            | <b>-9 334</b>     | <b>-8 495</b>     |

## BALANCE SHEET

### 17. INTANGIBLE ASSETS

|   | Software     | Other       | Total         |
|---|--------------|-------------|---------------|
| <b>GROSS BOOK VALUE</b>                 |              |             |               |
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>   | <b>999</b>   | <b>150</b>  | <b>1 149</b>  |
| Acquisitions                            | 84           | 12          | 96            |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b> | <b>1 083</b> | <b>162</b>  | <b>1 245</b>  |
| Acquisitions                            | 55           | 19          | 74            |
| Transfers and retirements               | -512         | -181        | -693          |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b> | <b>626</b>   |             | <b>626</b>    |
| <b>ACCUMULATED AMORTISATION</b>         |              |             |               |
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>   | <b>-852</b>  | <b>-65</b>  | <b>-917</b>   |
| Recorded                                | -117         | -43         | -160          |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b> | <b>-969</b>  | <b>-108</b> | <b>-1 077</b> |
| Recorded                                | -96          | -73         | -169          |
| Transfers and retirements               | 512          | 181         | 693           |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b> | <b>-553</b>  |             | <b>-553</b>   |
| <b>NET BOOK VALUE</b>                   |              |             |               |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b> | <b>114</b>   | <b>54</b>   | <b>168</b>    |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b> | <b>73</b>    |             | <b>73</b>     |

### 18. GOODWILL

Goodwill refers to the "Development - Offices & Enterprise Real Estate" activity.

|  | Total        |
|--|--------------|
| <b>GROSS BOOK VALUE</b>                    |              |
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>      | <b>1 293</b> |
| Eliminated following disposals             | -612         |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b>    | <b>681</b>   |
| Eliminated following disposals             | - 151        |
| Resulting from acquisitions <sup>(1)</sup> | 142          |
| Transferred from account <sup>(2)</sup>    | 318          |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b>    | <b>990</b>   |
| <b>ACCUMULATED IMPAIRMENTS IN VALUE</b>    |              |
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>      |              |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b>    |              |
| Impairments in value                       | -69          |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b>    | <b>-69</b>   |
| <b>NET BOOK VALUE</b>                      |              |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b>    | <b>681</b>   |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b>    | <b>921</b>   |

(1) Resulting from acquisitions as mentioned in note 12 above.

(2) Transfer from the "Subsidiaries consolidated by the equity method" account.

**19. TANGIBLE ASSETS**

Tangible assets refer to the following sectors :

|  | 31-12-2005   | 31-12-2004   |
|--|--------------|--------------|
| Development :  |              |              |
| - Offices & Enterprise Real Estate / Residential Development | 182          | 435          |
| - Land Development   | 43           | 71           |
| - Project Management   | 29           | 38           |
| <b>TOTAL DEVELOPMENT</b>                                     | <b>254</b>   | <b>544</b>   |
| Miscellanea  | 1 454        | 1 461        |
| <b>TANGIBLE ASSETS</b>                                       | <b>1 708</b> | <b>2 005</b> |

The components of tangible assets are as follows :

|   | Installations,<br>machines and<br>tools | Furniture,<br>equipment and<br>fixtures | Other<br>tangible<br>assets | Total         |
|---|---|---|-----------------------------|---------------|
| <b>GROSS BOOK VALUE</b>                 |   |   |                             |               |
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>   | <b>2 601</b>                            | <b>2 945</b>                            | <b>3 004</b>                | <b>8 550</b>  |
| Acquisitions                            | 111                                     | 194                                     | 57                          | 362           |
| Disposals and retirements               | -149                                    | -268                                    | -6                          | -423          |
| Transfers                               | -31                                     | 83                                      | -103                        | -51           |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b> | <b>2 532</b>                            | <b>2 954</b>                            | <b>2 952</b>                | <b>8 438</b>  |
| Acquisitions                            | 119                                     | 220                                     | 26                          | 365           |
| Disposals and retirements               | -1 209                                  | -485                                    | -167                        | -1 861        |
| Transfers                               |   | -46                                     |                             | -46           |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b> | <b>1 442</b>                            | <b>2 643</b>                            | <b>2 811</b>                | <b>6 896</b>  |
| <b>ACCUMULATED DEPRECIATION</b>         |   |   |                             |               |
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>   | <b>-2 365</b>                           | <b>-2 432</b>                           | <b>-1 506</b>               | <b>-6 303</b> |
| Depreciation charges                    | -118                                    | -240                                    | -160                        | -518          |
| Disposals                               | 149                                     | 182                                     | 6                           | 337           |
| Transfers                               | 31                                      | - 83                                    | 103                         | 51            |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b> | <b>-2 303</b>                           | <b>-2 573</b>                           | <b>-1 557</b>               | <b>-6 433</b> |
| Depreciation charges                    | -111                                    | -194                                    | - 152                       | -457          |
| Disposals                               | 1 209                                   | 435                                     | 12                          | 1 656         |
| Transfers                               |   | 46                                      |                             | 46            |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b> | <b>-1 205</b>                           | <b>-2 286</b>                           | <b>-1 697</b>               | <b>-5 188</b> |
| <b>NET BOOK VALUE</b>                   |   |   |                             |               |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b> | <b>229</b>                              | <b>381</b>                              | <b>1 395</b>                | <b>2 005</b>  |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b> | <b>237</b>                              | <b>357</b>                              | <b>1 114</b>                | <b>1 708</b>  |

The other tangible assets include mainly a building held in finance lease and used by the "Construction" segment for its own purposes.

## FINANCE LEASE

|   |     |
|---|-----|
| Net book value of financial leases included in the previous table | 832 |
|---|-----|

|   | Minimum payments | Current payments |
|---|------------------|------------------|
| Amounts payable as finance lease                                      |                  |                  |
| - Within 1 year   | 315              | 306              |
| - From the 2 <sup>nd</sup> year to the 5 <sup>th</sup> year inclusive | 265              | 247              |

## 20. INVESTMENT PROPERTY

Investment property is measured in accordance with the fair value model of the IAS 40 standard. Investment property represents real property held by the Group to earn rentals and to create value for the property rather than use or sell it.

The “fair values” established by independent experts were measured according to the method of discounting of lease income (present value of net future rents).

Future rents are estimated based on existing contract rents and real estate market expectations.

The values were established by taking into consideration all available market parameters on 31<sup>st</sup> December 2005.

The used discount rate mainly depends from the discount rate applicable at the real estate market, taken into account the localization of the property, the quality of the buildings and of the tenant(s) at the valuation date.

Investment property developed as follows :

|   |               |
|---|---------------|
| <b>FAIR VALUE AS AT 1<sup>ST</sup> JANUARY 2004</b>         | <b>46 756</b> |
| Acquisitions  | 150           |
| Disposals   | -2 330        |
| Change in the fair value recognised in the income statement | -2 440        |
| <b>FAIR VALUE AS AT 31<sup>ST</sup> DECEMBER 2004</b>       | <b>42 136</b> |
| Acquisitions  | 246           |
| Translation differences                                     | -1 559        |
| Change in the fair value recognised in the income statement | 10 075        |
| <b>FAIR VALUE AS AT 31<sup>ST</sup> DECEMBER 2005</b>       | <b>50 898</b> |

Lease contracts are generally of a business nature for 5-year periods, renewable by the lessee for a maximum of 3 times.

Collected rent recognised as income for 2005 are 4,081 KEUR as compared to 4,022 KEUR as at 31<sup>st</sup> December 2004.

The future minimum payments receivable as uncancellable lease contracts, based on the lease situation on 31<sup>st</sup> December 2005 are as follows :

|                                     | Fix    | Variable | Total  |
|-------------------------------------|--------|----------|--------|
| - within one year                   | 3 621  | 418      | 4 039  |
| - after one year but within 5 years | 12 382 | 2 709    | 15 091 |
| - after 5 years                     | 13 624 | 2 936    | 16 560 |

## 21. SUBSIDIARIES CONSOLIDATED BY THE EQUITY METHOD

Subsidiaries consolidated by the equity method refer to the “Development - Offices & Enterprise Real Estate” activity.

|   | 31-12-2005    | 31-12-2004    |
|---|---------------|---------------|
| <b>VALUE AS AT 1<sup>ST</sup> JANUARY</b>   | <b>24 152</b> | <b>22 247</b> |
| Acquisitions                                |               | 218           |
| Disposals                                   | -487          |               |
| Share in result                             | 789           | 1 687         |
| Dividends paid by the companies             | -2 685        |               |
| Impairments in value                        | -385          |               |
| Transfers from accounts                     | -1 019        |               |
| <b>CHANGES FOR THE YEAR</b>                 | <b>-3 787</b> | <b>1 905</b>  |
| <b>VALUE AS AT 31<sup>ST</sup> DECEMBER</b> | <b>20 365</b> | <b>24 152</b> |

Subsidiaries consolidated by the equity method are specified under note 38.

| INFORMATION REGARDING COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD (100 %) |         |         |
|--|---------|---------|
| Total assets   | 299 445 | 209 069 |
| Total liabilities  | 236 662 | 135 400 |
| Total net result   | 2 298   | 6 569   |

## 22. PARTICIPATING INTERESTS AVAILABLE FOR SALE

Participating interests available for sale are assessed at their acquisition cost which is considered to be representative of their fair value.

### 23. DEFERRED TAX ASSETS AND -LIABILITIES

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable timing differences, tax losses carried forward and tax credits.

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 shareholders' equity.

Deferred taxes on the balance sheet refer to the following timing differences :

|                               | Deferred tax assets |              | Deferred tax liabilities |              |
|-------------------------------|---------------------|--------------|--------------------------|--------------|
|                               | 31-12-2005          | 31-12-2004   | 31-12-2005               | 31-12-2004   |
| Construction contracts        | 88                  | 517          | 3 814                    | 1 620        |
| Employee benefits obligations | 165                 | 167          |                          |              |
| Tax losses                    | 1 636               | 1 102        |                          |              |
| Goodwill                      |                     |              | 5 122                    | 5 589        |
| Investment property           |                     |              | 117                      | 198          |
| Provisions & Other            |                     |              | 140                      | 140          |
| <b>TOTAL</b>                  | <b>1 889</b>        | <b>1 786</b> | <b>9 193</b>             | <b>7 547</b> |

|  | Assets       | Liabilities   | Total         |
|--|--------------|---------------|---------------|
| <b>ON 1<sup>ST</sup> JANUARY 2004</b>            | <b>3 476</b> | <b>-7 881</b> | <b>-4 405</b> |
| Deferred tax expense recorded in profit and loss | -1 690       | 334           | -1 356        |
| <b>ON 31<sup>ST</sup> DECEMBER 2004</b>          | <b>1 786</b> | <b>-7 547</b> | <b>-5 761</b> |
| Deferred tax expense recorded in profit and loss | 103          | -1 267        | -1 164        |
| Acquisitions of participating interests          |              | -379          | -379          |
| <b>ON 31<sup>ST</sup> DECEMBER 2005</b>          | <b>1 889</b> | <b>-9 193</b> | <b>-6 925</b> |

|   | 31-12-2005    | 31-12-2004    |
|---|---------------|---------------|
| <b>TAX LOSS AMOUNTS FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNISED IN THE BALANCE SHEET :</b> | <b>36 274</b> | <b>32 449</b> |
| Expiring at the end of 2006   | 2 244         | 2 270         |
| Expiring at the end of 2007   | 599           | 606           |
| Expiring at the end of 2008   | 2 847         | 2 880         |
| Expiring at the end of 2010   | 2 038         |               |
| Not time-limited  | 28 546        | 26 693        |

### 24. OTHER FIXED ASSETS

The other fixed assets are made up of paid guarantees and securities.

### 25. INVENTORIES

Inventories are measured at cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs 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.

Allocation of this position by sector is as follows :

|                                    | 31-12-2005     | 31-12-2004     |
|------------------------------------|----------------|----------------|
| Development :                      |                |                |
| - Offices & Enterprise Real Estate | 214 696        | 171 542        |
| - Residential Development          | 40 761         | 44 479         |
| - Land Development                 | 27 839         | 28 813         |
| <b>TOTAL DEVELOPMENT</b>           | <b>283 296</b> | <b>244 834</b> |
| Miscellanea                        | 435            | 384            |
| <b>INVENTORIES</b>                 | <b>283 731</b> | <b>245 218</b> |

The book value of inventories is as follows :

|  |                |                |
|--|----------------|----------------|
| <b>INVENTORY AS AT 1<sup>ST</sup> JANUARY</b>                | <b>245 218</b> | <b>228 818</b> |
| Purchases for the year                                       | 93 694         | 103 872        |
| Disposals of the year  | -52 465        | -85 900        |
| Transfers from accounts                                      | -1 816         | -2 733         |
| Write-offs recorded  | - 912          | - 659          |
| Write-offs reversed  | 12             | 1 820          |
| <b>MOVEMENTS DURING THE YEAR</b>                             | <b>38 513</b>  | <b>16 400</b>  |
| <b>INVENTORY AS AT 31<sup>ST</sup> DECEMBER</b>              | <b>283 731</b> | <b>245 218</b> |
| Book value of "inventories" pledged for bank loan securities | 234 012        | 188 651        |

## 26. TRADE RECEIVABLES<sup>(1)</sup>

Trade receivables refer to the following sectors :

|                                    | 31-12-2005    | 31-12-2004     |
|------------------------------------|---------------|----------------|
| Development :                      |               |                |
| - Offices & Enterprise Real Estate | 35 057        | 105 232        |
| - Residential Development          | 4 733         | 4 055          |
| - Land Development                 | 2 131         | 1 666          |
| - Project Management               | 269           | 514            |
| <b>TOTAL DEVELOPMENT</b>           | <b>42 190</b> | <b>111 467</b> |
| Miscellanea (mainly Construction)  | 8 827         | 12 343         |
| <b>TRADE RECEIVABLES</b>           | <b>51 017</b> | <b>123 810</b> |

Collection of receivables resulting from the achievement of different projects at the end of the previous year and the increase in collected advance payments as part of the construction contracts contribute to the decrease in trade receivables for "Offices & Enterprise Real Estate".

(1) The Board of Directors believes the book value of this account reflects its fair value.

**27. OTHER CURRENT ASSETS<sup>(1)</sup>**

The components of this account are :

|                                     | 31-12-2005    | 31-12-2004    |
|-------------------------------------|---------------|---------------|
| Other receivables                   | 15 765        | 12 784        |
| Deferred charges and accrued income | 1 414         | 2 233         |
| <b>TOTAL</b>                        | <b>17 179</b> | <b>15 017</b> |

and are related to the following sectors :

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Development :                      |               |               |
| - Offices & Enterprise Real Estate | 11 050        | 9 444         |
| - Residential Development          | 2 753         | 2 547         |
| - Land Development                 | 11            | - 26          |
| - Project Management               | 29            | 47            |
| <b>TOTAL DEVELOPMENT</b>           | <b>13 843</b> | <b>12 012</b> |
| Miscellanea                        | 3 336         | 3 005         |
| <b>TOTAL</b>                       | <b>17 179</b> | <b>15 017</b> |

**28. NET FINANCIAL DEBT<sup>(1)</sup>**

The Group's net debt is the balance between (short term and long term) financial debts and available cash.

It is 172,213 KEUR as at 31<sup>st</sup> December 2005 compared to 201,848 KEUR as at 31<sup>st</sup> December 2004.

|                                | 31-12-2005     | 31-12-2004     |
|--------------------------------|----------------|----------------|
| Long-term financial debts (+)  | 170 074        | 96 287         |
| Short-term financial debts (+) | 57 968         | 140 709        |
| Cash and cash equivalents (-)  | 55 829         | 35 148         |
| <b>NET FINANCIAL DEBT</b>      | <b>172 213</b> | <b>201 848</b> |

The relationship between the Group's net debt and its shareholders' equity decreases from 122 % at the end of 2004 to 95 % at the end of 2005.

**FINANCIAL DEBTS**

Financial debts decrease by 8,954 KEUR, from 236,996 KEUR to 228,042 KEUR as at 31<sup>st</sup> December 2005.

The components of financial debts are as follows :

|                                   | 31-12-2005     | 31-12-2004     |
|-----------------------------------|----------------|----------------|
| Finance lease debts               | 146            | 360            |
| Debts toward credit institutions  | 169 928        | 95 927         |
| <b>LONG-TERM FINANCIAL DEBTS</b>  | <b>170 074</b> | <b>96 287</b>  |
| Finance lease debts               | 321            | 275            |
| Debts toward credit institutions  | 57 647         | 140 434        |
| <b>SHORT-TERM FINANCIAL DEBTS</b> | <b>57 968</b>  | <b>140 709</b> |
| <b>TOTAL FINANCIAL DEBTS</b>      | <b>228 042</b> | <b>236 996</b> |

(1) The Board of Directors believes the book value of this account reflects its fair value.

Financial debts are as follows :

|  |                |  |
|--|----------------|--|
| <b>FINANCIAL DEBTS AS AT 1<sup>ST</sup> JANUARY 2004</b>   | <b>160 538</b> |  |
| Contracted debts   | 118 857        |  |
| Repaid debts   | -42 399        |  |
| <b>FINANCIAL DEBTS AS AT 31<sup>ST</sup> DECEMBER 2004</b> | <b>236 996</b> |  |
| Contracted debts   | 106 314        |  |
| Repaid debts   | -115 268       |  |
| <b>FINANCIAL DEBTS AS AT 31<sup>ST</sup> DECEMBER 2005</b> | <b>228 042</b> |  |

The main items of the Group's financial debts are the floating rate bank loans (Euribor 1 to 12 months + commercial margin). These credits are :

|  |                |                |
|--|----------------|----------------|
| Corporate Credits                                | 65 730         | 75 000         |
| Project Financing Credits (specific to projects) | 162 312        | 161 996        |
| <b>TOTAL FINANCIAL DEBTS</b>                     | <b>228 042</b> | <b>236 996</b> |

The financial debt schedule is summarised as follows :

| Due in  | 2006   | 2007   | 2008   | 2009   | Total          |
|---------|--------|--------|--------|--------|----------------|
| Amounts | 57 968 | 30 517 | 69 130 | 70 427 | <b>228 042</b> |

#### AVAILABLE CASH

Cash investments and cash in bank and on hand are 55,829 KEUR compared to 35,148 KEUR at the end of 2004, i.e. an increase of 20,681 KEUR.

|                          | 31-12-2005    | 31-12-2004    |
|--------------------------|---------------|---------------|
| Term deposits            | 40 530        | 22 313        |
| Cash at bank and in hand | 15 299        | 12 835        |
| <b>AVAILABLE CASH</b>    | <b>55 829</b> | <b>35 148</b> |

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



## 29. TOTAL SHAREHOLDERS' EQUITY

Shareholders' equity is 181,270 KEUR compared to 165,950 KEUR as at 31<sup>st</sup> December 2004, representing an increase of 15,320 KEUR.

A gross unit dividend of 1.50 EUR per share will be proposed at the General Meeting on 10<sup>th</sup> May 2006. The total gross dividend, i.e. 6,183 KEUR, was not recognised as debt in the financial statements.

The components of total shareholders' equity are as follows :

|   | 31-12-2005       | 31-12-2004       |
|---|------------------|------------------|
| Capital   | 100 285          | 100 000          |
| Legal reserve   | 10 000           | 10 000           |
| Retained earnings   | 70 144           | 52 464           |
| Own shares held   | - 285            |                  |
| Translation differences   | 1 125            | 3 481            |
| Minority interests  | 1                | 5                |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                     | <b>181 270</b>   | <b>165 950</b>   |
| <b>NUMBER OF REPRESENTATIVE CAPITAL SHARES</b>                        | <b>4 121 934</b> | <b>4 114 098</b> |
| Of which own shares held by subsidiaries                              | 7 836            |                  |
| <b>TOTAL SHAREHOLDERS' EQUITY AS AT 1<sup>ST</sup> JANUARY 2004</b>   | <b>166 732</b>   |                  |
| Result for the year   | 484              |                  |
| Change in translation differences                                     | -1 266           |                  |
| <b>MOVEMENTS FOR 2004</b>   | <b>-782</b>      |                  |
| <b>TOTAL SHAREHOLDERS' EQUITY AS AT 31<sup>ST</sup> DECEMBER 2004</b> | <b>165 950</b>   |                  |
| Result for the year   | 17 148           |                  |
| Change in translation differences <sup>(1)</sup>                      | -1 834           |                  |
| Movements on minority interests                                       | 6                |                  |
| <b>MOVEMENTS FOR 2005</b>   | <b>15 320</b>    |                  |
| <b>TOTAL SHAREHOLDERS' EQUITY AS AT 31<sup>ST</sup> DECEMBER 2005</b> | <b>181 270</b>   |                  |

(1) Mainly following the disposal of the participating interest in CoRE Kft Budapest.

### 30. PENSIONS AND SIMILAR OBLIGATIONS

The amount recognised in the balance sheet represents the present value of commitments in terms of set benefit pension plans adjusted in line with profits or actuarial losses less the fair value of plan assets and costs of rendered services not yet recognised (see point 14 of accounting methods and principles).

|  | 31-12-2005   | 31-12-2004   |
|--|--------------|--------------|
| <b>AMOUNTS RECORDED IN THE BALANCE SHEET</b>               |              |              |
| Present value of obligations                               | 3 687        | 3 156        |
| Fair value of plan assets at the end of the period         | -2 413       | -2 053       |
| <b>DEFICIT OF FINANCED PLANS</b>                           | <b>1 274</b> | <b>1 103</b> |
| Actuarial differences not recognised in the balance sheet  | -151         | 45           |
| <b>LIABILITIES RECOGNISED IN THE BALANCE SHEET</b>         | <b>1 123</b> | <b>1 148</b> |
| <b>MOVEMENTS OF NET OBLIGATIONS IN THE BALANCE SHEET</b>   |              |              |
| <b>OBLIGATIONS AS AT 1<sup>ST</sup> JANUARY</b>            | <b>1 148</b> | <b>1 113</b> |
| Total expense breaks down as follows :                     | 219          | 248          |
| - cost of services rendered during the year                | 182          | 186          |
| - financial cost   | 145          | 150          |
| - expected return on plan's assets                         | - 100        | - 88         |
| - actuarial differences                                    | - 8          |              |
| Company contributions                                      | -244         | -213         |
| <b>OBLIGATIONS AS AT 31<sup>ST</sup> DECEMBER</b>          | <b>1 123</b> | <b>1 148</b> |
| <b>ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS</b> |              |              |
| Discount rate  | 4.25 %       | 4.60 %       |
| Expected return on plan's assets                           | 4.40 %       | 4.60 %       |
| Expected salary growth rate                                | 3.50 %       | 3.50 %       |
| Average inflation rate                                     | 2.00 %       | 2.00 %       |

### 31. PROVISIONS

The components of provisions are as follows :

|   | Total        |
|---|--------------|
| <b>PROVISIONS AS AT 1<sup>ST</sup> JANUARY 2004</b>   | <b>3 618</b> |
| Allocations   | 1 239        |
| Utilisations and reversals                            | -1 349       |
| <b>PROVISIONS AS AT 31<sup>ST</sup> DECEMBER 2004</b> | <b>3 508</b> |
| Allocations   | 304          |
| Utilisations and reversals                            | -1 025       |
| <b>PROVISIONS AS AT 31<sup>ST</sup> DECEMBER 2005</b> | <b>2 787</b> |
| Of which short-term provisions                        | 1 226        |

Allocation of this position by sector is as follows :

|                                    | 31-12-2005   | 31-12-2004   |
|------------------------------------|--------------|--------------|
| Development :                      |              |              |
| - Offices & Enterprise Real Estate | 2 003        | 2 981        |
| - Residential Development          |              | 2            |
| - Land Development                 | 45           | 45           |
| <b>TOTAL DEVELOPMENT</b>           | <b>2 048</b> | <b>3 028</b> |
| Miscellanea                        | 739          | 480          |
| <b>TOTAL</b>                       | <b>2 787</b> | <b>3 508</b> |

No provision is recorded for the other ongoing litigations which refer mainly to :

- ten-year warranty issued for which the Group has an appeal against the contractor which in its turn is generally covered by a "ten-year warranty" insurance plan in this respect,
- administrative appeals regarding urban and/or environmental permits lodged by third parties with the Council of State without monetary consequences for the Group.

### 32. TRADE PAYABLES<sup>(1)</sup>

This account is allocated by sector as follows :

|                                    | 31-12-2005    | 31-12-2004    |
|------------------------------------|---------------|---------------|
| Development :                      |               |               |
| - Offices & Enterprise Real Estate | 16 825        | 21 729        |
| - Residential Development          | 4 615         | 8 266         |
| - Land Development                 | 1 327         | 908           |
| - Project Management               | 261           | 226           |
| <b>TOTAL DEVELOPMENT</b>           | <b>23 028</b> | <b>31 129</b> |
| Miscellanea                        | 8 593         | 13 346        |
| <b>TRADE PAYABLES</b>              | <b>31 621</b> | <b>44 475</b> |

### 33. OTHER CURRENT LIABILITIES<sup>(1)</sup>

The components of this account are :

|   | 31-12-2005    | 31-12-2004    |
|---|---------------|---------------|
| Personnel debts                         | 1 959         | 2 722         |
| Taxes (other than income taxes) payable | 2 635         | 1 833         |
| Accrued charges and deferred income     | 1 964         | 3 190         |
| Operating subsidies                     | 2 049         | 2 010         |
| Other <sup>(2)</sup>                    | 21 586        | 20 772        |
| <b>OTHER CURRENT LIABILITIES</b>        | <b>30 193</b> | <b>30 527</b> |

(1) The Board of Directors believes the book value of this account reflects its fair value.

(2) The recorded items under this account are mainly related to the Development sector; it mainly concerns participating debts on works in progress and advance payments.

and are related to the following sectors :

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Development :                      |               |               |
| - Offices & Enterprise Real Estate | 18 496        | 15 917        |
| - Residential Development          | 3 268         | 3 691         |
| - Land Development                 | 1 075         | 1 489         |
| - Project Management               | 228           | 385           |
| <b>TOTAL DEVELOPMENT</b>           | <b>23 067</b> | <b>21 482</b> |
| Miscellanea                        | 7 126         | 9 045         |
| <b>OTHER CURRENT LIABILITIES</b>   | <b>30 193</b> | <b>30 527</b> |

#### 34. CONSTRUCTION CONTRACTS

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

|   | 31-12-2005 | 31-12-2004 |
|---|------------|------------|
| Contract income recognised under income for the year              | 51 481     | 31 203     |
| For ongoing contracts at reporting date :                         |            |            |
| - Total accumulated amount of recognised accrued costs and income | 61 973     | 34 932     |
| - Advances received   | -57 514    | -11 142    |
| - Net amount recorded under trade receivables                     | 4 965      | 23 790     |
| - Net amount recorded under trade payables                        | -506       |            |

#### 35. MAIN CONTINGENT ASSETS AND LIABILITIES

|  | 31-12-2005 | 31-12-2004 |
|--|------------|------------|
| Guarantees from third parties on behalf of the Group with respect to :   |            |            |
| - inventories  | 32 390     | 42 050     |
| - construction contracts   | 65 579     | 31 745     |
| - other assets   | 232        | 262        |
| Book value of Group's assets pledged for debt securities related to :  |            |            |
| - participating interests held by the Group  | 52 318     | 54 775     |
| - property and inventory as a whole  | 282 012    | 227 651    |
| - receivables  | 10 890     | 81 319     |
| Commitments for the acquisition of inventories amount to 53,322 KEUR as at 31 <sup>st</sup> December 2005 and for the disposals of inventories to 2,213 KEUR |            |            |

### 36. INFORMATION ON RELATED PARTIES

#### COMPANIES CONSOLIDATED AND ACCOUNTED FOR BY THE EQUITY METHOD

The list of subsidiaries, joint ventures and associates is included under note 38.

The transactions between the COMPAGNIE IMMOBILIÈRE DE BELGIQUE, 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 :

|                           | 31-12-2005 | 31-12-2004 |
|---------------------------|------------|------------|
| Other current assets      | 939        | 904        |
| Other current liabilities | 868        | 868        |

#### RELATIONSHIPS WITH SHAREHOLDERS

|   | 31-12-2005 | 31-12-2004 |
|---|------------|------------|
| <b>MAIN SHAREHOLDERS :</b>              |            |            |
| Suez - Tractebel                        | 30.53 %    | 30.59 %    |
| Eurodev Holding Corporation, Luxemburg  | 9.98 %     | 9.99 %     |
| Fidea and KBC Assurances                | 5.95 %     | 5.96 %     |
| Various registered shareholders         | 0.20 %     | 0.62 %     |
| Other                                   | 53.34 %    | 52.84 %    |
| Number of representative capital shares | 4 121 934  | 4 114 098  |

The main relationships with the Main shareholder, Suez-Tractebel are summarised as follows :

|  |     |        |
|--|-----|--------|
| Interest expenses recognised under "Net financial costs" | 271 | 554    |
| Financial debts towards Suez - Tractebel                 |     | 15 000 |

#### RELATIONSHIPS WITH THE SENIOR EXECUTIVES

|   | 31-12-2005 | 31-12-2004 |
|---|------------|------------|
| Remuneration amounts allocated to senior executives during the year | 1 461      | 2 640      |

#### TRANSACTIONS WITH OTHER RELATED PARTIES

|  | 31-12-2005 | 31-12-2004 |
|--|------------|------------|
| These relations mainly consist of fees recorded under Other operating expenses | 1 151      | 876        |

### 37. EVENTS SUBSEQUENT TO REPORTING DATE

No significant event that may change the financial statements occurred from the reporting date on 31<sup>st</sup> December 2005 up to 24<sup>th</sup> March 2006 when the financial statements were closed by the Board of Directors.

The only significant event subsequent to the reporting date but without any adjustment requirement was a long-term commercial lease with a prestigious tenant for an important part of the *Ellipse Building* in Schaarbeek. This lease will start at 1<sup>st</sup> January 2007.

**38. LIST OF COMPANIES CONSOLIDATED AND ACCOUNTED FOR BY THE EQUITY METHOD**

The number of companies consolidated and accounted for by the equity method is determined as follows :

|   | 31-12-2005 | 31-12-2004 |
|---|------------|------------|
| Fully consolidated companies                          | 22         | 24         |
| Companies consolidated for by the proportional method | 13         | 13         |
| Companies accounted for by the equity method          | 7          | 9          |
| <b>TOTAL</b>  | <b>42</b>  | <b>46</b>  |

**LIST OF INCOMING OR OUTGOING COMPANIES**

|                           |                       |               |  |
|---------------------------|-----------------------|---------------|--|
| <b>INCOMING COMPANIES</b> | None                  |               |  |
| <b>OUTGOING COMPANIES</b> | Alcor                 | held at 100 % | sold   |
|                           | CoRE Kft              | held at 100 % | sold   |
|                           | Immomills Development | held at 100 % | absorbed by<br>COMPAGNIE IMMOBILIERE DE BELGIQUE |
|                           | Espace Belliard       | held at 25 %  | sold   |

|   | 31-12-2005 | 31-12-2004 |
|---|------------|------------|
| <b>HOLDING % CHANGE IN</b>                                    |            |            |
| Foncière du Parc - acquisition of 35.71% on 14-02-2005        | 50.00 %    | 14.29 %    |
| Les Jardins du Nord - acquisition of 9.33% on 27-04-2005      | 76.00 %    | 66.67 %    |
| Immobilière Drève du Garde - acquisition of 50% on 29-06-2005 | 100.00 %   | 50.00 %    |

## COMPANIES FULLY CONSOLIDATED BY THE GROUP

| Name  | Registered office | Interest in % <sup>(1)</sup> |
|---|-------------------|------------------------------|
| Campona '99 Kft   | Budapest          | 100.00                       |
| Compagnie Immobilière de Lotissements (Lotinvest)             | Brussels          | 100.00                       |
| Compagnie Immobilière de Participations Financières (CIPAF)   | Brussels          | 100.00                       |
| Compagnie Immobilière de Wallonie (CIW)                       | Wavre             | 100.00                       |
| Compagnie Immobilière Luxembourgeoise                         | Luxembourg        | 100.00                       |
| Demetex   | Wavre             | 100.00                       |
| Entreprise et Gestion Immobilières (Egimo)                    | Brussels          | 100.00                       |
| Espace Nivelles   | Brussels          | 100.00                       |
| Foncière Jennifer   | Brussels          | 100.00                       |
| Harmonia  | Brussels          | 96.17                        |
| Immobiëlen Vennootschap van Vlaanderen (Investimmo)           | Brussels          | 100.00                       |
| Immobilière Deka  | Brussels          | 100.00                       |
| Immobilière Drève du Garde                                    | Brussels          | 100.00                       |
| International Finance & Real Estate (IFR)                     | Luxembourg        | 100.00                       |
| Les Courses   | Brussels          | 100.00                       |
| Les Jardins du Nord   | Brussels          | 76.00                        |
| Palmetto Associates Inc.                                      | Delaware          | 100.00                       |
| Progex  | Brussels          | 100.00                       |
| Projectontwikkelingsmaatschappij Immo                         | Brussels          | 100.00                       |
| Reforme   | Flémalle          | 100.00                       |
| Sienn Center  | Rotterdam         | 100.00                       |
| Société Financière de Participations Industrielles (Sofipari) | Brussels          | 100.00                       |

## COMPANIES CONSOLIDATED BY THE PROPORTIONAL METHOD BY THE GROUP

| Name                                 | Registered office | Interest in % <sup>(1)</sup> |
|--------------------------------------|-------------------|------------------------------|
| Crown Avenue                         | Brussels          | 50.00                        |
| Espace Trianon                       | Embourg           | 50.00                        |
| Foncière du Parc                     | Brussels          | 50.00                        |
| Ilot Ecluse                          | Gilly             | 50.00                        |
| Ilot Ferrer                          | Gilly             | 50.00                        |
| Immo Gaucheret                       | Brussels          | 50.00                        |
| Lex 2000                             | Brussels          | 50.00                        |
| Nouvelle Société Cimmobel (Cimmobel) | Brussels          | 50.00                        |
| RAC Investment Corp. (RACI Corp)     | Antwerp           | 25.00                        |
| Société Espace Léopold               | Brussels          | 50.00                        |
| Soprima                              | Luxembourg        | 50.00                        |
| Veldimmo                             | Brussels          | 50.00                        |
| Vilpro                               | Brussels          | 50.00                        |

(1) The % interest corresponds with the voting rights.

## COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD BY THE GROUP

| Name   | Registered office | Interest in % <sup>(1)</sup> |
|--|-------------------|------------------------------|
| Brownfields  | Grimbergen        | 42.00                        |
| Conception et Coordination Léopold (CCL)             | Brussels          | 36.25                        |
| Espace Midi  | Brussels          | 20.00                        |
| Immobilière Puvrez                                   | Brussels          | 19.97                        |
| Infrastructures et Développements Immobiliers (IDIM) | Brussels          | 37.47                        |
| La Meute   | Brussels          | 11.50                        |
| Promotion Léopold                                    | Brussels          | 35.50                        |

(1) The % interest corresponds with the voting rights.

# FIRST-TIME ADOPTION OF IFRS

## RECONCILIATION OF SHAREHOLDERS' EQUITY AND NET INCOME (BELGIAN STANDARDS - IFRS)

(IN THOUSAND EUR)

|  | 01-01-2004     | 31-12-2004     | 01-01-2005     |
|--|----------------|----------------|----------------|
| <b>TOTAL SHAREHOLDERS' EQUITY</b> according to Belgian standards | <b>169 604</b> | <b>175 199</b> | <b>175 199</b> |
| Business combination   | 113            | 244            | 244            |
| Investment property  | 2 309          | 661            | 661            |
| Construction contracts   | -10 340        | -12 049        | -12 049        |
| Employee Benefits (pensions)                                     | -1 113         | -1 148         | -1 148         |
| Deferred taxes   | 2 035          | 1 067          | 1 067          |
| Financial instruments  | -              | -              | -              |
| Provisions   | 878            | 592            | 592            |
| Other adjustments  | 3 246          | 1 384          | 1 384          |
| <b>TOTAL ADJUSTMENTS</b>   | <b>-2 872</b>  | <b>-9 249</b>  | <b>-9 249</b>  |
| <b>TOTAL SHAREHOLDERS' EQUITY</b> according to IFRS standards    | <b>166 732</b> | <b>165 950</b> | <b>165 950</b> |

|  | 31-12-2004    |
|--|---------------|
| <b>NET INCOME</b> according to Belgian standards | <b>5 153</b>  |
| Business combination                             | 131           |
| Investment property                              | -1 648        |
| Construction contracts                           | -1 709        |
| Employee Benefits (pensions)                     | - 35          |
| Deferred taxes                                   | - 968         |
| Provisions                                       | - 286         |
| Other adjustments                                | - 154         |
| <b>TOTAL ADJUSTMENTS</b>                         | <b>-4 669</b> |
| <b>NET INCOME</b> according to IFRS standards    | <b>484</b>    |

## COMMENTS REGARDING THE TRANSITION FROM BELGIAN STANDARDS TO IFRS

### BUSINESS COMBINATION AND CONSOLIDATION PRINCIPLES

The Group decided to use the option given by the IFRS 1 standard not to restate acquisitions of interests prior to 1<sup>st</sup> January 2004. However, the Group decided not to use the option to restate the translation differences under consolidated reserves as at 1<sup>st</sup> January 2004.

According to the IFRS 3 standard - *Business combinations* negative goodwill as at 1<sup>st</sup> January 2004 was restated under consolidated reserves. The consolidation perimeter was enlarged to take into account the entities previously excluded due to reasons of materiality.

The scope of the consolidation perimeter is summarised as follows as at 1<sup>st</sup> January 2004 :

- Companies consolidated according to the full consolidation method : + 6 companies,
- Companies consolidated according to the proportional consolidation method : + 5 companies,
- Companies consolidated according to the equity method : + 6 companies.

Impacts are related mainly to negative goodwill transfer to shareholders' equity.

### INVESTMENT PROPERTY

Some properties previously classified as tangible assets have been reclassified on the one hand as investment properties and on the other hand as inventory.

Tangible assets include land, constructions, furniture and equipment used by the Group and are measured based on the depreciated historic cost.

Tangible assets that generate rent were reclassified in accordance with the provisions of the IAS 40 standard - *Investment Property* as investment property and are valued based on the fair value method.

The impacts are mainly related to the valuation of investment properties at their fair value.

### INVENTORIES

Some properties and projects previously classified as tangible fixed assets or contracts in progress are reclassified to inventory according to the provisions of the IAS 2 standard - *Inventories*.

### CONSTRUCTION CONTRACTS

Previously, contracts were divided in different phases to recognise the margin. According to IFRS standards, IAS 11 - *Construction contracts*, the margin

is recognised on a prorata basis of the completion percentage for the entire project. The completion percentage is calculated in IFRS according to the cost method and excluding costs that do not reflect the work performed (land costs, goodwill allocated to the land, installation costs, etc.). These changes result in a deferral of part of the recognised margin under Belgian accounting standards. Just as in the latter, interests during construction are not capitalised.

### EMPLOYEE BENEFITS

Pension obligations with respect to defined benefit plans are assessed and presented in accordance with the IAS 19 standard - *Employee Benefits*.

Implementing the option offered by IFRS 1, the Group decided to include in the pension provision as at 1<sup>st</sup> January 2004 all accumulated actuarial gains and losses not recognised at this date. The "corridor" approach defined by IAS 19 is used for actuarial differences recorded after the date of transition to IFRS.

### DEFERRED TAXES

The IAS 12 standard - *Income Taxes* prescribes the recognition of deferred taxes on taxable or deductible timing differences and the carry-forward of unused and usable tax losses and tax credits.

The deferred taxes were recognised through a measurement process based on an analysis of the future estimated profitability of the activities of the concerned companies.

Recognised deferred taxes are allocated as follows :

|                    | 01-01-2004   | 31-12-2004   |
|--------------------|--------------|--------------|
| Timing differences | -860         | 42           |
| Tax losses         | 2 895        | 1 025        |
| <b>TOTAL</b>       | <b>2 035</b> | <b>1 067</b> |

### FINANCIAL INSTRUMENTS

The Group decided to use the option of implementing standards IAS 32 - *Financial Instruments : Disclosure and Presentation* and IAS 39 - *Financial Instruments : Recognition and Measurement* as of 1<sup>st</sup> January 2005. Implementing these standards does not impact the shareholders' equity as at 1<sup>st</sup> January 2005 in any way.

### PROVISIONS FOR RISKS AND CHARGES

The IAS 37 standard - *Provisions, Contingent Liabilities and Contingent Assets* sets out restrictive terms for the recognition of provisions. Provisions recorded as at 1<sup>st</sup> January 2004 were reviewed in the context of the above standard.

Provisions that did not meet the recognition criteria defined in IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets* were reversed.

**OTHER ADJUSTMENTS**

Other adjustments, related mainly to the reclassification of translation differences and the allocation of financial expenses, were also recorded during the transition to IFRS.

**RECONCILIATION OF THE INCOME STATEMENT PUBLISHED FOR 2004  
WITH THE IFRS INCOME STATEMENT FOR 2004**

|   | Belgian standards | Impact of transition to IFRS | IFRS standards |
|---|-------------------|------------------------------|----------------|
| Operating income  | 92 731            | 22 534                       | 115 265        |
| Operating expenses  | -77 143           | -26 305                      | -103 448       |
| <b>OPERATING RESULT</b>   | <b>15 588</b>     | <b>-3 771</b>                | <b>11 817</b>  |
| Financial result  | -7 393            | -196                         | -7 589         |
| Extraordinary result  | -282              | 282                          |                |
| <b>RESULT BEFORE TAXES FOR THE YEAR</b>                             | <b>7 913</b>      | <b>-3 685</b>                | <b>4 228</b>   |
| Taxes   | -4 499            | -932                         | -5 431         |
| Share in the income of companies accounted for by the equity method | 1 739             | -52                          | 1 687          |
| <b>NET RESULT</b>   | <b>5 153</b>      | <b>-4 669</b>                | <b>484</b>     |

# STATUTORY AUDITOR'S REPORT

## STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005

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.

We have audited the accompanying consolidated financial statements of COMPAGNIE IMMOBILIÈRE DE BELGIQUE 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<sup>st</sup> December 2005, the consolidated income statement, 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 486,021 KEUR and a consolidated profit (Group share) for the year then ended of 17,158 KEUR. We have also performed those specific additional audit procedures required by the Companies Code.

The Board of Directors of the Company is responsible for the preparation of the consolidated financial statements and the Directors' Report on the consolidated financial statements, for the assessment of the information that should be included in the Directors' Report on the consolidated financial statements, and for the Company's compliance with the requirements of the Companies Code and the Articles of Association.

Our audit of the consolidated financial statements was conducted in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren".

The financial statements of several significant entities included in the scope of consolidation have been audited by other auditors. Our opinion on the accompanying consolidated financial statements, insofar as it relates to the amounts contributed by those entities, is based solely upon the reports of those other auditors.

### UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

The forementioned auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

In accordance with these standards, we considered the Group's administrative and accounting organization as well as its internal control processes. We have obtained the explanations and information required for our audit. We have examined, on a test basis, the evidence supporting the amounts in the consolidated financial statements. We have assessed the basis of the accounting methods used, the consolidation policies and significant estimates made by management as well as evaluating the presentation of the consolidated financial statements taken as a whole. We believe that our audit, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based, to the extent necessary upon the reports of other auditors, the consolidated financial statements give a true and fair view of the Group's financial position as of 31<sup>st</sup> December 2005, 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 ATTESTATIONS

We supplement our report with the following attestations which do not modify our audit opinion on the consolidated financial statements :

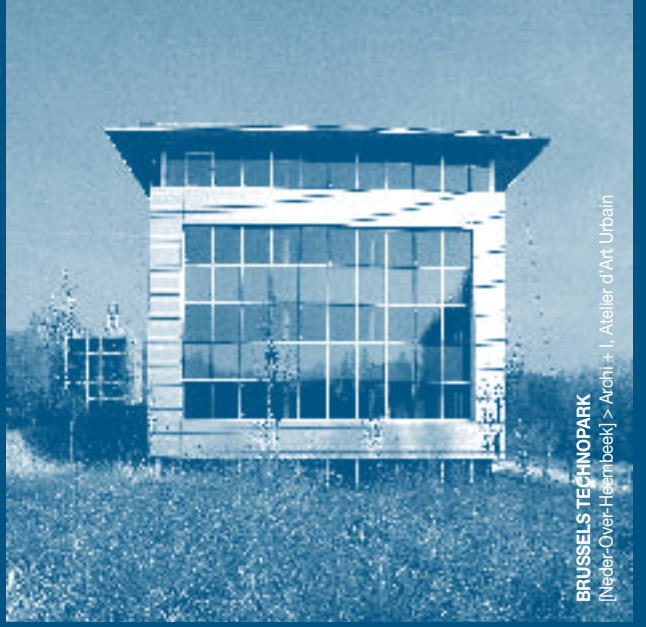
- The Directors' Report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principle risks and uncertainties confronting the Group, or 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.

Brussels, 27<sup>th</sup> March 2006

The Statutory Auditor



## COMPANY ACCOUNTS



**BRUSSELS TECHNOPARK**  
[Neder-Over-Heembeek] > Archi + I, Atelier d'Art Urbain

# BALANCE SHEET

(IN THOUSAND EUR)

| ASSETS   | NOTES    | 31-12-2005     | 31-12-2004     |
|--|----------|----------------|----------------|
| <b>FIXED ASSETS</b>                                  |          | <b>171 813</b> | <b>181 068</b> |
| <b>I. ESTABLISHMENT COSTS</b>                        |          | <b>34</b>      | <b>33</b>      |
| <b>II. INTANGIBLE ASSETS</b>                         |          | <b>74</b>      | <b>107</b>     |
| <b>III. TANGIBLE ASSETS</b>                          |          | <b>805</b>     | <b>908</b>     |
| B. Plant, machinery and equipment                    |          | 6              | 6              |
| C. Furniture and vehicles                            |          | 114            | 141            |
| E. Other tangible fixed assets                       |          | 685            | 761            |
| <b>IV. FINANCIAL ASSETS</b>                          |          | <b>170 900</b> | <b>180 020</b> |
| A. Associates  |          | 150 575        | 179 381        |
| 1. Participating interests                           | 1        | 110 282        | 153 077        |
| 2. Amounts receivable                                | 2        | 40 293         | 26 304         |
| B. Other companies linked by participating interests |          | 19 632         | 13             |
| 1. Participating interests                           | 1        | 19 632         | 13             |
| C. Other financial assets                            |          | 693            | 626            |
| 1. Shares  | 1        | 682            | 624            |
| 2. Amounts receivable and cash guarantees            |          | 11             | 2              |
| <b>CURRENT ASSETS</b>                                |          | <b>154 047</b> | <b>102 762</b> |
| <b>VI. STOCKS AND CONTRACTS IN PROGRESS</b>          | <b>3</b> | <b>86 548</b>  | <b>21 142</b>  |
| A. Stocks  |          | 86 162         | 21 142         |
| B. Contracts in progress                             |          | 386            |                |
| <b>VII. AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>       |          | <b>56 689</b>  | <b>77 312</b>  |
| A. Trade debtors                                     |          | 7 491          | 1 971          |
| B. Other amounts receivable                          | 4        | 49 198         | 75 341         |
| <b>VIII. SHORT TERM INVESTMENTS</b>                  |          | <b>1 678</b>   | <b>3 500</b>   |
| B. Other investments                                 |          | 1 678          | 3 500          |
| <b>IX. CASH AT BANK AND IN HAND</b>                  |          | <b>8 727</b>   | <b>514</b>     |
| <b>X. DEFERRED CHARGES AND ACCRUED INCOME</b>        |          | <b>405</b>     | <b>294</b>     |
| <b>TOTAL ASSETS</b>                                  |          | <b>325 860</b> | <b>283 830</b> |

| <b>LIABILITIES</b>   | <b>NOTES</b> | <b>31-12-2005</b> | <b>31-12-2004</b> |
|--|--------------|-------------------|-------------------|
| <b>SHAREHOLDERS' EQUITY</b>                                    | <b>5</b>     | <b>177 688</b>    | <b>171 189</b>    |
| <b>I. CAPITAL</b>  |              | <b>100 285</b>    | <b>100 000</b>    |
| A. Subscribed capital  |              | 100 285           | 100 000           |
| <b>III. REVALUATION RESERVES</b>                               |              | <b>761</b>        | <b>761</b>        |
| <b>IV. RESERVES</b>  |              | <b>10 074</b>     | <b>10 000</b>     |
| A. Legal reserve   |              | 10 028            | 10 000            |
| C. Untaxed reserves  |              | 46                |                   |
| <b>V. RETAINED EARNINGS</b>                                    |              | <b>66 568</b>     | <b>60 428</b>     |
| <b>PROVISIONS AND DEFERRED TAXES</b>                           |              | <b>1 606</b>      | <b>259</b>        |
| <b>VII. PROVISIONS AND DEFERRED TAXES</b>                      |              | <b>1 606</b>      | <b>259</b>        |
| A. Provisions for liabilities and charges                      |              | 1 606             | 259               |
| 4. Other liabilities and charges                               |              | 1 606             | 259               |
| <b>DEBTS</b>   |              | <b>146 566</b>    | <b>112 382</b>    |
| <b>VIII. AMOUNTS PAYABLE AFTER ONE YEAR</b>                    |              | <b>89 897</b>     | <b>3 026</b>      |
| A. Financial debts   |              | 89 897            | 3 026             |
| 4. Credit institutions   | 6            | 89 897            | 3 026             |
| <b>IX. AMOUNTS PAYABLE WITHIN ONE YEAR</b>                     |              | <b>55 449</b>     | <b>107 603</b>    |
| A. Current portion of amounts payable after one year           | 6            | 34                | 75 034            |
| B. Financial debts   | 6            | 6 299             |                   |
| 1. Credit institutions   |              | 6 299             |                   |
| C. Trade debts   |              | 10 524            | 2 851             |
| 1. Suppliers   |              | 10 524            | 2 851             |
| D. Advance payments received on contracts in progress          |              | 36                |                   |
| E. Amounts payable for taxes, remuneration and social security |              | 2 616             | 1 216             |
| 1. Taxes   |              | 1 535             | 319               |
| 2. Remuneration and social security                            |              | 1 081             | 897               |
| F. Other debts   | 7            | 35 940            | 28 502            |
| <b>X. ACCRUED CHARGES AND DEFERRED INCOME</b>                  |              | <b>1 220</b>      | <b>1 753</b>      |
| <b>TOTAL LIABILITIES</b>                                       |              | <b>325 860</b>    | <b>283 830</b>    |

# INCOME STATEMENT

(IN THOUSAND EUR)

|   | NOTES     | 31-12-2005    | 31-12-2004    |
|---|-----------|---------------|---------------|
| <b>I. OPERATING INCOME</b>  |           | <b>12 139</b> | <b>4 091</b>  |
| A. Turnover   | 8         | 44 926        | 8 903         |
| B. Variation in stocks of finished goods, work and contracts in progress (increase +, decrease -) |           | - 34 809      | - 5 552       |
| D. Other operating income   |           | 2 022         | 740           |
| <b>II. OPERATING EXPENSES</b>   |           | <b>9 418</b>  | <b>9 215</b>  |
| A. Raw materials, consumables and goods for resale  |           |               | 1 872         |
| 1. Purchases  |           | 34 214        | 5 600         |
| 2. Variation in stocks (increase -, decrease +)   |           | - 34 214      | - 3 728       |
| B. Services and other goods   |           | 6 797         | 4 995         |
| C. Remunerations, social security costs and pensions  |           | 2 430         | 2 235         |
| D. Depreciation and impairment losses of establishment costs, tangible and intangible assets      |           | 314           | 242           |
| E. Write-offs on stocks, contracts in progress and trade debtors (increase +, decrease -)         |           | - 1 080       | - 81          |
| F. Provisions for liabilities and charges (increase +, use and decrease -)                        |           | - 320         | - 421         |
| G. Other operating charges  |           | 1 277         | 373           |
| <b>III. OPERATING RESULT</b>  |           | <b>2 721</b>  | <b>-5 124</b> |
| <b>IV. FINANCIAL INCOME</b>   |           | <b>9 134</b>  | <b>7 026</b>  |
| A. Income from financial fixed assets   |           | 6 205         | 1 393         |
| B. Income from current assets   |           | 2 525         | 2 780         |
| C. Other financial income   |           | 404           | 2 853         |
| <b>V. FINANCIAL CHARGES</b>   |           | <b>4 949</b>  | <b>5 669</b>  |
| A. Interest and other debt charges  |           | 4 726         | 5 229         |
| C. Other financial charges  |           | 223           | 440           |
| <b>FINANCIAL RESULT</b>   | <b>9</b>  | <b>4 185</b>  | <b>1 357</b>  |
| <b>VI. CURRENT PROFIT BEFORE TAXES</b>  |           | <b>6 906</b>  | <b>-3 767</b> |
| <b>VII. EXTRAORDINARY INCOME</b>  |           | <b>20 386</b> | <b>2 915</b>  |
| B. Reversal of impairment losses of financial assets  |           | 17 059        |               |
| D. Gain on disposal of fixed assets   |           | 3 327         | 2 915         |
| <b>VIII. EXTRAORDINARY CHARGES</b>  |           | <b>14 878</b> | <b>10 111</b> |
| B. Impairment losses of financial assets  |           | 5 317         | 10 111        |
| D. Loss on disposal of fixed assets   |           | 8 809         |               |
| E. Other extraordinary charges  |           | 752           |               |
| <b>EXTRAORDINARY RESULT</b>   | <b>10</b> | <b>5 508</b>  | <b>-7 196</b> |

|  | NOTES | 31-12-2005    | 31-12-2004     |
|--|-------|---------------|----------------|
| <b>IX. PROFIT FOR THE YEAR BEFORE TAXES</b>                            |       | <b>12 414</b> | <b>-10 963</b> |
| <b>X. INCOME TAXES</b>   |       | <b>- 58</b>   | <b>- 83</b>    |
| A. Income taxes  |       | - 58          | - 243          |
| B. Adjustment of income taxes and release of tax provisions            |       |               | 160            |
| <b>XI. PROFIT FOR THE FINANCIAL YEAR</b>                               |       | <b>12 356</b> | <b>-11 046</b> |
| <b>XII. TRANSFER TO UNTAXED RESERVES</b>                               |       | <b>- 5</b>    |                |
| <b>XIII. PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR APPROPRIATION</b> |       | <b>12 351</b> | <b>-11 046</b> |

## APPROPRIATION OF THE RESULTS

(IN THOUSAND EUR)

|  | 31-12-2005    | 31-12-2004    |
|--|---------------|---------------|
| <b>A. PROFIT TO BE APPROPRIATED</b>                          | <b>72 779</b> | <b>60 311</b> |
| 1. Profit for the financial year available for appropriation | 12 351        | - 11 046      |
| 2. Profit carried forward                                    | 60 428        | 71 357        |
| <b>B. DRAWINGS ON EQUITY</b>                                 |               | <b>117</b>    |
| 2. On the available reserve                                  |               | 117           |
| <b>C. TRANSFER TO EQUITY</b>                                 | <b>28</b>     |               |
| 2. To legal reserve  | 28            |               |
| <b>D. RESULT TO BE CARRIED FORWARD</b>                       | <b>66 568</b> | <b>60 428</b> |
| 1. Profit to be carried forward                              | 66 568        | 60 428        |
| <b>F. PROFIT AVAILABLE FOR DISTRIBUTION</b>                  | <b>6 183</b>  |               |
| 1. Dividends   | 6 183         |               |

# NOTES TO THE ACCOUNTS

(IN THOUSAND EUR)

## PRELIMINARY REMARK

A merger by absorption of Immomills Development by COMPAGNIE IMMOBILIERE DE BELGIQUE, with effect at 1<sup>st</sup> July 2005, intervened by notarial deed of 14<sup>th</sup> December 2005.

Considering this merger, some balance sheet captions are not easy to be compared.

The main variations affecting the balance sheet are mentioned under «Merger impact».

## NOTE 1. FINANCIAL ASSETS - PARTICIPATING INTERESTS AND SHARES

The decrease of 23,118 KEUR in this account is due to the following movements :

|                                | 31-12-2005 |  |
|--------------------------------|------------|--|
| Acquisitions during the year   | 1 939      |  |
| Disposed of during the year    | -5 538     |  |
| Merger impact                  | -21 265    |  |
| Written back impairment losses | 7 063      |  |
| Recorded impairment losses     | -5 317     |  |
|                                | -23 118    |  |

## NOTE 2. AMOUNTS RECEIVABLE FROM ASSOCIATES

The breakdown of this account per sector is as follows :

|  | 31-12-2005    | 31-12-2004    |
|--|---------------|---------------|
| Development - Offices & Enterprise Real Estate | 22 165        | 8 047         |
| Property                                       | 18 128        | 18 257        |
|  | <b>40 293</b> | <b>26 304</b> |

The increase in this account of 13,989 KEUR results from the following movements :

|                       |               |
|-----------------------|---------------|
| New advances granted  | 953           |
| Repayment of advances | -2 154        |
| Merger impact         | 15 190        |
|                       | <b>13 989</b> |

## NOTE 3. STOCKS AND CONTRACTS IN PROGRESS

The increase in stocks, +65,406 KEUR, results mainly from the merger impact, +66,104 KEUR.

## NOTE 4. AMOUNTS RECEIVABLE WITHIN ONE YEAR – OTHER AMOUNTS RECEIVABLE

The main constituents of this account are as follows :

|                          | 31-12-2005    | 31-12-2004    |
|--------------------------|---------------|---------------|
| Advances to subsidiaries | 48 356        | 72 731        |
| Taxes to be recovered    | 386           | 153           |
| Other amounts receivable | 456           | 2 457         |
|                          | <b>49 198</b> | <b>75 341</b> |

**NOTE 5. SHAREHOLDERS' EQUITY**

The shareholders' equity amounts to 177,688 KEUR. The increase of 6,499 KEUR compared with the previous year results from the following movements :

|                      | 31-12-2005   |  |
|----------------------|--------------|--|
| Result of the period | 12 351       |  |
| Merger impact        | 331          |  |
| Proposed dividends   | -6 183       |  |
|                      | <b>6 499</b> |  |

**NOTE 6. FINANCIAL DEBTS**

The financial debts evolve as follows :

|  | 31-12-2005    | 31-12-2004    |
|--|---------------|---------------|
| Debts payable after more than one year | 89 897        | 3 026         |
| Debts payable within one year          | 6 333         | 75 034        |
|  | <b>96 230</b> | <b>78 060</b> |

The increase of 18,170 KEUR in this account rises from the following movements :

|  |               |  |
|--|---------------|--|
| New borrowings                               | 73 948        |  |
| Repayment of loans during the financial year | -86 254       |  |
| Merger impact                                | 30 476        |  |
|  | <b>18 170</b> |  |

**NOTE 7. AMOUNTS PAYABLE WITHIN ONE YEAR - OTHER DEBTS**

The main constituents of this account are as follows :

|                            | 31-12-2005    | 31-12-2004    |
|----------------------------|---------------|---------------|
| Advances from subsidiaries | 20 457        | 23 970        |
| Various other debts        | 9 300         | 4 532         |
| Proposed dividends         | 6 183         |               |
|                            | <b>35 940</b> | <b>28 502</b> |

**NOTE 8. TURNOVER**

The components of the turnover evolve as follows :

|  | 31-12-2005    | 31-12-2004   |
|--|---------------|--------------|
| Sales Offices & Enterprise Real Estate Development | 33 418        | 6 069        |
| Sales Residential Development                      | 9 925         | 1 554        |
| Other  | 1 583         | 1 280        |
|  | <b>44 926</b> | <b>8 903</b> |

**NOTE 9. FINANCIAL RESULT**

The breakdown of the financial result is as follows :

|   | 31-12-2005   | 31-12-2004   |
|---|--------------|--------------|
| Gross dividends from participations           | 4 837        | 640          |
| Interest on loans                             | 1 368        | 753          |
| Net interest on advances to/from subsidiaries | 1 721        | 2 104        |
| Interest on long-term debt                    | -3 855       | -3 859       |
| Currency exchange differences                 |              | 2 040        |
| Other income/charges from cash management     | 114          | -321         |
|   | <b>4 185</b> | <b>1 357</b> |

**NOTE 10. EXTRAORDINARY RESULT**

The breakdown of extraordinary result is as follows :

|   | 31-12-2005   | 31-12-2004    |
|---|--------------|---------------|
| Impairment losses of participations in Associates                                 | -5 317       | -10 067       |
| Impairment losses of participations in Companies linked by participating interest |              | -44           |
| Written back impairment losses of participations in Associates                    | 7 063        |               |
| Capital gain on disposal of participations in Associates                          | 4 514        | 2 915         |
| Merger goodwill   | -752         |               |
|   | <b>5 508</b> | <b>-7 196</b> |

# CASH FLOW STATEMENT

(IN THOUSAND EUR)

| + cash in, - cash out                                 | 2001           | 2002           | 2003           | 2004           | 2005           | Notes    |
|---|----------------|----------------|----------------|----------------|----------------|----------|
| <b>CASH FLOW</b>                                      | <b>24 393</b>  | <b>10 773</b>  | <b>33 356</b>  | <b>-1 195</b>  | <b>9 089</b>   | <b>1</b> |
| <b>CHANGE IN WORKING CAPITAL REQUIREMENT</b>          |                |                |                |                |                |          |
| Stocks and contracts in progress                      | 23 262         | -1 657         | -7 449         | 1 891          | 422            |          |
| Amounts receivable within one year                    | -17 666        | 24 476         | -6 611         | -4 102         | 11 182         |          |
| Other balance sheet items                             | -52 036        | 20 219         | -8 659         | -17 882        | -10 915        |          |
| Merger impact   |                |                |                |                | -4 549         | 2        |
| <b>TOTAL CHANGE IN WORKING CAPITAL REQUIREMENT</b>    | <b>-46 440</b> | <b>43 038</b>  | <b>-22 719</b> | <b>-20 093</b> | <b>-3 860</b>  |          |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>            | <b>-22 047</b> | <b>53 811</b>  | <b>10 637</b>  | <b>-21 288</b> | <b>5 229</b>   |          |
| <b>INVESTMENTS</b>                                    |                |                |                |                |                |          |
| Tangible and intangible assets                        | -193           | -144           | -326           | -86            | -170           |          |
| Financial assets – shares                             | -9 775         | -9 129         |                | -2 269         | -39            |          |
| Financial assets – amounts receivable                 | -3 701         | -2 016         | -2 897         | -8 304         | -953           |          |
| <b>TOTAL INVESTMENTS</b>                              | <b>-13 669</b> | <b>-11 289</b> | <b>-3 223</b>  | <b>-10 659</b> | <b>-1 162</b>  |          |
| <b>DISPOSALS</b>                                      |                |                |                |                |                |          |
| Tangible assets                                       | 424            | 124            | 7 135          |                |                |          |
| Financial assets – shares                             | 78 645         | 5 213          | 12 402         | 1 118          | 5 666          | 3        |
| Financial assets – amounts receivable                 | 7 354          | 2 398          | 1 836          | 27 474         | 254            |          |
| <b>TOTAL DISPOSALS</b>                                | <b>86 423</b>  | <b>7 735</b>   | <b>21 373</b>  | <b>28 592</b>  | <b>5 920</b>   |          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>            | <b>72 754</b>  | <b>-3 554</b>  | <b>18 150</b>  | <b>17 933</b>  | <b>4 758</b>   |          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>            |                |                |                |                |                |          |
| Repayments of capital                                 |                | -37 468        | -40 565        |                |                |          |
| New long-term debts                                   | 269            | 75 123         | 70 000         | 3 026          | 70 000         | 4        |
| Repayment of long-term debt                           | -42 294        | -102 492       | -16 452        | -85 000        | -4 895         |          |
| Dividends paid  | -11 808        |                |                |                |                |          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>            | <b>-53 833</b> | <b>-64 837</b> | <b>12 983</b>  | <b>-81 974</b> | <b>65 105</b>  |          |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>            | <b>-3 126</b>  | <b>-14 580</b> | <b>41 770</b>  | <b>-85 329</b> | <b>75 092</b>  |          |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> | <b>-9 755</b>  | <b>-12 881</b> | <b>-27 461</b> | <b>14 309</b>  | <b>-71 020</b> |          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>       | <b>-12 881</b> | <b>-27 461</b> | <b>14 309</b>  | <b>-71 020</b> | <b>4 072</b>   |          |

## NOTES TO THE CASH FLOW STATEMENT (IN THOUSAND EUR)

### NOTE 1. CASH FLOW

Components of the cash flow :

| + cash in, - cash out | Net result for the year | Depreciation charges | Provisions | Impairment losses | Total  |
|-----------------------|-------------------------|----------------------|------------|-------------------|--------|
| 31-12-2005            | 12 356                  | 314                  | - 320      | -3 261            | 9 089  |
| 31-12-2004            | -11 046                 | 242                  | - 421      | 10 030            | -1 195 |

### NOTE 2. MERGER IMPACT

It is the net cash situation of Immomills Development at the date of the merger.

### NOTE 3. DISPOSAL OF FINANCIAL ASSETS - PARTICIPATING INTERESTS

The disposals relate to our participating interests in CoRE Kft Budapest and Alcor.

### NOTE 4. NEW LONG-TERM DEBTS

New bank loan in consolidation of our corporate short term debt.

# SUPPLEMENTARY NOTES TO THE ACCOUNTS

(IN THOUSAND EUR)

| <b>I. STATEMENT OF ESTABLISHMENT COSTS</b> |           |
|--|-----------|
| Net book value at end of previous year     | 33        |
| Movements during the year :                |           |
| - New expenses incurred                    | 42        |
| - Depreciation charges                     | - 41      |
| <b>NET BOOK VALUE AT YEAR END</b>          | <b>34</b> |

| <b>II. STATEMENT OF INTANGIBLE ASSETS</b>       |  | Concessions, patents,<br>licences, etc. |
|---|--|---|
| <b>A) ACQUISITION COSTS</b>                     |  |   |
| <b>AT END OF PREVIOUS YEAR</b>                  |  | <b>1 070</b>                            |
| Movements during the year :                     |  |   |
| - Acquisitions including capitalised production |  | 62                                      |
| Total movements during the year                 |  | 62                                      |
| <b>AT YEAR END</b>                              |  | <b>1 132</b>                            |
| <b>C) DEPRECIATIONS AND IMPAIRMENT LOSSES</b>   |  |   |
| <b>AT END OF PREVIOUS YEAR</b>                  |  | <b>963</b>                              |
| Movements during the year :                     |  |   |
| - Recorded                                      |  | 92                                      |
| - Acquisitions from third parties               |  | 3                                       |
| Total movements during the year                 |  | 95                                      |
| <b>AT YEAR END</b>                              |  | <b>1 058</b>                            |
| <b>D) NET BOOK VALUE</b>                        |  |   |
| <b>AT END OF PREVIOUS YEAR</b>                  |  | <b>107</b>                              |
| <b>AT YEAR END</b>                              |  | <b>74</b>                               |

| <b>III. STATEMENT OF TANGIBLE ASSETS</b>        | <b>Land and buildings</b> | <b>Plant, machinery and equipment</b> | <b>Furniture and vehicles</b> | <b>Other tangible assets</b> |
|---|---------------------------|---------------------------------------|-------------------------------|------------------------------|
| <b>A) ACQUISITION COSTS</b>                     |                           |                                       |                               |                              |
| AT END OF PREVIOUS YEAR                         |                           | 14                                    | 1 208                         | 2 466                        |
| Movements during the year :                     |                           |                                       |                               |                              |
| - Acquisitions including capitalised production |                           | 3                                     | 93                            |                              |
| - Sales and disposals                           |                           |                                       | -50                           |                              |
| Total movements during the year                 |                           | 3                                     | 43                            |                              |
| <b>AT YEAR END</b>                              |                           | <b>17</b>                             | <b>1 251</b>                  | <b>2 466</b>                 |
| <b>B) CAPITAL GAINS</b>                         |                           |                                       |                               |                              |
| AT END OF PREVIOUS YEAR                         |                           |                                       |                               | 761                          |
| AT YEAR END                                     |                           |                                       |                               | 761                          |
| <b>C) DEPRECIATIONS AND IMPAIRMENT LOSSES</b>   |                           |                                       |                               |                              |
| AT END OF PREVIOUS YEAR                         |                           | 8                                     | 1 066                         | 2 466                        |
| Movements during the year :                     |                           |                                       |                               |                              |
| - Recorded                                      |                           | 3                                     | 102                           | 76                           |
| - Acquisitions from third parties               |                           |                                       | 17                            |                              |
| - Cancelled after disposals and retirements     |                           |                                       | -48                           |                              |
| Total movements during the year                 |                           | 3                                     | 71                            | 76                           |
| <b>AT YEAR END</b>                              |                           | <b>11</b>                             | <b>1 137</b>                  | <b>2 542</b>                 |
| <b>D) NET BOOK VALUE</b>                        |                           |                                       |                               |                              |
| AT END OF PREVIOUS YEAR                         |                           | 6                                     | 142                           | 761                          |
| AT YEAR END                                     |                           | 6                                     | 114                           | 685                          |

| <b>IV. STATEMENT OF FINANCIAL ASSETS</b>      | <b>Associates</b> | <b>Companies<br/>with participation<br/>link</b> | <b>Other<br/>companies</b> |
|---|-------------------|--|----------------------------|
| <b>1. PARTICIPATING INTERESTS AND SHARES</b>  |                   |  |                            |
| <b>A) ACQUISITION COSTS</b>                   |                   |  |                            |
| <b>AT END OF PREVIOUS YEAR</b>                | <b>210 880</b>    | <b>57</b>  | <b>1 492</b>               |
| Movements during the year                     |                   |  |                            |
| - Acquisitions                                | 41 449            | 1 605  |                            |
| - Sales and disposals                         | -72 635           |  | -868                       |
| - Transfers from one heading to another       | -20 019           | 19 962   | 58                         |
| Total movements during the year               | -51 205           | 21 567   | -810                       |
| <b>AT YEAR END</b>                            | <b>159 675</b>    | <b>21 624</b>                                    | <b>682</b>                 |
| <b>C) IMPAIRMENT LOSSES</b>                   |                   |  |                            |
| <b>AT END OF PREVIOUS YEAR</b>                | <b>57 805</b>     | <b>44</b>  | <b>868</b>                 |
| - Recorded                                    | 4 974             | 343  |                            |
| - Cancelled after disposals and retirements   | -16 191           |  | -868                       |
| - Acquisitions from third parties             | 948               | 1 605  |                            |
| Total movements during the year               | -10 269           | 1 948  | -868                       |
| <b>AT YEAR END</b>                            | <b>47 536</b>     | <b>1 992</b>                                     |                            |
| <b>D) UNCALLED AMOUNTS</b>                    |                   |  |                            |
| <b>AT END OF PREVIOUS YEAR</b>                |                   |  |                            |
| Total movements during the year               | 1 857             |  |                            |
| <b>AT YEAR END</b>                            | <b>1 857</b>      |  |                            |
| <b>NET BOOK VALUE</b>                         |                   |  |                            |
| <b>AT END OF PREVIOUS YEAR</b>                | <b>153 075</b>    | <b>13</b>  | <b>624</b>                 |
| <b>AT YEAR END</b>                            | <b>110 282</b>    | <b>19 632</b>                                    | <b>682</b>                 |
| <b>2. AMOUNTS RECEIVABLE</b>                  |                   |  |                            |
| <b>NET BOOK VALUE AT END OF PREVIOUS YEAR</b> | <b>26 304</b>     |  | <b>2</b>                   |
| Movements during the year                     |                   |  |                            |
| - Additions                                   | 16 134            |  | 9                          |
| - Repayments                                  | -2 145            |  |                            |
| Total movements during the year               | 13 989            |  |                            |
| <b>NET BOOK VALUE AT YEAR END</b>             | <b>40 293</b>     |  | <b>11</b>                  |

| V.A) PARTICIPATING INTERESTS AND OTHER RIGHTS HELD IN OTHER COMPANIES                                |             |           |              |                     |                       |          |  |            |
|--|-------------|-----------|--------------|---------------------|-----------------------|----------|--|------------|
| Company name and headquarters  | VAT         | Number    | Shares held  |                     |                       | Currency | Information from most recent available annual accounts |            |
|  |             |           | Directly (%) | By subsidiaries (%) | Annual accounts dated |          | Equity (in thousands of currency units)                | Net Result |
| Campona '99 Kft<br>Nagyfőtényi ut 37-43<br>1222 Budapest, Hungary                                    | -           | 89 931    | 99.99%       | 0.01%               | 31-12-2004            | HUF      | 4 821 818  | 48 821     |
| Compagnie Immobilière de Lotissements<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels                  | 451 565 088 | 699 999   | 99.99%       | 0.01%               | 31-12-2004            | EUR      | 5 537  | 690        |
| Compagnie Immobilière<br>de Participations Financières<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels | 454 107 082 | 250 111   | 99.99%       | 0.01%               | 31-12-2004            | EUR      | 1 957  | -326       |
| Compagnie Immobilière de Wallonie<br>Avenue Molière 15, 1300 Wavre                                   | 401 541 990 | 25 461    | 99.99%       | 0.01%               | 31-12-2004            | EUR      | 7 057  | -266       |
| Conception et Coordination Léopold<br>Rue Godecharle 15-17, 1050 Brussels                            | 437 911 844 | 3 075     | 30.75%       | 11.00%              | 31-12-2004            | EUR      | 2 981  | 841        |
| Crown Avenue<br>Avenue Herman-Debroux 42, 1160 Brussels  | 866 327 388 | 500       | 50.00%       | -                   |                       |          |  |            |
| EGLB Beteiligungs GmbH<br>Fasanenstrasse 63<br>10719 Berlin, Germany                                 | -           | 4 700     | 5.22%        | 9.22%               | 31-12-2004            | EUR      | 276  | 23         |
| Entreprise et Gestion Immobilières<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels                     | 403 360 741 | 95 999    | 99.99%       | 0.01%               | 31-12-2004            | EUR      | 4 242  | -1 205     |
| Espace Midi<br>Avenue des Communautés 100,<br>1200 Woluwe-Saint-Lambert                              | 402 594 342 | 6 304     | 20.00%       | -                   | 31-12-2004            | EUR      | 11 909   | -66        |
| Espace Nivelles<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels  | 472 279 241 | 10        | 1.05%        | 98.95%              | 31-12-2004            | EUR      | 943  |            |
| Foncière du Parc<br>Avenue des Communautés 100,<br>1200 Woluwe-Saint-Lambert                         | 433 168 544 | 329 385   | 50.00%       | -                   | 31-12-2004            | EUR      | 4 910  | 1 341      |
| Foncière Jennifer<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels                                      | 464 582 884 | 103       | 99.99%       | 0.01%               | 31-12-2004            | EUR      | 2 541  | -3         |
| Harmonia<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels   | 444 218 131 | 2 510     | 96.17%       | -                   | 31-12-2004            | EUR      | 82   | -3         |
| Immobiëlen Vennootschap van Vlaanderen<br>Avenue J. Dubrucq 177, 1080 Brussels                       | 403 342 826 | 1 262 588 | 99.99%       | -                   | 31-12-2004            | EUR      | 23 578   | -1 082     |
| Immobilière Deka<br>Avenue J. Dubrucq 175, 1080 Brussels   | 417 100 196 | 124 267   | 95.30%       | 4.70%               | 31-12-2004            | EUR      | 5 203  | -599       |
| Immobilière Puvrez<br>Avenue des Communautés 100,<br>1200 Woluwe-Saint-Lambert                       | 447 825 739 | 132       | 19.97%       | -                   | 31-12-2004            | EUR      | 309  | -2         |
| Immo Gaucheret<br>Rue du Pont Neuf 17, 1000 Brussels   | 469 969 057 | 1 875     | 50.00%       | -                   | 31-12-2004            | EUR      | 3 696  | -24        |
| Infrastructures et Développements<br>Immobiliers<br>Avenue de Tervueren 72, 1040 Brussels            | 432 248 925 | 1 424     | 37.47%       | -                   | 31-12-2004            | EUR      | 10 811   | -457       |

**V.A) PARTICIPATING INTERESTS AND OTHER RIGHTS HELD IN OTHER COMPANIES (CONTINUED)**

| Company name and headquarters  | Shares held |         |              |                     |                         |          | Information from most recent available annual accounts |            |
|--|-------------|---------|--------------|---------------------|-------------------------|----------|--|------------|
|  | VAT         | Number  | Directly (%) | By subsidiaries (%) | Annual ac- counts dated | Currency | Equity (in thousands of currency units)                | Net Result |
| Intermills Industrie Andenne<br>Rue Blanche 16 Box 9, 1050 Brussels                                      | 420 518 457 | 101 996 | 22.00%       | -                   | 31-12-2004              | EUR      | -12 850  | 45         |
| International Finance & Real Estate<br>Rue Marie-Adelaide 30, 2128 Luxemburg<br>Grand-Duchy of Luxemburg | -           | 2 499   | 99.99%       | 0.01%               | 31-12-2004              | EUR      | 177  | 10         |
| La Meute<br>Chaussée de Louvain 710-732, 1030 Brussels   | 474 581 408 | 253     | 11.50%       | -                   | 31-12-2004              | EUR      | 2 035  | -28        |
| Les Courses<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels  | 442 973 165 | 100 849 | 99.99%       | 0.01%               | 31-12-2004              | EUR      | 2 667  | 1 976      |
| Les Etangs du Nord<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels   | 439 480 373 | 6 750   | 45.00%       | -                   | 31-12-2004              | EUR      | 48   | - 1        |
| Les Jardins du Nord<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels  | 444 857 737 | 228     | 76.00%       | -                   | 31-12-2004              | EUR      | - 79   | -29        |
| Lex 2000<br>Avenue Livingstone 6, 1000 Brussels  | 403 364 996 | 95 579  | 50.00%       | -                   | 31-12-2004              | EUR      | 8 752  | -838       |
| Nouvelle Société Cimmobel<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels                                  | 437 638 759 | 2 500   | 50.00%       | -                   | 31-12-2004              | EUR      | 1 385  | 13         |
| Palmetto Associates Inc.<br>Prentice Hall, 2711 Centerville Road<br>Wilmington, Delaware, USA            | -           | 16 030  | 100.00%      | -                   | 31-12-2004              | USD      | 1 535  | -68        |
| Progex<br>Avenue J. Dubrucq 175 Box 1, 1080 Brussels   | 462 629 325 | 34 113  | 99.99%       | 0.01%               | 31-12-2004              | EUR      | 477  | -102       |
| Promotion Léopold<br>Rue Godecharle 15-17, 1050 Brussels   | 439 904 896 | 382 800 | 33.00%       | 5.00%               | 31-12-2004              | EUR      | 31 998   | 4 856      |
| RAC Investment Corp.<br>Van Eycklei 1 Box 6, 2018 Antwerp  | 479 128 827 | 25      | 25.00%       | -                   | 31-12-2004              | EUR      | -2 779   | 1 965      |
| Sienn Center<br>Schouwburgplein 30-34,<br>3012 CL Rotterdam, the Netherlands                             | -           | 277     | 100.00%      | -                   | 31-12-2004              | EUR      | 1 062  | -134       |
| Société Espace Léopold<br>Rue Godecharle 15-17, 1050 Brussels  | 435 890 977 | 10 000  | 50.00%       | -                   | 31-12-2004              | EUR      | 6 889  | 1 426      |
| Société Financière de Participations<br>Industrielles<br>Avenue J. Dubrucq 175, 1080 Brussels            | 449 032 596 | 41 974  | 99.99%       | 0.01%               | 31-12-2004              | EUR      | 10 558   | -985       |
| Veldimmo<br>Ch. de la Hulpe 130 Box 2, 1000 Brussels   | 430 622 986 | 1 300   | 50.00%       | -                   | 31-12-2004              | EUR      | 401  | -90        |

| <b>VI. SHORT TERM INVESTMENTS - OTHER INVESTMENTS</b>  | Report year  | Previous year |
|--|--------------|---------------|
| <b>TERM DEPOSITS HELD WITH CREDIT INSTITUTIONS</b>     | <b>1 678</b> | <b>3 500</b>  |
| with a remaining period to run or a period of notice : |              |               |
| - of less than or equal to one month                   | 1 678        | 3 500         |

| <b>VII. DEFERRED CHARGES AND ACCRUED INCOME</b>                         | Report year |  |
|---|-------------|--|
| <b>ANALYSIS OF HEADING 490/1 OF ASSETS IF THE AMOUNT IS SIGNIFICANT</b> |             |  |
| Deferred charges  | 379         |  |
| Accrued income  | 26          |  |

| <b>VIII. STATEMENT OF CAPITAL</b>                              | Amounts        | Number of shares |
|--|----------------|------------------|
| <b>A. SHARE CAPITAL</b>  |                |                  |
| <b>1. ISSUED CAPITAL</b>                                       |                |                  |
| <b>AT END OF PREVIOUS YEAR</b>                                 | <b>100 000</b> |                  |
| - Changes during the year                                      |                |                  |
| Merger Immomills Development at 14 <sup>th</sup> December 2005 | 285            | <b>7 836</b>     |
| <b>AT YEAR END</b>   | <b>100 285</b> |                  |
| <b>2. BREAKDOWN OF THE CAPITAL</b>                             |                |                  |
| 2.1. Categories of shares                                      |                |                  |
| Ordinary shares without par value                              | 100 000        | 4 114 098        |
| Ordinary shares without par value merger Immomills Development | 285            | 7 836            |
| 2.2. Registered shares and bearer shares                       |                |                  |
| Registered   |                | 1 500 494        |
| Bearer   |                | 2 621 440        |
| <b>G. SHAREHOLDER STRUCTURE</b>                                |                |                  |
| <b>NUMBER OF RESPECTIVE SHARES ISSUED BY THE COMPANY</b>       |                | <b>4 121 934</b> |
| <b>KNOWN SHAREHOLDERS</b>                                      |                |                  |
| - Suez-Tractebel   |                | 1 258 565        |
| - Eurodev Holding Corporation, Luxemburg                       |                | 411 408          |
| - Fidea and KBC Assurances                                     |                | 245 188          |
| - Various registered shareholders                              |                | 8 049            |
| <b>TOTAL OF KNOWN SHAREHOLDERS</b>                             |                | <b>1 923 210</b> |

| <b>IX. PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>                   | Report year |  |
|---|-------------|--|
| <b>ANALYSIS OF HEADING 163/5 OF LIABILITIES IF THE AMOUNT IS MATERIAL</b> |             |  |
| - provisions for given rent guarantees                                    | 1 094       |  |
| - other provisions  | 316         |  |
| - provisions for litigations  | 195         |  |

| <b>X. STATEMENT OF AMOUNTS PAYABLE</b>  |  |   |
|---|--|---|
| <b>A. BREAKDOWN OF AMOUNTS PAYABLE AFTER ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM</b> | <b>Amounts payable within one year</b>   | <b>Amounts payable between one and five years</b> |
| <b>FINANCIAL DEBTS</b>  | <b>34</b>  | <b>89 897</b>                                     |
| 2. Unsubordinated debentures  | 34   |   |
| 4. Credit institutions  |  | 89 897  |
| <b>TOTAL</b>  | <b>34</b>  | <b>89 897</b>                                     |
| <b>B. AMOUNTS PAYABLE GUARANTEED</b>  | <b>Debts (or part of debts) guaranteed by real sureties given or irrevocably promised by the company on its own assets</b> |   |
| <b>FINANCIAL DEBTS</b>  |  | <b>89 897</b>                                     |
| 4. Credit institutions  |  | 89 897  |
| <b>TOTAL</b>  |  | <b>89 897</b>                                     |
| <b>C. AMOUNTS PAYABLE FOR TAXES, REMUNERATIONS AND SOCIAL SECURITY</b>                  | <b>Report year</b>   |   |
| 1. Taxes  |  |   |
| b) Non-expired taxes payable  |  | 346   |
| c) Estimated taxes payable  |  | 1 188   |
| 2. Remunerations and social security  |  |   |
| b) Other amounts relating to remunerations and social security                          |  | 1 081   |
| <b>XI. ACCRUED CHARGES AND DEFERRED INCOME</b>  |  |   |
|   | <b>Report year</b>   |   |
| Charges to be accrued   |  | 674   |
| Deferred income   |  | 168   |
| Conversion differences  |  | 377   |

| <b>XII. OPERATING RESULTS</b>   | <b>Report year</b> | <b>Previous year</b> |
|---|--------------------|----------------------|
| <b>C1. NUMBER OF PERSONNEL ON THE PAYROLL</b>                                   |                    |                      |
| a) Total number at the closing date   | 28                 | 25                   |
| b) Average number of personnel in full-time equivalents                         | 26.8               | 25.2                 |
| c) Number of actual working hours   | 51 177             | 48 876               |
| <b>C2. PERSONNEL CHARGES</b>  |                    |                      |
| a) Remunerations, salaries and direct benefits                                  | 1 660              | 1 536                |
| b) Employer's contributions for social security                                 | 506                | 472                  |
| c) Employer's premiums for extra-statutory insurance                            | 208                | 179                  |
| d) Other personnel charges  | 53                 | 48                   |
| e) Pensions   | 3                  |                      |
| <b>D. WRITE-OFFS</b>  |                    |                      |
| 1. Stocks and contracts in progress   |                    |                      |
| Recorded  | 276                |                      |
| 2. Trade debtors  |                    |                      |
| Recorded  |                    | 22                   |
| Released  | -1 356             | - 103                |
| <b>E. PROVISIONS FOR LIABILITIES AND CHARGES</b>                                |                    |                      |
| New provisions  | 21                 | 63                   |
| Use and release   | - 341              | - 484                |
| <b>F. OTHER OPERATING CHARGES</b>   |                    |                      |
| Taxes related to operations   | 945                | 268                  |
| Other   | 332                | 105                  |
| <b>G. TEMPORARY PERSONNEL AND PERSONS PLACED AT THE DISPOSAL OF THE COMPANY</b> |                    |                      |
| 1. Total number at the closing date   |                    | 1                    |
| 2. Average number of persons in full-time equivalents                           | 0.2                | 1.7                  |
| Number of hours actually worked   | 293                | 2 936                |
| Charges to the company  | 10                 | 106                  |

| <b>XIII. FINANCIAL RESULTS</b>                 | <b>Report year</b> | <b>Previous year</b> |
|--|--------------------|----------------------|
| <b>A. OTHER FINANCIAL INCOME</b>               |                    |                      |
| - Currency exchange and conversion differences | 1                  | 2 057                |
| - SWAP interest passed on                      | 385                | 796                  |
| - Others                                       | 17                 |                      |
| <b>E. OTHER FINANCIAL CHARGES</b>              |                    |                      |
| - Exchange differences                         | 2                  | 16                   |
| - Other commissions and bank charges           | 221                | 424                  |

| <b>XIV. EXTRAORDINARY RESULTS</b>   | <b>Report year</b> |     |
|---|--------------------|-----|
| <b>A. ANALYSIS OF OTHER EXTRAORDINARY CHARGES (HEADING 664/8) IF MATERIAL</b> |                    |     |
| Merger goodwill Immomills Development   |                    | 752 |

| <b>XV. INCOME TAXES</b>   | <b>Report year</b> |         |
|---|--------------------|---------|
| <b>A. DETAILS OF HEADING 670/3</b>  |                    |         |
| <b>1. INCOME TAXES FOR THE CURRENT YEAR</b>   |                    |         |
| a. Tax and withholding taxes due or paid  |                    | 84      |
| b. Excess of income tax prepayments and withholding taxes capitalised                                     |                    | -84     |
| <b>2. INCOME TAXES ON THE RESULTS OF PREVIOUS YEARS</b>   |                    |         |
| a. Additional tax due or paid   |                    | 58      |
| <b>B. MAIN REASONS FOR DISCREPANCIES BETWEEN THE PROFIT BEFORE TAXES AND THE ESTIMATED TAXABLE PROFIT</b> |                    |         |
| Disallowed expenses and taxable provisions  |                    | 14 172  |
| Write back of impairment losses and more-values on financial assets                                       |                    | -20 385 |
| Detaxation of taxed write-offs and excess depreciation  |                    | -3 105  |
| Income already taxed  |                    | -3 091  |
| <b>D. STATUS OF DEFERRED TAXES</b>  |                    |         |
| <b>1. DEFERRED TAX ASSETS</b>   |                    |         |
| Accumulated tax losses deductible from later taxable profits  |                    | 4 947   |
| Excess depreciation   |                    | 124     |
| Taxed provisions and write-offs   |                    | 1 304   |
| Other hidden reserves   |                    | 3 033   |
| <b>2. DEFERRED TAX LIABILITIES</b>  |                    |         |
| Tax-exempted capital gains  |                    | 22 305  |

| <b>XVI. VALUE ADDED TAXES AND TAXES BORNE BY THIRD PARTIES</b> | <b>Report year</b> | <b>Previous year</b> |
|--|--------------------|----------------------|
| <b>A. VAT CHARGED DURING THE YEAR</b>                          |                    |                      |
| 1. To the company (deductible)                                 | 665                | 354                  |
| 2. By the company  | 3 981              | 570                  |
| <b>B. AMOUNTS RETAINED ON BEHALF OF THIRD PARTIES FOR :</b>    |                    |                      |
| 1. Withholding taxes on payroll                                | 733                | 690                  |
| 2. Withholding taxes on investment income                      | 6                  | 8                    |

| <b>XVII. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET</b>   |  |
|--|--|
| <b>PERSONAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR THE DEBTS OR COMMITMENTS OF THIRD PARTIES</b>                                    | <b>106 819</b>   |
| Maximum amount up to which other commitments by third parties are guaranteed by the company  | 106 819  |
| <b>REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY ON ITS OWN ASSETS</b>  | <b>As security for the debts or commitments of the company</b> |
| Mortgages :  |  |
| - book value of mortgaged real properties  | 58 656   |
| - amount of mortgage   | 164  |
| Pledges on other assets :  |  |
| - book value of pledged assets   | 57 434   |
| Important litigations and other significant commitments :  |  |
| - third-party providers of guarantees on behalf of the company   | 98 282   |
| - rent guarantees given  | 1 289  |
| <b>SUPPLEMENTARY PENSION SCHEME</b>  |  |
| A group insurance policy has been taken out with an insurance company with the object of providing the following benefits, in addition to statutory pension rights : |  |
| - old age insurance, to provide an extra pension at the age of 65,   |  |
| - insurance in case of death before reaching the age of retirement.  |  |
| This group insurance is paid for by obligatory contributions from the insured, and by a contribution from the Company.   |  |

|  | <b>XVIII. RELATIONS WITH ASSOCIATES AND COMPANIES LINKED BY PARTICIPATING INTERESTS</b> |                |  |               |
|--|---|----------------|--|---------------|
|  | Associates  |                | Companies with participating interests |               |
|  | Report year   | Previous year  | Report year                            | Previous year |
| <b>1. FINANCIAL ASSETS</b>   | <b>150 575</b>  | <b>179 382</b> | <b>19 631</b>                          | <b>13</b>     |
| - Participations   | 110 282   | 153 078        | 19 631                                 | 13            |
| - Amounts receivable : subordinated  | 22 165  | 8 047          |  |               |
| - Amounts receivable : other   | 18 128  | 18 257         |  |               |
| <b>2. AMOUNTS RECEIVABLE</b>   | <b>47 511</b>   | <b>71 869</b>  | <b>940</b>                             | <b>906</b>    |
| - within one year  | 47 511  | 71 869         | 940                                    | 906           |
| <b>4. AMOUNTS PAYABLE</b>  | <b>20 456</b>   | <b>23 969</b>  |  |               |
| - within one year  | 20 456  | 23 969         |  |               |
| <b>5. PERSONAL AND REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR THE DEBTS OR COMMITMENTS OF ASSOCIATES</b> | <b>106 819</b>  | <b>90 289</b>  |  |               |
| <b>PERSONAL AND REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY ASSOCIATES AS SECURITY FOR THE DEBTS OR COMMITMENTS OF THE COMPANY</b>    | <b>20 141</b>   | <b>34 438</b>  |  |               |
| <b>7. FINANCIAL RESULTS</b>  |   |                |  |               |
| - Income from financial assets   | 6 176   | 1 365          |  |               |
| - Income from current assets   | 2 084   | 2 600          |  |               |
| - Other financial income   | 1   |                |  |               |
| - Debt charges   | 398   | 530            |  |               |
| <b>8. DISPOSAL OF FIXED ASSETS</b>   |   |                |  |               |
| - Realised more-values   | 4   |                |  |               |
| - Realised less-values   | 3   |                |  |               |

| <b>XIX. FINANCIAL RELATIONS WITH DIRECTORS AND MANAGERS</b>   | Report year |
|---|-------------|
| <b>4. DIRECT AND INDIRECT REMUNERATIONS AND PENSIONS, INCLUDED IN THE INCOME STATEMENT, TO THE EXTENT THAT THIS DISCLOSURE DOES NOT PRINCIPALLY OR EXCLUSIVELY RELATE TO A SINGLE IDENTIFIABLE INDIVIDUAL</b> |             |
| - to the Directors and Managers   | 528         |

#### DECLARATION CONCERNING THE CONSOLIDATED ACCOUNTS

The Company draws up and publishes consolidated accounts and a consolidated directors' report in accordance with the provisions of the Royal Decree of 6<sup>th</sup> March 1990 on the consolidated accounts of companies.

# SOCIAL REPORT

Number under which the Company is registered with the  
National Office of Social Security (ONSS number) :

010-0102636-66

Numbers of the joint industrial committees to which the company is subject :

100.00 - 218.00

| I. STATEMENT OF PERSONS EMPLOYED  | Full time   | Part time   | Total (T) or total<br>in full-time<br>equivalents (FTE) |                                |
|---|-------------|-------------|---|--------------------------------|
|   | Report year | Report year | Report year   | Previous<br>year               |
| <b>A. PERSONNEL ON THE PAYROLL</b>  |             |             |   |                                |
| <b>1. DURING THE FINANCIAL YEAR AND DURING<br/>THE PREVIOUS FINANCIAL YEAR</b>  |             |             |   |                                |
| Average number of employees   | 26.1        | 1.0         | 26.8 (FTE)  | 25.2 (FTE)                     |
| Number of hours actually worked   | 49 785      | 1 392       | 51 177 (T)  | 48 876 (T)                     |
| Personnel costs (in thousand EUR)   | 2 367       | 63          | 2 430 (T)   | 2 235 (T)                      |
| Amount of benefits in addition to wages<br>(in thousand EUR)                    |             |             | 25 (T)  | 25 (T)                         |
| <b>2. AS AT THE CLOSING DATE OF THE FINANCIAL YEAR</b>                          |             |             |   |                                |
| <b>A. NUMBER OF PERSONNEL ON THE PAYROLL</b>                                    | <b>27</b>   | <b>1</b>    | <b>27.7 (FTE)</b>                                       |                                |
| <b>B. BREAKDOWN BY TYPE<br/>OF EMPLOYMENT CONTRACT</b>                          |             |             |   |                                |
| Contract of unlimited duration  | 26          | 1           | 26.7 (FTE)  |                                |
| Contract of limited duration  | 1           |             | 1.0 (FTE)   |                                |
| <b>C. BREAKDOWN BY SEX</b>  |             |             |   |                                |
| Men   | 17          |             | 17.0 (FTE)  |                                |
| Women   | 10          | 1           | 10.7 (FTE)  |                                |
| <b>D. BREAKDOWN BY PROFESSIONAL CATEGORY</b>                                    |             |             |   |                                |
| Management personnel  | 2           |             | 2.0 (FTE)   |                                |
| Employees   | 25          | 1           | 25.7 (FTE)  |                                |
| <b>B. TEMPORARY PERSONNEL AND PERSONS PLACED AT THE DISPOSAL OF THE COMPANY</b> |             |             |   | <b>Temporary<br/>personnel</b> |
| <b>DURING THE CURRENT YEAR</b>  |             |             |   |                                |
| Average number of people employed   |             |             |   | 0.2                            |
| Number of hours actually worked   |             |             |   | 293                            |
| Charges to the company (in thousand EUR)  |             |             |   | 10                             |

**II. LIST OF PERSONNEL MOVEMENTS DURING THE FINANCIAL YEAR**

|   | Full time | Part time | Total in full-time equivalents |
|---|-----------|-----------|--------------------------------|
| <b>A. JOINING</b>   |           |           |                                |
| <b>A. NUMBER OF EMPLOYED PERSONS RECORDED ON THE PAYROLL DURING THE FINANCIAL YEAR</b>                            | <b>6</b>  |           | <b>6.0</b>                     |
| <b>B. BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT</b>  |           |           |                                |
| Contract of unlimited duration  | 3         |           | 3.0                            |
| Contract of limited duration  | 3         |           | 3.0                            |
| <b>C. BREAKDOWN BY SEX AND LEVEL OF EDUCATION</b>   |           |           |                                |
| Men : secondary   | 3         |           | 3.0                            |
| Women : secondary   | 2         |           | 2.0                            |
| university  | 1         |           | 1.0                            |
| <b>B. LEAVING</b>   |           |           |                                |
| <b>A. NUMBER OF EMPLOYEES WHOSE CONTRACT END WAS RECORDED IN THE PERSONNEL REGISTER DURING THE FINANCIAL YEAR</b> | <b>3</b>  |           | <b>3.0</b>                     |
| <b>B. BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT</b>  |           |           |                                |
| Contract of limited duration  | 3         |           | 3.0                            |
| <b>C. BREAKDOWN BY SEX AND LEVEL OF EDUCATION</b>   |           |           |                                |
| Men : secondary   | 2         |           | 2.0                            |
| Women : secondary   | 1         |           | 1.0                            |
| <b>D. BREAKDOWN BY REASON FOR TERMINATION OF CONTRACT</b>   |           |           |                                |
| Other reason  | 3         |           | 3.0                            |

**III. STATEMENT CONCERNING THE IMPLEMENTATION OF MEASURES FOR STIMULATING EMPLOYMENT DURING THE FINANCIAL YEAR**

| Measures stimulating employment   | Number of employed persons involved |                                | Amount of the financial benefit (in thousand EUR) |
|---|-------------------------------------|--------------------------------|---|
|   | Number                              | In full-time equivalents (FTE) |   |
| <b>1. MEASURES INCLUDING A FINANCIAL INCENTIVE</b>                                  |                                     |                                |   |
| 1.6. Structural reduction in social security contributions                          | 28                                  | 27.7                           | 65  |
| <b>NUMBER OF EMPLOYEES AFFECTED BY ONE OR MORE MEASURES IN FAVOUR OF EMPLOYMENT</b> |                                     |                                |   |
| Total for the financial year  | 28                                  | 27.7                           |   |
| Total for the previous financial year   | 31                                  | 28.3                           |   |

**IV. INFORMATION ON VOCATIONAL TRAINING FOR EMPLOYED PERSONS DURING THE FINANCIAL YEAR**

| Total number of training initiatives at the expense of the employer | Number of employed persons involved | Number of training hours | Charges to the company (in thousand EUR) |
|---|-------------------------------------|--------------------------|--|
| Men   | 7                                   | 84                       | 8  |
| Women   | 2                                   | 36                       | 3  |

# ACCOUNTING PRINCIPLES

Summary of accounting principles in application of article 28 § 1 of the Royal Decree of 30<sup>th</sup> January 2001 and the Companies Code

## ASSETS

### I. ESTABLISHMENT COSTS

The costs of issuing shares and convertible or non-convertible bonds are normally recorded as assets and written off over three years. The costs of converting convertible bonds are recorded as expenses for the financial year in which they are incurred.

### II. TANGIBLE ASSETS

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. In accordance with article 95, book II, of the Royal Decree of 30<sup>th</sup> January 2001, the acquisition cost of tangible assets may include interest charges relating to the capital borrowed to finance these assets, but only on condition that such interest relates to the period preceding the effective commissioning of the assets.

Depreciation is calculated by the straight line method, from the year when the asset is first recorded, at the rates allowed for tax purposes :

|                                  |      |
|----------------------------------|------|
| - Buildings                      | 3 %  |
| - Building improvements          | 5 %  |
| - Office furniture and equipment | 10 % |
| - Computer equipment             | 33 % |
| - Vehicles                       | 20 % |

### IV. FINANCIAL ASSETS

Each type of portfolio security included in financial assets is accounted for separately, aggregated by type or by lot according to acquisition date. They are recorded either at their individual purchase price or at their contribution value, after taking into account any amounts still not paid up and any write-offs made.

At the end of every financial year, each portfolio security included in financial assets is valued separately in order to reflect as accurately as possible the financial position, profitability and future prospects of the company in which the shares are held.

The basic criterion for this individual valuation is the net assets of the company in question, with current profitability or at least the company's prospect for profitability in the near future as a secondary consideration.

The method of valuation of foreign securities is as indicated above, but this is first carried out in the currency of the foreign company's financial state-

ments, before conversion into EUR. Such conversions are generally made at the closing rate of exchange for balance sheet items and at the average rate of exchange for income statement items.

Valuations also take account of exceptional events occurring before the balance sheet date but which become known to the company's Board of Directors only after the completion of the annual accounts and before their adoption by the board.

If it appears that the book value of a security is greater than its estimated value and that the potential loss thus identified is of a lasting nature, an adjustment is made to the book value. It would be appropriate to review this adjustment if, subsequently, the individual valuation were to indicate a lasting recovery.

### V. AMOUNTS RECEIVABLE AFTER ONE YEAR

Amounts receivable after one year are recorded at their nominal value and this value is adjusted, provided that the depreciation is lasting.

As regards interest-free amounts receivable or those bearing abnormally low levels of interest, any related depreciation is accounted for in accordance with article 67 of the Royal Decree of 30<sup>th</sup> January 2001.

## VI. STOCKS

### Sites under development

Land and buildings intended for sale 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 time of sale, at the weighted average price of acquisitions as defined above.

### Property reserve

Land not included in sites under development is accounted for in the Property Reserve in accordance with the same valuation criteria described above for sites under development.

### Work and contracts in progress

- Work in progress is valued at cost price, taking no account of indirect production costs.
- Work in progress and services in progress carried out for third parties on the basis of an order are valued at cost price, taking no account of indirect costs.

Profits are, in principle, recorded on the basis of the percentage of completion of the work, production or services, in accordance with the principles of prudence.

- In accordance with articles 71 and 72 of the Royal Decree of 30<sup>th</sup> January 2001, the cost of orders in progress may include the interest charges relating to the capital borrowed to finance the orders, on condition that such interest relates to stocks or orders whose normal production or completion period exceeds one year and that it covers the normal period of production.
- On any contract for which the cost of the supplies and services – plus estimated amounts for those still to be supplied or rendered – exceeds the net sales price of such services at the end of the financial year, an adjustment in value is made at least equal to this difference. Adjustments in value may also be made to take account of technical, political and monetary problems known at the time of valuation.

#### Acquisitions and disposals of properties

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. In case of absence of this clause, the recording will take place at the date of the compromise under private signature.

In case of application of the “Breyne” Law, the disposals and the acquisitions of properties are recorded at the date of convention without conditions precedents or at the date of the accomplishment of the conditions precedents foreseen in the convention. The disposal of the land is recorded for its totality while the sale of the construction is recorded according to the degree of completion of the works. This rule is applicable notwithstanding the clause of deferred property transfer eventually foreseen at the convention.

#### VII. AMOUNTS RECEIVABLE WITHIN ONE YEAR

The amounts receivable within one year 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.

#### VIII. SHORT TERM INVESTMENTS

Investments are recorded as assets at their purchase price (ancillary costs excluded) or contribution value.

At the end of the financial year, they are valued at the lowest of the following values : purchase price, or value at which they are brought into the business, or quoted market price at the end of the financial year.

Unlisted securities are in principle maintained in the accounts at purchase price or value at which they were contributed to the business.

For securities denominated in foreign currencies, the

rates of exchange used are those in force at the transaction date for the purchase or acquisition price, and at the balance sheet date for the quoted market price.

The other investments are valued on the same basis as amounts receivable within one year. The foreign currency valuation rules are applied to them.

#### IX. CASH AT BANK AND IN HAND

The accounting principles for cash at bank and in hand are the same as those for amounts receivable within one year.

#### X. DEFERRED CHARGES AND ACCRUED INCOME

The expenses incurred during the financial year, but which are chargeable in whole or in part to a future financial year, are recorded under deferred charges and accrued income pro rata.

The income or fractions of income which will only be received during one or more subsequent financial years but which are revenues of the current financial year, are recorded at the amount of the proportion relating to the current financial year.

#### LIABILITIES

##### IV. UNTAXED RESERVES

This account includes realised capital gains and other profits which are not subject to taxation, providing they are retained by the company.

The gains involved are :

- realised capital gains on undeveloped land which are tax-free up to the revaluation coefficients authorised under the income tax code,
- the excess part of realised, voluntary capital gains or those resulting from expropriation where the conditions for tax-exemption laid down by the income tax code are fulfilled. The realised capital gains which are taxed at the same rate of depreciation on the fixed assets acquired for re-investment are classified under this item after deduction of the deferred tax relating to them.

##### VI. PROVISIONS AND DEFERRED TAXES

###### A. Provisions for liabilities and charges

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 :

- major repairs or major maintenance,
- risks arising from the :
  - completion of orders placed or received,
  - advances made,
  - technical guarantees after sale or delivery,
  - current litigations.

**B. Deferred taxes**

Deferred taxes relating to capital gains realised are initially valued at the normal tax rate, and reviewed by the Board of Directors in the light of the foreseeable tax position of the Company, readjusted where necessary on a case-by-case basis in accordance with the normal life of the goods acquired for reinvestment.

Provisions relating to previous financial years are reviewed regularly and included in the results if they have become excessive or redundant.

**IX. AMOUNTS PAYABLE AFTER ONE YEAR AND AMOUNTS PAYABLE WITHIN THE YEAR**

These debts are entered at their face value.

Article 77 of the Royal Decree of 30<sup>th</sup> January 2001 applies to amounts payable after one year.

**X. ACCRUED CHARGES AND DEFERRED INCOME**

The expenses or fractions of expenses relating to the current financial year, but which will only be paid during a future year, are recorded in accrued charges and deferred income at the amount relating to the financial year.

The income received during the financial year, but which is in whole or part revenue of a future financial year, is also recorded at the amount of the income for the future financial year.

The Board of Directors decides to adjust the accounting principles, from the financial year ended at 31<sup>st</sup> December 2005, with a view to precise the date and the accounting method of the acquisitions and disposals of properties. The accounting principles are mentioned above. This adjustment influences positively the result of the year to the amount of 142 KEUR.

# STATUTORY AUDITOR'S REPORT

## STATUTORY AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005 TO THE SHAREHOLDERS' MEETING

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.

We have audited the financial statements of COMPAGNIE IMMOBILIÈRE DE BELGIQUE SA for the year ended 31<sup>st</sup> December 2005, prepared in accordance with the legal and regulatory requirements applicable in Belgium, which show total assets of 325,860 KEUR and a profit for the year of 12,356 KEUR. We have also performed those specific additional audit procedures required by the Companies Code.

The Board of Directors of the Company is responsible for the preparation of the financial statements and the Directors' Report, for the assessment of the information that should be included in the Directors' Report, and the Company's compliance with the requirements of the Companies Code and its Articles of Association.

Our audit of the financial statements was conducted in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren".

### UNQUALIFIED AUDIT OPINION ON THE FINANCIAL STATEMENTS

The forementioned auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In accordance with these standards we have taken into account the administrative and accounting organization of the Company as well as its internal control processes. The responsible officers of the Company have replied clearly to all our requests for explanations and information. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the basis of the accounting policies used, the significant accounting estimates made by the Company and the presentation of the financial statements, taken as a whole. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking account of the legal and regulatory requirements applicable in Belgium, the financial statements as of 31<sup>st</sup> December 2005 give a true and fair view of the Company's assets, liabilities, financial position and results.

### ADDITIONAL ATTESTATIONS

We supplement our report with the following attestations which do not change the scope of our audit opinion on the financial statements :

- The Directors' Report includes the information required by law and is in agreement with the financial statements. However, we are unable to express an opinion on the description of the principle risks and uncertainties confronting the Company, 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.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained and the financial statements have been prepared in accordance with the legal and regulatory requirements applicable in Belgium.
- No transactions have been undertaken or decisions taken in violation of the Company's articles or the Companies Code such as we would be obliged to report to you. The appropriation of the results proposed to the General Meeting is in accordance with the requirements of the law and the Company's Articles.

Brussels, 27<sup>th</sup> March 2006

The Statutory Auditor

DELOITTE Reviseurs d'Entreprises  
SC s.f.d. SCRL  
Represented by Pierre-hugues Bonnefoy