

Consolidated accounts



Income statement

(Note 1)

(IN THOUSAND EUR)

	Note	31-12-2006	31-12-2005
Operating income		251 719	168 108
Turnover	2	233 205	148 052
Other operating income	3	5 883	9 981
Change in the fair value of investment property	4	12 631	10 075
Operating expenses		-213 689	-140 062
Purchases	5	-194 024	-136 800
Change in inventory	5	20 978	37 293
Personnel expenses		-11 307	-10 235
Amortisation and impairment of assets	6	-3 353	-1 900
Other operating expenses	7	-25 983	-28 420
Operating income		38 030	28 046
Financial expenses		-16 347	-13 678
Financial income		2 812	4 690
Financial result	8	-13 535	-8 988
Share in the result of companies accounted for by the equity method	9	1 675	789
Result before taxes		26 170	19 847
Taxes	10	-6 002	-2 699
Result for the year		20 168	17 148
Share of minority interests		15	-10
Share of COMPAGNIE IMMOBILIÈRE DE BELGIQUE		20 153	17 158
Basic earnings/Diluted earnings per share (in EUR)	11	4.89	4.17

Cash flow table

(Note 1)

(INTHOUSAND EUR)

	Note	31-12-2006	31-12-2005
Operating income		38 030	28 046
Amortisation and impairment of assets		3 353	1 900
Change in the fair value of investment property		-12 631	-10 075
Change in provisions		-566	-823
Cash flow from operations before changes of working capital and taxes		28 186	19 048
Change in working capital	12	1 225	22 961
Cash flow from operations before paid taxes		29 411	42 009
Paid taxes		-9 193	-1 999
Cash flow from operations		20 218	40 010
Acquisitions of participating interests			-2 750
Disposal of participating interests	13	1 124	860
Dividends collected from subsidiaries consolidated by the equity method		1 065	2 685
Acquisitions and disposals of fixed assets	14	-2 372	-482
Change in interests available for sale and other fixed assets		173	-100
Cash flow from investments		-10	213
Change in borrowings	15	5 833	-8 954
Net financial costs	16	-13 511	-10 477
from which : received interests		2 358	2 876
paid interests		-15 301	-12 625
other financial results		-568	-728
Paid dividends	17	-6 183	
Retirement of own shares	18	285	
Cash flow from financing activities		-13 576	-19 431
Net change in cash and cash equivalents		6 632	20 792
Impact of exchange rate fluctuation		17	-111
Cash and cash equivalents at begin of the year		55 829	35 148
Cash and cash equivalents at year end		62 478	55 829

Balance sheet

(Note 1)

(IN THOUSAND EUR)

Assets	Notes	31-12-2006	31-12-2005
Fixed assets		90 726	77 429
Intangible assets	19	72	73
Goodwill	20		921
Tangible assets	21	2 069	1 708
Investment property	22	66 489	50 898
Subsidiaries consolidated by the equity method	23	19 581	20 365
Interests available for sale	24	782	1 119
Deferred tax assets	25	1 210	1 889
Other non-current assets	26	523	456
Current assets		430 573	408 592
Inventories	27	302 336	283 731
Trade receivables	28	51 595	51 017
Tax receivables		597	836
Other current assets	29	13 567	17 179
Cash and cash equivalents	30	62 478	55 829
Total assets		521 299	486 021

Liabilities and shareholders' equity	Notes	31-12-2006	31-12-2005
Total shareholders' equity	31	195 538	181 270
Shareholders' equity share of COMPAGNIE IMMOBILIÈRE DE BELGIQUE		195 489	181 269
Equity		100 285	100 285
Reserves		94 114	79 859
Translation differences		1 090	1 125
Minority interests		49	1
Long-term liabilities		104 214	181 951
Pensions and similar obligations	32	1 107	1 123
Provisions	33	1 410	1 561
Deferred tax liabilities	25	3 720	9 193
Financial debts	30	97 977	170 074
Short-term liabilities		221 547	122 800
Provisions	33	2 327	1 226
Financial debts	30	135 898	57 968
Trade payables	34	38 174	31 621
Tax liabilities		3 156	1 792
Other current liabilities	35	41 992	30 193
Total liabilities and shareholders' equity		521 299	486 021

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
Book value as at 31-12-2004	100 000	62 986		2 959	165 945	5	165 950
Result for the year		17 158			17 158	-10	17 148
Translation differences				-1 834	-1 834		-1 834
Subtotal of income and expenses for the year		17 158		-1 834	15 324	-10	15 314
Capital increase by the Group (own shares)	285		-285				
Other changes						6	6
Changes in the year	285	17 158	-285	-1 834	15 324	-4	15 320
Book value as at 31-12-2005	100 285	80 144	-285	1 125	181 269	1	181 270
Result for the year		20 153			20 153	15	20 168
Translation differences				-35	-35		-35
Subtotal of income and expenses for the year		20 153		-35	20 118	15	20 133
Dividendes paid out to the shareholders		-6 183 ⁽¹⁾			-6 183		-6 183
Other changes			285 ⁽²⁾		285	33	318
Changes in the year		13 970	285	-35	14 220	48	14 268
Book value as at 31-12-2006	100 285	94 114		1 090	195 489	49	195 538

The capital is made up by 4,121,934 ordinary shares without par value.

A gross unit dividend of 2.00 EUR per share will be proposed at the General Meeting on 9th May 2007.

The total gross dividend, i.e. 8,244 KEUR, was not recognised as debt in the financial statements.

(1) The dividend of the ended 31st December 2005 amounted to 1.50 EUR gross per share.

(2) It is the retirement of all the 7,836 own shares held by the subsidiaries to third parties on the stock exchange.

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. The Board of Directors settled the consolidated financial statements and approved their publication on 21st March 2007.

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 31st December 2006. 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 Group will also present specific information concerning the origin of its income and assets following the IFRS 8 standard – *Operating Segments*, that will become effective from the year 2009 on.

The Company decided not to record the actuarial differences directly under the shareholders' equity following the amendment of the IAS 19 standard – *Employee Benefit*, which became effective since 2006.

Adopting new 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 in associated companies accounted for using the equity method. All intragroup balances, transactions, revenue and expenses are eliminated.

Subsidiaries

Subsidiaries are companies controlled by the Group. Control is defined as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Control is presumed to exist when the Group holds more than half of the voting rights, directly or indirectly.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when control begins until the date when control ends.

Interests in joint ventures

A joint venture is a contractual agreement whereby the Group and one or several parties agree to undertake an economic activity under joint control. The joint venture agreement generally results in the creation of one or more distinct jointly controlled entities.

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

Interests in associates

Associates are entities over which the Group has significant influence through its participation in their financial and operating policy decisions. They are neither subsidiaries, nor joint ventures of the Group.

Significant influence is presumed if the Group, directly or indirectly, holds 20 % or more but less than 50 % of the voting rights through its subsidiaries.

Interests in associates are accounted for in the consolidated financial statements using the equity method, from the date when significant influence begins until the date when it ends. The book value of interests is decreased, if applicable, so as to record any impairment of individual interests.

Different reporting dates

The financial statements of subsidiaries, joint ventures and associates with reporting dates other than 31st 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 31st December. The difference between 31st 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.

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.

5. Foreign currencies

Translation of financial statements of foreign entities

The balance sheets of foreign companies are translated in EUR at the official year-end exchange rate and income statements are translated at the average exchange rate for the financial year.

Translation differences resulting therefrom are included under shareholders' equity under "translation differences". Upon disposal of an entity, translation differences are recognised in profit and loss.

Transactions in foreign currencies in Group companies

Transactions are first recorded at the exchange rate prevailing on the transaction date. At each end of the financial year, monetary assets and liabilities are converted at the exchange rates on the balance sheet date. Gains or losses resulting from this conversion are recorded as financial result.

6. Intangible assets

Intangible assets are recorded in the balance sheet if it is likely that the expected future economic benefits which may be allocated to assets will flow to the entity and if the cost of the assets can be measured reliably.

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Intangible assets are amortised using the straight-line method on the basis of the best estimate of their useful lives. The amortisation period and method are reviewed at each reporting date.

7. Tangible assets

Tangible assets are measured at cost less accumulated depreciation and any impairment losses. Fixed assets are depreciated prorata temporis on a straight-line basis over their useful lives. Useful lives have been determined as follows :

- buildings : 20 to 50 years,
- furniture and equipment : 3 to 10 years,
- right of building, emphyteutic lease or long lease : according to the duration of the right or the life span of the related asset, whichever is shorter,
- installations, complexes, machinery and specific equipments : 5 to 20 years.

Land has an unlimited useful life and therefore it is not depreciated.

Subsequent expenses related to tangible assets are only capitalised if it is likely that future economic benefits associated with the item will flow to the entity and if the cost of the item can be measured reliably.

Buildings under construction for manufacturing, leasing or administrative purposes are recorded at cost less any impairment loss. Depreciation of these assets begins when the assets are ready to be used.

8. Investment property

Investment property is measured in accordance with the fair value model of IAS 40 – *Investment property*. It represents real property (land and/or buildings) 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

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. When the cash flows are affecting the income statement, the related gains and losses directly recorded in the own equity are transferred to the 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.

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 Group in negotiating or renewing an operating lease are recognised as a reduction of the lease income on a straight-line basis over the term of the lease.

17. Expenses

Impairment in value of assets

At each reporting date, the book value of tangible and intangible assets of the Group 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.

19. Main sources of uncertainties related to the estimations

The deferred tax assets are only recorded as far that they may be in the future used against taxable income.

The tangible and intangible assets with a fixed useful life are straight line depreciated based on the estimation of the live time of these fixed assets.

The fair value of the investment properties is estimated by independent experts in accordance with the principles as described under note 22 of the financial statements.

As part of the tests of impairment losses, the recoverable value of an asset is estimated based on the present value of the expected cash flows generated by this asset.

For the provisions, the bookvalue fits with the best estimation of the expense necessary to pay off the present obligation (legal or implicit) at closing date.

The projects in inventory and construction contracts are subject to feasibility studies used for the release of margin and the computation of the rate of completion. At each closing date, the expenses to be incurred are estimated.

Notes to the financial statements

(IN THOUSAND EUR)

1. Information by sector - 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
2006								
"External" turnover	144 640	37 798	10 841	972	194 251	38 954		233 205
"Intersector" sales ⁽³⁾				1 296	1 296	2 201	-3 497	
"Sector" turnover	144 640	37 798	10 841	2 268	195 547	41 155	-3 497	233 205
Operating result	14 607	3 980	4 359	76	23 022	15 008		38 030
Financial result								-13 535
Companies accounted for by the equity method	1 675				1 675			1 675
Taxes								-6 002
Net result								20 168
2005								
"External" turnover	76 924	32 611	12 721	595	122 851	25 201		148 052
"Intersector" sales ⁽³⁾				1 870	1 870	10 492	-12 362	
"Sector" turnover	76 924	32 611	12 721	2 465	124 721	35 693	-12 362	148 052
Operating result	10 716	1 067	3 182	363	15 328	12 718		28 046
Financial result								-8 988
Companies accounted for by the equity method	789				789			789
Taxes								-2 699
Net result								17 148
					Belgium	Abroad	Total	
"External" turnover 31-12-2006					227 995	5 210	233 205	
"External" turnover 31-12-2005					143 756	4 296	148 052	

(3) Actual turnover based on market price.

Cash and cash equivalents items

	Offices & Enterprise Real Estate	Residential Development	Land Development	Project Management	Development	Miscellaneous	Consolidated
2006							
Operating result	14 607	3 980	4 359	76	23 022	15 008	38 030
Depreciation & impairment in value	1 110	1 602	189	12	2 913	440	3 353
Change in fair value	-409				-409	-12 222	-12 631
Change in provisions	-822		13	20	-789	223	-566
Change in working capital	-2 355	8 762	-3 065	223	3 565	-2 340	1 225
Operating cash flow before taxes	12 131	14 344	1 496	331	28 302	1 109	29 411
Investment cash flow	2 275	-14	42	-33	2 270	-2 280	-10
2005							
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	23 456	-6	477	142	24 069	-1 108	22 961
Operating cash flow before taxes	34 063	1 930	3 667	654	40 314	1 695	42 009
Investment cash flow	1 654	-814	15	-7	848	-635	213

Balance sheet items

	Offices & Enterprise Real Estate	Residential Development	Land Development	Project Management	Development	Miscellaneous	Consolidated
2006							
Sector assets	271 479	49 517	33 306	1 542	355 844	80 284	436 128
Unallocated items ⁽⁴⁾							85 171
Total assets							521 299
Sector liabilities	53 196	10 107	3 602	992	67 897	17 113	85 010
Unallocated items ⁽⁴⁾							240 751
Total liabilities							325 761
2005							
Sector assets	264 312	45 672	32 675	1 187	343 846	61 681	405 527
Unallocated items ⁽⁴⁾							80 494
Total assets							486 021
Sector liabilities	40 959	7 952	2 704	697	52 312	13 412	65 724
Unallocated items ⁽⁴⁾							239 027
Total liabilities							304 751
			Belgium	Abroad			Total
Sector assets 31-12-2006			357 565	78 563			436 128
Sector assets 31-12-2005			344 045	61 482			405 527

(4) Unallocated items : Assets : Interests accounted for by the equity method and available for sale - Deferred tax assets - Other non-current assets - Tax receivables - Cash and cash equivalents ; Liabilities : Deferred tax liabilities - Financial debts - Tax liabilities.

2. Turnover

The components of the turnover are as follows :

	31-12-2006	31-12-2005
Asset sale	227 685	143 376
Service fees	972	595
Rent	4 548	4 081
Total turnover	233 205	148 052

Turnover is allocated as follows per sector :

	31-12-2006	31-12-2005
Development :		
- Offices & Enterprise Real Estate ⁽⁵⁾	144 640	76 925
- Residential Development ⁽⁶⁾	37 798	32 611
- Land Development ⁽⁷⁾	10 841	12 721
- Project Management	972	595
Total Development	194 251	122 852
Miscellanea ⁽⁸⁾	38 954	25 200
Total turnover	233 205	148 052

3. Other operating income

This heading mainly consists of the recovery of operating expenses like services and other goods and other operating expenses. If necessary, it includes also the gain on the disposal of fixed assets. Other operating income is allocated by sector as follows :

	31-12-2006	31-12-2005
Development :		
- Offices & enterprise real estate	1 801	5 220
- Residential development	939	435
- Land development	160	142
- Project management	12	87
Total Development	2 912	5 884
Miscellanea	2 971	4 097
Other operating income	5 883	9 981
Of which subsidies	725	809

(5) Construction contracts *Lex* in Brussels, *Les Mélans* in Namur, *South Express* (formerly *Fonsny Midi*, *Block A* in Saint-Gilles) and the disposal of the buildings *Central Plaza* in Brussels City and *Greenland B3* in Jette contribute in particular to the "Offices & Enterprise Real Estate" turnover.

(6) The "Residential Development" turnover is basically influenced by following promotions : *Jardin des Sittelles* in Woluwé-Saint-Lambert, *Jardins de la Couronne* in Ixelles, *Jardins de Jette*, *Louise Michel* in Molenbeek-Saint-Jean, *Omega Court* in Auderghem, the résidence *Fisco Place des Martyrs* in Brussels, *Egmont House* in Brussels, *Galeries Saint-Lambert* in Liège and *Hôpital Français* in Berchem-Sainte-Agathe.

(7) The marketing of the land developments in 2005 (*Bredene*, *Vedrin*, *Soignies*, *Genval* ...) and the new land developments (*Polleur*, *Erpent* ...) put on the market have a favourable influence on the "Land Development" turnover.

(8) The "Miscellanea" includes the turnover from "Property" and "Construction" activities. The turnover increase results from on the one hand the significant decrease of the lease vacancy of *Campona Shopping Center* and on the other hand the turnover increase "outside of the Group" of the "Construction" activity.

The figures as per 31-12-2005 of the “Development - Offices & Enterprise Real Estate” have favourably been influenced by the profit resulting from the closing of the *Galeries Saint-Lambert* project in Liège.

The decrease of the “Miscellanea” is mainly concerns to the “Property” activity and is related to the decrease in Services and other goods on the investment properties - see note 7 hereafter.

4. Change in the fair value of investment property

Change in the fair value of investment property breaks down as follows :

	31-12-2006	31-12-2005
Property Sector - Building	12 222	10 313
Offices & Enterprise Real Estate Development Sector - Land	409	-238
Change in the fair value of investment property	12 631	10 075

Investment property valuation principles are described in note 22.

5. Purchases - Change in inventory

The purchases and the changes in inventory of the financial year 2006 break down as follows by sector :

	Purchases	Change in inventory	Net costs
Development :			
- Offices & Enterprise Real Estate	-137 490	27 946	-109 544
- Residential Development	-20 661	-12 281	-32 942
- Land Development	-9 335	4 848	-4 487
Total Development	-167 486	20 513	-146 973
Miscellanea	-26 538	465	-26 073
Total purchases	-194 024	20 978	-173 046

In addition to the acquisition of the *Forum* project on rue de Louvain in Brussels, the purchases of the “Development - Offices & Enterprise Real Estate” are mainly related to the continuation of the works *Central Plaza* and *Lex* in Brussels City, *Crown Avenue* in Ixelles and *Ellipse Building* in Schaerbeek.

The net costs are to be related to the turnover as mentioned in note 2 above.

6. Amortisation and impairment of assets

Break down as follows :

	31-12-2006	31-12-2005
Impairment loss on goodwill - following disposals of assets	-479	-151
Impairment loss on goodwill - following estimation of assets	-475	-69
Amortisation of intangible assets and depreciation of tangible assets	-518	-627
Impairment losses on subsidiaries consolidated by the equity method	-285	-385
Write-off on other fixed assets - Increase	-97	
Write-off on inventory - Increase	-1 937	-912
Write-off on inventory - Decrease	228	12
Write-off on trade receivables - Increase		-118
Write-off on trade receivables - Decrease	210	350
Amortisation and impairment of assets	-3 353	-1 900

The impairment losses on goodwill result from :

- testing results of amortising assets; separately taken, these amortisation charges are not significant and consequently the information required by IAS 36.130 is not mentioned,
- the disposal of real estate projects taken into one-project entities; the goodwill on these entities have been amortised.

7. Other operating expenses

Break down as follows :

	31-12-2006	31-12-2005
Services and other goods	-23 016	-25 660
Provisions	566	823
Other expenses	-3 533	-3 583
Other operating expenses	-25 983	-28 420

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

	31-12-2006	31-12-2005
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)	-1 794	-1 848
Services and other goods for investment property (see note 3 above)	-2 731	-3 983
Third party payment (this item includes in particular the fees paid to third parties and related to the turnover)	-14 849	-16 206
Other services and other goods (including company supplies, advertising, maintenance and repair expenses, etc.)	-3 642	-3 623
Total services and other goods	-23 016	-25 660

Operating lease obligations		
Total amount of payments recognised under expenses for the year	837	835
Total minimum payments to be made :		
- within one year	804	802
- after one year but within 5 years	2 396	2 720
The amounts correspond mainly to the rent for the registered office and cars.		

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

	31-12-2006	31-12-2005
Auditfees within COMPAGNIE IMMOBILIÈRE DE BELGIQUE SA	31	31
Fees for extraordinary services and special missions accomplished within the Group :	90	125
- Other certifying missions	2	5
- Tax consulting missions	75	87
- Other missions outside the audit mission	13	33

The **other operating expenses** of -3,533 KEUR mainly record taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

8. Financial result

The financial result breaks down as follows :

	31-12-2006	31-12-2005
- "Project Financing" financial expenses	-12 216	-7 707
- "Project Financing" financial income	1 453	1 284
"Project Financing" net treasury costs	-10 763	-6 423
- "Corporate" financial expenses	-4 098	-4 171
- "Corporate" financial income	966	1 178
"Corporate" net treasury costs	-3 132	-2 993
Dividends and interests of other fixed assets	178	29
Translation differences and exchange rate differences	182	399
Financial result	-13 535	-8 988

Although the net financial debts, as well Corporate as Project Financing, as per 31st December 2006 are almost identical with those as per 31st December 2005 (see note 30 hereafter), the net financial costs increase with 4,547 KEUR.

The increase of the average interest rate and the major investments of the "Development - Offices & Enterprise Real estate" sector mainly explain the increase of net financial costs.

It is to be minded that the disposal of the *Central Plaza* project, that had a significant impact of the level of the financial debts, took place in December 2006.

9. 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.

As last year, this result has favourably been influenced by the continuation of the *D4/D5* project, realised by the SA Promotion Léopold on behalf of the European Parlement.

Subsidiaries consolidated by the equity method are specified under note 40.

10. Income taxes

Income taxes are as follows :

	31-12-2006	31-12-2005
Current taxes for the current year	-3 015	-1 436
Current taxes for the previous financial years	-227	-99
Deferred taxes	-2 760	-1 164
Total tax charges	-6 002	-2 699

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

	31-12-2006	31-12-2005
Result before taxes	26 170	19 847
Result of the companies accounted for by the equity method	-1 675	-789
Result before taxes and result of the companies accounted for by the equity method	24 495	19 058
Average taxation rate of 33.99 %	-8 326	-6 478
Tax impact :		
- non-taxable income	5	1 582
- non-allowed expenses	-1 234	-1 167
- tax losses and timing differences for the previous financial years previously not recognised	6 243	5 196
- unrecognised tax losses and timing differences for the year	-2 132	-1 746
- different tax rates of subsidiaries operating abroad	416	
Current taxes for the previous financial years	-227	-99
Deferred taxes for the previous financial years (including notably write-offs on the deferred tax assets against tax losses)	-747	13
Actual tax charge	-6 002	-2 699

11. Earnings per share

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

	31-12-2006	31-12-2005
1) Group's share in the net result for the year	20 153	17 158
2) Average number of shares considered for basic earnings and diluted earnings ⁽⁹⁾	4 118 112	4 114 098

(9) The number shares representing the capital amount to 4,121,934. On 31st December 2005 7,836 of those were held by subsidiaries. All of these 7,836 shares were disposed of to third parties during the first halfyear of 2006.

12. Change in working capital

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

+ cash in, - cash out	31-12-2006	31-12-2005
Inventories	-13 469	-35 485
Trade receivables	-369	72 561
Trade payables	6 553	-12 854
Other current assets and liabilities	8 510	-1 261
Change in working capital	1 225	22 961

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

13. Disposal of participating interests

The disposals of participating interests mainly relate to the disposal of our participating interest in the company Conception et Coordination Léopold.

14. Acquisitions and disposals of the financial year

+ cash in, - cash out	31-12-2006	31-12-2005
Acquisitions for the year	-2 446	-686
Disposals for the year	74	204
Net of the year	-2 372	-482
Allocation by sector of activity :		
- Development	-303	39
- Miscellanea	-2 069	-521
Total	-2 372	-482

15. Change in borrowings

+ cash in, - cash out	31-12-2006	31-12-2005
New contracted borrowings	83 512	106 314
Repaid loans	-77 679	-115 268
Net of the year	5 833	-8 954

16. Net financial costs

Net received/paid financial costs are detailed as follows :

+ cash in, - cash out	31-12-2006	31-12-2005
- "Project Financing" financial expenses	-11 785	-8 020
- "Project Financing" financial income	1 383	1 284
"Project Financing" net treasury costs	-10 402	-6 736
- "Corporate" financial expenses	-4 278	-4 778
- "Corporate" financial income	991	1 008
"Corporate" net treasury costs	-3 287	-3 770
Dividends and interests of other fixed assets	178	29
Net financial costs	-13 511	-10 477

17. Paid out dividends

The total gross dividend (1.50 EUR per share) relative to 4,121,934 shares representing the capital.

18. Retirement of own shares

It is the disposal of the 7,836 own shares held by subsidiaries to third parties.

19. Intangible assets

	Software	Other	Total
Gross book value			
On 1st January 2005	1 083	162	1 245
Acquisitions	55	19	74
Transfers and retirements	-512	-181	-693
On 31st December 2005	626		626
Acquisitions	38	32	70
Transfers and retirements	-58	-32	-90
On 31st December 2006	606		606
Accumulated amortization			
On 1st January 2005	-969	-108	-1 077
Recorded	-96	-73	-169
Transfers and retirements	512	181	693
On 31st December 2005	-553		-553
Recorded	-39	-32	-71
Transfers and retirements	58	32	90
On 31st December 2006	-534		-534
Net book value			
On 31st December 2005	73		73
On 31st December 2006	72		72

20. Goodwill

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

	Total
Gross book value	
On 1st January 2005	681
Eliminated following disposals	-151
Resulting from acquisitions	142
Transferred from account	318
On 31st December 2005	990
Resulting from capital increases	33
Eliminated following disposals	-479
Transferred	-544
On 31st December 2006	
Accumulated impairments in value	
On 1st January 2005	
Impairments in value	-69
On 31st December 2005	-69
Impairments in value	-475
Transferred	544
On 31st December 2006	
Net book value	
On 31st December 2005	921
On 31st December 2006	

21. Tangible assets

Tangible assets refer to the following sectors :

	31-12-2006	31-12-2005
Development :		
- Offices & Enterprise Real Estate/Residential Development	252	182
- Land Development		43
- Project Management	42	29
Total Development	294	254
Miscellanea (mainly Construction)	1 775	1 454
Tangible assets	2 069	1 708

The components of tangible assets are as follows :

	Installations, machines and tools	Furniture, equipment and fixtures	Other tangible assets	Total
Gross book value				
On 1st January 2005	2 532	2 954	2 952	8 438
Acquisitions	119	220	26	365
Disposals and retirements	-1 209	-485	-167	-1 861
Transfer		-46	-46	
On 31st December 2005	1 442	2 643	2 811	6 896
Acquisitions	194	369	289	852
Disposals and retirements			-44	-44
Transfer	-141	-205	-32	-378
On 31st December 2006	1 495	2 807	3 024	7 326
Accumulated depreciation				
On 1st January 2005	-2 303	-2 573	-1 557	-6 433
Depreciation charges	-111	-194	-152	-457
Disposals	1 209	435	12	1 656
Transfer		46		46
On 31st December 2005	-1 205	-2 286	-1 697	-5 188
Depreciation charges	-101	-205	-141	-447
Transfer	141	205	32	378
On 31st December 2006	-1 165	-2 286	-1 806	-5 257
Net book value				
On 31st December 2005	237	357	1 114	1 708
On 31st December 2006	330	521	1 218	2 069

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

Finance lease

	31-12-2006		31-12-2005	
Net book value of financial leases included in the previous table	989	-	832	-
Amounts payable as finance lease	Minimum payments	Current payments	Minimum payments	Current payments
- Within 1 year	75	72	315	306
- From the 2 nd year to the 5 th year inclusive	277	244	265	247

22. 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). At 31st December 2005, the fair value of the property abroad is to be considered equal to the investment value (price that an investor would pay for acquiring a property with the purpose of benefit from its rental income and its return on investment) insofar as the way of disposal to be considered would not generate transfer taxes. At 31st December 2006, and considering the evolution of factors related to the property and the company owning the property, it has been decided to value the property at its fair value after deduction of the transfer taxes. These taxes taken into account amount to 10 %.

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 31st December 2006.

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 :

	31-12-2006	31-12-2005
Fair value on 1st January	50 898	42 136
Acquisitions	2 746	246
Disposals and retirements	-30	
Translation differences	244	-1 559
Change in the fair value recognised in the income statement	12 631	10 075
Fair value on 31st December	66 489	50 898
Retained discount rates (from/to)	6.69 % - 7.39 %	7.08 % - 7.59 %

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 2006 are 4,548 KEUR as compared to 4,081 KEUR as at 31st December 2005.

The future minimum payments receivable as uncancellable lease contracts :

	Fix	Variable	Total
Based on the lease situation on 31 st December 2006 are :			
- Within one year	4 154	1 015	5 169
- After one year but within 5 years	13 350	3 874	17 224
- After 5 years	15 516	9 563	25 079
Based on the lease situation on 31 st December 2005 are :			
- 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

23. Subsidiaries consolidated by the equity method

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

	31-12-2006	31-12-2005
Value as at 1st January	20 365	24 152
Share in result	1 675	789
Disposals	-1 109	-487
Dividends paid by the companies	-1 065	-2 685
Impairments in value	-285	-385
Transfers from accounts		-1 019
Changes for the year	-784	-3 787
Value as at 31st December	19 581	20 365

Subsidiaries consolidated by the equity method are specified under note 40.

Information regarding companies accounted for by the equity method (100 %) :

	31-12-2006	31-12-2005
Total assets	349 545	299 445
Total liabilities	288 125	236 662
Net assets	61 420	62 783
Turnover	88 023	82 525
Total net result	4 931	2 298

24. Participating interests available for sale

The participating interests available for sale moved as follows :

	31-12-2006	31-12-2005
Value as at 1st January	1 119	1 088
Acquisitions	1	4
Disposals	-321	
Other	-17	27
Changes for the year	-337	31
Value as at 31st December	782	1 119

The book value as at 31st December 2006 of the participating interests available for sale is considered to be representative of their fair value.

25. 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	
	31-12-2006	31-12-2005	31-12-2006	31-12-2005
Construction contracts	36	88		3 814
Employee benefits obligations	170	165		
Tax losses	1 004	1 636		
Inventories			3 007	5 122
Investment property			622	117
Provisions & other			91	140
Total	1 210	1 889	3 720	9 193

	Assets	Liabilities	Total
On 1st January 2006	1 889	-9 193	-7 304
Deferred tax expense recorded in profit and loss	-679	-2 081	-2 760
Taxes really paid		7 554	7 554
Changes for the year	-679	5 473	4 794
On 31st December 2006	1 210	-3 720	-2 510

	31-12-2006	31-12-2005
Tax loss amounts for which no deferred tax asset was recognized in the balance sheet, from which :	29 488	36 274
Expiring at the end of 2006	-	2 244
Expiring at the end of 2007	602	599
Expiring at the end of 2008	2 812	2 847
Expiring at the end of 2010	2 060	2 038
Expiring at the end of 2011	1 284	
Expiring at the end of 2013	2 812	
Not time-limited	19 918	28 546

26. Other fixed assets

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

27. Inventories

Allocation of this position by sector is as follows :

	31-12-2006	31-12-2005
Development :		
- Offices & Enterprise Real Estate	229 359	214 696
- Residential Development	40 180	40 761
- Land Development	32 047	27 839
Total Development	301 586	283 296
Miscellanea	750	435
Inventories	302 336	283 731

The book value of inventories is as follows :

	31-12-2006	31-12-2005
Inventory as at 1st January	283 731	245 218
Purchases for the year	120 150	93 694
Disposals of the year (cost price)	-99 296	-52 465
Transfers from accounts	-540	-1 816
Write-offs recorded	-1 937	-912
Write-offs reversed	228	12
Movements during the year	18 605	38 513
Inventory as at 31st December	302 336	283 731
Book value of "inventories" pledged for bank loan securities	221 981	234 012

Break down of the movements of the year per sector :

	Purchases	Disposals & Transfers	Write-offs	Net
Development :				
- Offices & Enterprise Real Estate	88 085	-65 116	-251	22 718
- Residential Development	22 301	-30 267	-577	-8 543
- Land Development	9 300	-4 453	-732	4 115
Total Development	119 686	-99 836	-1 560	18 290
Miscellanea	464		-149	315
Total	120 150	-99 836	-1 709	18 605

The purchases of the "Development - Offices & Enterprise Real Estate" ssector are mainly influenced by the projects *Central Plaza - Ellipse Building - Forum* and *Crown Avenue*; the disposals include notably the projects *Central Plaza* and *Green Land B3*.

The purchases and the sales of the "Development - Residential Development" mainly relate to the projects *Jardins de Jette*, *Louise Michel*, *Egmont House*, *Omega Court*, *Jardin des Sittelles*, *Hôpital Français*, *Place des Martyrs* and *Jardins de la Couronne*.

28. Trade receivables⁽¹⁰⁾

Trade receivables refer to the following sectors :

	31-12-2006	31-12-2005
Development :		
- Offices & Enterprise Real Estate	32 064	35 057
- Residential Development	5 774	4 733
- Land Development	1 222	2 131
- Project Management	430	269
Total Development	39 490	42 190
Miscellanea (mainly Construction)	12 105	8 827
Total	51 595	51 017

29. Other current assets⁽¹⁰⁾

The components of this account are :

	31-12-2006	31-12-2005
Other receivables	11 083	15 765
from which : prepaid purchases of inventories	2 500	6 845
advances to joint ventures and associates	3 005	3 074
other	5 578	5 846
Deferred charges and accrued income	2 484	1 414
Total	13 567	17 179

and are related to the following sectors :

Development :		
- Offices & Enterprise Real Estate	8 020	11 049
- Residential Development	2 580	2 754
- Land Development	37	11
- Project Management	29	29
Total Development	10 666	13 843
Miscellanea	2 901	3 336
Total	13 567	17 179

30. Net financial debt⁽¹⁰⁾

The Group's net debt is the balance between (short term and long term) financial debts and available cash. It is 171,397 KEUR as at 31st December 2006 compared to 172,213 KEUR as at 31st December 2005.

	31-12-2006	31-12-2005
Long-term financial debts (+)	97 977	170 074
Short-term financial debts (+)	135 898	57 968
Cash and cash equivalents (-)	62 478	55 829
Net financial debt	171 397	172 213

The relationship between the Group's net debt and its shareholders' equity decreases from 95 % at the end of 2005 to 88 % at the end of 2006.

Financial debts

Financial debts increase with 5,833 KEUR, from 228,042 KEUR to 233,875 KEUR as at 31st December 2006. The components of financial debts are as follows :

	31-12-2006	31-12-2005
Finance lease debts	286	146
Debts toward credit institutions	97 691	169 928
Long-term financial debts	97 977	170 074
Finance lease debts	265	321
Debts toward credit institutions	135 633	57 647
Short-term financial debts	135 898	57 968
Total financial debts	233 875	228 042

Financial debts are as follows :

Long-term financial debts as at 1st January	170 074	96 287
Contracted debts	57 453	88 399
Repaid debts	-66 936	-5 774
Debts transferred to short term	-62 614	-8 838
Long-term financial debts as at 31st December	97 977	170 074
Short-term financial debts as at 1st January	57 968	140 709
Contracted debts	26 059	17 915
Repaid debts	-10 743	-109 494
Debts transferred from long term	62 614	8 838
Short-term financial debts as at 31st December	135 898	57 968

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

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

Corporate Credits	68 600	65 730
Project Financing Credits (specific to projects)	165 275	162 312
Total financial debts	233 875	228 042

The financial debt schedule is summarised as follows :

Due in	2007	2008	2009	Total
Amounts	135 898	1 476	96 501	233 875

In the frame of the availability of long-term credits, Corporate or Project Financing, the Group uses financial instruments mainly for the hedging of interest rates. These transactions are estimated less significant.

Indeed, the market value of these hedgings as at 31st December 2006 amount to 31 KEUR, to be compared to -76 KEUR as at 31st December 2005.

Available cash

Cash investments and cash in bank and on hand are 62,478 KEUR compared to 55,829 KEUR at the end of 2005, an increase of 6,649 KEUR.

The available cash moved as follows :

	31-12-2006	31-12-2005
Term deposits	54 927	40 530
Cash in bank and at hand	7 551	15 299
Available cash	62 478	55 829

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

31. Total shareholders' equity

Shareholders' equity is 195,538 KEUR compared to 181,270 KEUR as at 31st December 2005, representing an increase of 14,268 KEUR.

A gross unit dividend of 2.00 EUR per share will be proposed at the General Meeting on 9th May 2007. The total gross dividend, i.e. 8,244 KEUR, was not recognised as debt in the financial statements.

The components of total shareholders' equity are as follows :

	31-12-2006	31-12-2005
Capital	100 285	100 285
Retained earnings	94 114	80 144
- from which legal reserve	10 028	10 000
Own shares held		-285
Translation differences	1 090	1 125
Minority interests	49	1
Total shareholders' equity	195 538	181 270
Number of representative capital shares	4 121 934	4 121 934
From which own shares held by subsidiaries		7 836

The shareholders' equity moved as follows :

Total shareholders' equity as at 1st January 2005	165 950
Result for the year	17 148
Change in translation differences	-1 834
Movements on minority interests	6
Movements for 2005	15 320
Total shareholders' equity as at 31st December 2005	181 270
Result for the year	20 168
Paid out dividends	-6 183
Disposal of 7,836 own shares held by subsidiaries on the stock exchange	285
Change in translation differences	-35
Movements on minority interests	33
Movements for 2006	14 268
Total shareholders' equity as at 31st December 2006	195 538

32. Pensions and similar obligations

The pensions and similar obligations cover the obligations of the Company as far as the group insurance is concerned. The amount recognised in the balance sheet represents the present value of 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.

	31-12-2006	31-12-2005
Amounts recorded in the balance sheet		
Present value of obligations	4 465	3 687
Fair value of plan assets at the end of the period	-2 633	-2 413
Deficit of financed plans	1 832	1 274
Actuarial differences not recognised in the balance sheet	-725	-151
Liabilities recognised in the balance sheet	1 107	1 123
Movements of the net obligations in the balance sheet		
Obligations as at 1st January	1 123	1 148
Total expense breaks down as follows :	241	219
- Cost of services rendered during the year	198	182
- Financial cost	156	145
- Expected return on plan's assets	-112	-100
- Actuarial differences	-1	-8
Company contributions	-257	-244
Obligations as at 31st December	1 107	1 123
Present value of the obligations as at 1st January	3 687	3 156
Cost of services rendered during the period	257	234
Financial cost	156	145
Loss resulting from the actuarial assumption	512	152
Paid benefits	-147	
Present value of the obligations as at 31st December	4 465	3 687
Fair value of the plan assets as at 1st January	2 413	2 053
Expected return in plan's assets	112	100
Contribution of the employer and the employees	316	295
Loss resulting from the actuarial assumption	-61	-35
Paid benefits	-147	
Fair value of the plan assets as at 31st December	2 633	2 413
Contribution of the employer and the employees expected for 2007	328	
Expected return on assets⁽¹¹⁾		
Real return rate on the plan assets	4.78 %	6.06 %
Actuarial assumptions used to determine obligations		
Discount rate	4.40 %	4.25 %
Expected return on plan's assets	4.30 %	4.40 %
Expected salary growth rate	3.50 %	3.50 %
Average inflation rate	2.00 %	2.00 %

(11) It are the expected gains on investments, considering the anticipated forecasted return rate of the investments in the begin of the year. The expected return on assets for the concerned year will decrease the allowance costs only on the financed pension plans.

33. Provisions

The components of provisions are as follows :

	31-12-2006	31-12-2005
Provisions for major maintenance and repair	2 425	925
Provisions related to the sales	1 227	1 800
Other provisions	85	62
Total provisions	3 737	2 787
Provisions as at 1st January	2 787	3 508
Allocations	2 261	304
Utilisations	-1 115	-961
Reversals	-196	-64
Changes for the year	950	-721
Provisions as at 31st December	3 737	2 787
Of which short-term provisions	2 327	1 226

Allocation of this position by sector is as follows :

	31-12-2006	31-12-2005
Development :		
- Offices & Enterprise Real Estate	1 208	2 003
- Land Development	67	45
Total Development	1 275	2 048
Miscellanea	2 462	739
Total	3 737	2 787

34. Trade payables⁽¹²⁾

This account is allocated by sector as follows :

	31-12-2006	31-12-2005
Development :		
- Offices & Enterprise Real Estate	19 912	16 825
- Residential Development	6 055	4 615
- Land Development	1 846	1 327
- Project Management	458	261
Total Development	28 271	23 028
Miscellanea	9 903	8 593
Trade payables	38 174	31 621

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

35. Other current liabilities

The components of this account are :

	31-12-2006	31-12-2005
Personnel debts	1 661	1 959
Taxes (other than income taxes) and VAT payable ⁽¹³⁾	15 849	2 635
Accrued charges and deferred income	2 168	1 964
Operating subsidies	1 764	2 049
Other ⁽¹⁴⁾	20 550	21 586
Total	41 992	30 193

and are related to the following sectors :

Development :		
- Offices & Enterprise Real Estate	30 684	18 496
- Residential Development	2 691	3 268
- Land Development	1 455	1 075
- Project Management	365	228
Total Development	35 195	23 067
Miscellanea	6 797	7 126
Other current liabilities	41 992	30 193

36. 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.).

	31-12-2006	31-12-2005
Contract income recognised under income for the year	62 812	51 481
For ongoing contracts at reporting date :		
- Total accumulated amount of recognised accrued costs and income	119 029	61 973
- Advances received	-116 257	-57 514
- Net amount recorded under trade receivables	2 855	4 965
- Net amount recorded under trade payables	-83	-506

(13) As at 31st December 2006, this item mainly consists of the debts of the "Development - Offices & Enterprise Real Estate" sector towards the VAT administration. The increase of this heading results from the recording of the VAT payable on the disposal of the *Central Plaza* project in December 2006.

(14) 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.

37. Main contingent assets and liabilities

	31-12-2006	31-12-2005
Guarantees from third parties on behalf of the Group with respect to :		
- inventories	30 520	32 390
- construction contracts	114 862	65 579
- other assets	232	232
Book value of Group's assets pledged for debt securities related to :		
- participating interests held by the Group	54 533	52 318
- property and inventory as a whole	288 470	282 012
- receivables	8 296	10 890
Commitments for the acquisition of inventories	26 400	53 322
Commitments for the disposal of inventories	1 358	2 213

No provision has been recorded for the other litigations that mainly concern :

- problems of decennial guarantee for which the Group has recourse on the contractor who is generally covered by an insurance of "decennial guarantee" for this purpose,
- pure administrative recourses concerning planning and environmental permits introduced by third parties at the State Council without any financial consequence for the Group.

38. 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 40.

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 :

	31-12-2006	31-12-2005
Other current assets	1 051	939
Other current liabilities	314	868

Relationships with shareholders

	31-12-2006	31-12-2005
Main shareholders :		
Suez - Tractebel	30.53 %	30.53 %
Eurodev Holding Corporation, Luxemburg	2.79 %	9.98 %
Fidea and KBC Assurances	5.18 %	5.95 %
Various registered shareholders	0.20 %	0.20 %
Other	61.30 %	53.34 %
Number of representative capital shares	4 121 934	4 121 934

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

Interest expenses recognised under "Net financial costs" (loan reimbursed in June 2005)		271
Technical services recorded under the heading "Purchases"	707	216

Relationship with senior executives

	31-12-2006	31-12-2005
Remuneration amounts allocated to senior executives during the year	1 512	1 461

Transactions with other related parties

	31-12-2006	31-12-2005
These relations mainly consist of fees recorded under other operating expenses	1 250	1 151

39. Events subsequent to reporting date

No significant event that may change the financial statements occurred from the reporting date on 31st December 2006 up to 21st March 2007 when the financial statements were closed by the Board of Directors.

40. 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 :

	31-12-2006	31-12-2005
Fully consolidated companies	22	22
Companies consolidated for by the proportional method	11	13
Companies accounted for by the equity method	6	7
Total	39	42

List of incoming or outgoing companies

Incoming companies	None
Outgoing companies	The company Conception et Coordination Léopold, held at 36.25 %, has been absorbed by the company Promotion Léopold at 6 th November 2006. The companies Nouvelle Société Cimmobel and Ilot Ferrer (both held at 50 %) have been liquidated during the year 2006. The closings of the liquidation have been stated at respective 1 st December and 15 th December 2006.
Other	Capital increase in Harmonia, bringing our holding from 96.17 % up to 99.60 %.

Companies fully consolidated by the Group

Name	Registered office	% interest ⁽¹⁵⁾
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)	Flémalle	100.00
Compagnie Immobilière Luxembourgeoise	Luxemburg	100.00
Demetex	Flémalle	100.00
Entreprise et Gestion Immobilières (Egimo)	Brussels	100.00
Espace Nivelles	Brussels	100.00
Foncière Jennifer	Brussels	100.00
Harmonia	Brussels	99.60
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)	Luxemburg	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

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

Companies consolidated by the proportional method by the Group

Name	Registered office	% interest ⁽¹⁶⁾
Crown Avenue	Brussels	50.00
Espace Trianon	Embourg	50.00
Foncière du Parc	Brussels	50.00
Ilot Ecluse	Gilly	50.00
Immo Gaucheret	Brussels	50.00
Lex 2000	Brussels	50.00
RAC Investment Corp. (RACI Corp)	Antwerp	25.00
Société Espace Léopold	Brussels	50.00
Soprima	Luxemburg	50.00
Veldimmo	Brussels	50.00
Vilpro	Brussels	50.00

Companies accounted for by the equity method by the Group

Name	Registered office	% interest ⁽¹⁶⁾
Brownfields	Grimbergen	42.00
Espace Midi	Brussels	20.00
Immobilière Puvrez	Brussels	19.97
Infrastructures et Développements Immobiliers (IDIM)	Brussels	37.47
La Meute ⁽¹⁷⁾	Brussels	10.24
Promotion Léopold	Brussels	35.50

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

(17) The accounting for by the equity method of the company La Meute is justified by the significant influence of COMPAGNIE IMMOBILIÈRE DE BELGIQUE on them by the presence of 3 directors, representing COMPAGNIE IMMOBILIÈRE DE BELGIQUE, at the Board of Directors of the company La Meute.

Statutory auditor's report

Statutory auditor's report to the Shareholders' meeting on the consolidated financial statements for the year ended December 31, 2006

To the Shareholders,

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

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the SA COMPAGNIE IMMOBILIÈRE DE BELGIQUE ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with the 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 December 31, 2006, 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 521,299 KEUR and a consolidated profit (Group share) for the year then ended of 20,153 KEUR. 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 upon the reports of those other auditors.

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

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

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the Company and the presentation of the consolidated financial statements, taken as a whole. Finally, the Board of Directors and responsible officers of the Company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based upon the reports of other auditors, the consolidated financial statements give a true and fair view of the Group's financial position as of December 31, 2006, and of its results and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the Directors' Report on the consolidated financial statements are the responsibility of the Board of Directors.

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

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

Diegem, March 22, 2007

The Statutory Auditor

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises

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

Represented by Pierre-hugues Bonnefoy

Company accounts



Balance sheet

(IN THOUSAND EUR)

Assets	Notes	31-12-2006	31-12-2005
Fixed assets		179 598	171 813
Establishment costs		24	34
Intangible fixed assets		61	74
Tangible fixed assets		800	805
Plant, machinery and equipment		32	6
Furniture and vehicles		159	114
Other tangible fixed assets		609	685
Financial fixed assets		178 713	170 900
Associates		159 376	150 575
- Participating interests	1	125 193	110 282
- Amounts receivable	2	34 183	40 293
Other companies linked by participating interests		18 644	19 632
- Participating interests	1	18 644	19 632
Other financial fixed assets		693	693
- Shares	1	682	682
- Amounts receivable and cash guarantees		11	11
Current assets		217 569	154 047
Stocks and contracts in progress	3	131 075	86 548
Stocks		130 946	86 162
Contracts in progress		129	386
Amounts receivable within one year		71 200	56 689
Trade debtors		5 644	7 491
Other amounts receivable	4	65 556	49 198
Short term investments		12 567	1 678
Other investments		12 567	1 678
Cash at bank and in hand		2 117	8 727
Deferred charges and accrued income		610	405
Total assets		397 167	325 860

Liabilities	Notes	31-12-2006	31-12-2005
Shareholders' equity	5	179 636	177 688
Capital		100 285	100 285
Subscribed capital		100 285	100 285
Revaluation reserves		609	761
Reserves		10 151	10 074
Legal reserve		10 028	10 028
Untaxed reserves		47	46
Reserves available for distribution		76	-
Accumulated profits		68 591	66 568
Provisions and deferred taxes		338	1 606
Provisions for liabilities and charges		338	1 606
Other liabilities and charges		338	1 606
Debts		217 193	146 566
Amounts payable after one year		72 951	89 897
Financial debts		72 951	89 897
- Credit institutions	6	72 951	89 897
Amounts payable within one year		142 897	55 449
Current portion of amounts payable after one year	6	74 979	34
Financial debts	6	625	6 299
- Credit institutions		625	6 299
Trade debts		9 663	10 524
- Suppliers		9 663	10 524
Advance payments received on contracts in progress		4	36
Amounts payable for taxes, remuneration and social security		1 225	2 616
- Taxes		155	1 535
- Remuneration and social security		1 070	1 081
Other debts	7	56 401	35 940
Accrued charges and deferred income		1 345	1 220
Total liabilities		397 167	325 860

Income statement

(IN THOUSAND EUR)

	Notes	31-12-2006	31-12-2005
Operating income		8 832	12 139
Turnover	8	30 957	44 926
Variation in stocks of finished goods, work and contracts in progress (increase +, decrease -)		-23 996	-34 809
Other operating income		1 871	2 022
Operating expenses		12 654	9 418
Raw materials, consumables and goods for resale		864	
- Purchases		69 979	34 214
- Variation in stocks (increase -, decrease +)		-69 115	-34 214
Services and other goods		7 232	6 797
Remunerations, social security costs and pensions		2 576	2 430
Depreciation and impairment of establishment costs, tangible and intangible fixed assets		190	314
Write-offs on stocks, contracts in progress and trade debtors (increase +, use and decrease -)		552	-1 080
Provisions for liabilities and charges (increase +, use and decrease -)		-1 268	-320
Other operating charges		2 508	1 277
Operating result		-3 822	2 721
Financial income		7 675	9 134
Income from financial fixed assets		5 516	6 205
Income from current assets		2 115	2 525
Other financial income		44	404
Financial charges		7 085	4 949
Interest and other debt charges		6 483	4 726
Other financial charges		602	223
Financial result	9	590	4 185
Current profit before taxes		-3 232	6 906
Extraordinary income		14 489	20 386
Reversal of impairment of financial fixed assets		14 284	17 059
Gain on disposal of fixed assets		205	3 327
Extraordinary charges		989	14 878
Impairment of financial fixed assets		910	5 317
Loss on disposal of fixed assets		79	8 809
Other extraordinary charges		-	752
Extraordinary result	10	13 500	5 508

	Notes	31-12-2006	31-12-2005
Profit for the year before taxes		10 268	12 414
Income taxes		-76	-58
Income taxes		-85	-58
Adjustment of income taxes and release of tax provisions		9	-
Profit for the financial year		10 192	12 356
Transfer to untaxed reserves		-1	-5
Profit for the financial year available for appropriation		10 191	12 351

Appropriation of the results

(IN THOUSAND EUR)

	31-12-2006	31-12-2005
Profit to be appropriated	76 759	72 779
Profit for the financial year available for appropriation	10 191	12 351
Profit carried forward	66 568	60 428
Drawings on equity	76	-
On the available reserve	76	-
Transfer to equity	-	28
To legal reserve	-	28
Result to be carried forward	68 591	66 568
Profit to be carried forward	68 591	66 568
Profit available for distribution	8 244	6 183
Dividends	8 244	6 183

Notes to the company accounts

(IN THOUSAND EUR)

Note 1. Financial assets - Participating interests in associates

The participating interests in associates amount to 144,519 KEUR compared to 130,596 KEUR at 31st December 2005, an increase of 13,923 KEUR due to the following movements :

	31-12-2006	
Acquisitions/Increases during the year	2 197	
Disposals/Decreases during the year	-1 648	
Written back impairment losses	14 284	
Recorded impairment losses	-910	
	13 923	

Note 2. Amounts receivable from associates

The breakdown of this account per sector is as follows :

	31-12-2006	31-12-2005
Development - Offices & Enterprise Real Estate	15 540	22 165
Property	18 643	18 128
	34 183	40 293

The decrease in this account of 6,110 KEUR is due to the following movements :

New advances granted	1 446	
Repayment of advances	-7 556	
	-6 110	

Note 3. Stocks and contracts in progress

The stock and contracts in progress amount to 131,075 KEUR compared to 86,548 KEUR at 31st December 2005, an increase of 44,527 KEUR.

The constituents of this increase are as follows :

	31-12-2006	
Acquisitions during the year	69 289	
Disposals during the year	-23 994	
Recorded impairment losses	-768	
	44 527	

The acquisitions mainly relate to the purchase of the *Forum* project on the rue de Louvain in Brussels and the continuation of the works *Ellipse Building* in Schaerbeek.

Note 4. Amounts receivable within one year - Other amounts receivable

The main constituents of this account are as follows :

	31-12-2006	31-12-2005
Advances to subsidiaries	60 985	48 356
Taxes to be recovered	156	386
Other amounts receivable	4 415	456
	65 556	49 198

Note 5. Shareholders' equity

The shareholders' equity amounts to 179,636 KEUR. The increase of 1,948 KEUR compared with the previous year results from the following movements :

	31-12-2006	
Result of the period	10 192	
Proposed dividends	-8 244	
	1 948	

Note 6. Financial debts

The financial debts evolve as follows :

	31-12-2006	31-12-2005
Debts payable after more than one year	72 951	89 897
Debts payable within one year	75 604	6 333
	148 555	96 230

The financial debt increase of 52,325 KEUR is due to the following movements :

New borrowings	56 274	
Repayment of loans	-3 949	
	52 325	

Note 7. Amounts payable within one year - Other debts

The main constituents of this account are as follows :

	31-12-2006	31-12-2005
Advances from subsidiaries	38 667	20 457
Various other debts	9 490	9 300
Proposed dividends	8 244	6 183
	56 401	35 940

Note 8. Turnover

The constituents of the turnover evolve as follows :

	31-12-2006	31-12-2005
Sales Development - Offices & Enterprise Real Estate	10 335	33 418
Sales Development - Residential Development	19 347	9 925
Other	1 275	1 583
	30 957	44 926

Note 9. Financial result

The breakdown of financial result is as follows :

	31-12-2006	31-12-2005
Gross dividends from participations	3 709	4 837
Interest on loans	1 807	1 368
Net interest on advances to/from subsidiaries	1 181	1 721
Interest on long-term debt	-6 022	-3 855
Other income/charges from cash management	-85	114
	590	4 185

Note 10. Extraordinary result

The breakdown of extraordinary result is as follows :

	31-12-2006	31-12-2005
Impairment losses of participations	-910	-5 317
Written back impairment losses of participations	14 284	7 063
Capital gain on disposal of participations	117	4 514
Merger goodwill and other	9	-752
	13 500	5 508

Cash flow statement

(IN THOUSAND EUR)

+ cash in, - cash out	2002	2003	2004	2005	2006	Notes
Cash flow	10 773	33 356	-1 195	9 089	-3 708	1
Change in working capital requirement						
Stocks and contracts in progress	-1 657	-7 449	1 891	422	-45 108	2
Amounts receivable within one year	24 476	-6 611	-4 102	11 182	-14 482	3
Other balance sheet items	20 219	-8 659	-17 882	-10 915	16 036	3
Merger impact				-4 549		
Total change in working capital requirement	43 038	-22 719	-20 093	-3 860	-43 554	
Cash flow from operating activities	53 811	10 637	-21 288	5 229	-47 262	
Investments						
Tangible and intangible fixed assets	-144	-326	-86	-170	-172	
Financial fixed assets – shares	-9 129		-2 269	-39	-2 197	4
Financial fixed assets – amounts receivable	-2 016	-2 897	-8 304	-953	-1 446	5
Total investments	-11 289	-3 223	-10 659	-1 162	-3 815	
Disposals						
Tangible and intangible fixed assets	124	7 135			10	
Financial fixed assets – shares	5 213	12 402	1 118	5 666	1 648	4
Financial fixed assets – amounts receivable	2 398	1 836	27 474	254	7 556	5
Total disposals	7 735	21 373	28 592	5 920	9 214	
Cash flow from investing activities	-3 554	18 150	17 933	4 758	5 399	
Financing activities						
Repayments of capital	-37 468	-40 565				
New long-term debts	75 123	70 000	3 026	70 000	37 999	6
Repayment of long-term debt	-102 492	-16 452	-85 000	-4 895	-54 945	6
Dividends paid					-6 183	7
Cash flow from financing activities	-64 837	12 983	-81 974	65 105	-23 129	
Change in cash and cash equivalents	-14 580	41 770	-85 329	75 092	-64 992	
Cash and cash equivalents at beginning of year	-12 881	-27 461	14 309	-71 020	4 072	
Cash and cash equivalents at end of year	-27 461	14 309	-71 020	4 072	-60 920	

Notes to the cash flow statement

(IN THOUSAND EUR)

Note 1. Cash flow

Components of the cash flow :

	Net result for the year	Depreciation charges	Provisions	Amounts written off	Total
31-12-2006	10 192	190	-1 268	-12 822	-3 708
31-12-2005	12 356	314	-320	-3 261	9 089

Note 2. Stocks & Contracts in progress

The increase of stocks is mainly due to the purchase of the *Forum* project on rue de Louvain in Brussels and the continuation of the works *Ellipse Building* in Schaerbeek.

Note 3. Amounts receivable within one year - Other balance sheet items

These 2 accounts are mainly influenced, in respect to the amounts receivable, by the increase of advances to the associates, and in respect to the other balance sheet items to the decrease of advances from associates.

Note 4. Investments/Disposals - Financial assets Participations

The investment relates to the subscription into capital increases of the associates and the take-over of the shares of one associate by another associate.

The disposals mainly result from the closing of the liquidation of subsidiaries.

Note 5. Investments/Disposals - Financial assets Amounts receivable

The net movement of these accounts are mainly related to the Development - Offices & Enterprise Real Estate activity.

Note 6. New/Repayment long-term debts

The new debts and the repayment of debts relate mainly to the specific project credits of the Development - Offices & Enterprise Real Estate sector.

The repayments represent the transfer of the credits due in 2007 to the account "Amounts payable within one year".

Note 7. Paid dividends

It is the total gross dividend (1.50 EUR per share) relative to 4,121,934 shares representing the capital.

Supplementary notes to the company accounts

(IN THOUSAND EUR)

Statement of establishment costs	
Net book value at end of previous year	34
Movements during the year :	
- New charges	1
- Depreciation charges	-8
- Other	-3
Net book value at year end	24

Statement of intangible assets		Concessions, patents, licences, etc.
Acquisition costs		
At end of previous year		1 132
Movements during the year :		
- Acquisitions including capitalised production		15
- Sales and disposals		-570
Total movements during the year		-555
At year end		577
Depreciations and impairment		
At end of previous year		1 058
Movements during the year :		
- Recorded		28
- Cancelled after disposals and retirements		-570
Total movements during the year		-542
At year end		516
Net book value		
At end of previous year		74
At year end		61

Statement of tangible assets	Plant, machinery and equipment	Furniture and vehicles	Other tangible fixed assets
Acquisition costs			
At end of previous year	17	1 251	2 466
Movements during the year :			
- Acquisitions including capitalised production	33	121	
- Sales and disposals		-74	
Total movements during the year	33	47	
At year end	50	1 298	2 466
Capital gains			
At end of previous year			761
At year end			761
Depreciations and impairment			
At end of previous year	11	1 137	2 542
Movements during the year :			
- Recorded	7	70	76
- Cancelled after disposals and retirements		-68	
Total movements during the year	7	2	76
At year end	18	1 139	2 618
Net book value			
At end of previous year	6	114	685
At end of previous year	32	159	609

Statement of financial assets	Subsidiaries	Associates	Other companies
Participating interests and shares			
Acquisition costs			
At end of previous year	159 675	21 623	683
Movements during the year			
- Acquisitions	2 062		
- Sales and disposals	-717	-2 535	
Total movements during the year	1 345	-2 535	
At year end	161 020	19 088	683
Impairments			
At end of previous year	47 536	1 991	1
- Recorded	853	57	
- Written back because in excess	-14 284		
- Cancelled after disposals and retirements		-1 604	
Total movements during the year	-13 431	-1 547	
At year end	34 105	444	1
Non called amounts			
At end of previous year	1 857		
Total movements during the year	-135		
At year end	1 722		
Net book value			
At end of previous year	110 282	19 632	682
At year end	125 193	18 644	682
Amounts receivable			
Net book value at end of previous year	40 293		11
Movements during the year			
- Additions	1 446		
- Repayments	-7 556		
Total movements during the year	-6 110		
Net book value at year end	34 183		11

Participating interests and other rights held in other companies									
Company name and headquarters	Company number	Number	Shares held			Annual accounts dated	Currency	Information from most recent available annual accounts	
			Directly (%)	By subsidiaries (%)	Equity			Net Result	
Campona '99 Kft Nagytétényi ut 37-43 1222 Budapest II, Hungary	-	89 931	99.99 %	0.01 %	31-12-2005	HUF	4 040 212	-781 606	
Compagnie Immobilière de Lotissements Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0451 565 088	699 999	99.99 %	0.01 %	31-12-2005	EUR	5 511	1 875	
Compagnie Immobilière de Participations Financières Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0454 107 082	250 111	99.99 %	0.01 %	31-12-2005	EUR	1 767	-433	
Compagnie Immobilière de Wallonie Rue des Moissons 10, 4400 Flémalle	0401 541 990	25 461	99.99 %	0.01 %	31-12-2005	EUR	7 105	49	
Crown Avenue Avenue Hermann Debroux 42, 1160 Brussels	0866 327 388	500	50.00 %	-	31-12-2005	EUR	-1 507	-1 569	
EGLB Beteiligungs GmbH Fasanenstrasse 63 10719 Berlin, Germany	-	4 700	5.22 %	9.22 %	31-12-2005	EUR	887	611	
Entreprise et Gestion Immobilières Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0403 360 741	95 999	99.99 %	0.01 %	31-12-2005	EUR	2 567	-1 675	
Espace Midi Avenue des Communautés 100, 1200 Woluwe-Saint-Lambert	0402 594 342	6 304	20.00 %	-	31-12-2005	EUR	11 917	8	
Espace Nivelles Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0472 279 241	10	1.05 %	98.95 %	31-12-2005	EUR	941	-2	
Foncière du Parc Avenue Brugmann 27, 1060 Brussels	0433 168 544	329 385	50.00 %	-	31-12-2005	EUR	4 939	-36	
Foncière Jennifer Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0464 582 884	103	99.99 %	0.01 %	31-12-2005	EUR	2 531	-10	
Harmonia Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0444 218 131	24 900	99.60 %	-	31-12-2005	EUR	-287	-369	
Immobiëlen Vennootschap van Vlaanderen Avenue J. Dubrucq 177, 1080 Brussels	0403 342 826	1 262 591	99.99 %	-	31-12-2005	EUR	22 729	-849	
Immobilière Deka Avenue J. Dubrucq 175, 1080 Brussels	0417 100 196	130 391	99.99 %	0.01 %	31-12-2005	EUR	4 514	-688	
Immobilière Puvrez Avenue des Communautés 100, 1200 Woluwe-Saint-Lambert	0447 825 739	132	19.97 %	-	31-12-2005	EUR	306	-3	

Participating interests and other rights held in other companies (continuation)									
Company name and headquarters	Company number	Number	Shares held			Annual accounts dated	Currency	Information from most recent available annual accounts	
			Directly (%)	By subsidiaries (%)	Equity			Net Result	
Immo Gaucheret Bld Saint-Lazare 4-10, 1210 Brussels	0469 969 057	1 875	50.00 %	-	31-12-2005	EUR	3 662	-34	
Infrastructures et Développements Immobiliers Avenue de Tervueren 72, 1040 Brussels	0432 248 925	1 424	37.47 %	-	31-12-2005	EUR	10 096	-716	
International Finance & Real Estate Rue Jean-Pierre Brasseur 6, 1258 Luxembourg Grand-Duchy of Luxembourg	-	2 499	99.99 %	0.01 %	31-12-2005	EUR	184	8	
La Meute Chaussée de Louvain 710-732, 1030 Brussels	0474 581 408	253	11.50 %	-	31-12-2005	EUR	2 006	-35	
Les Courses Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0442 973 165	100 849	99.99 %	0.01 %	31-12-2005	EUR	2 762	746	
Les Jardins du Nord Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0444 857 737	228	76.00 %	-	31-12-2005	EUR	-103	-24	
Lex 2000 Avenue Livingstone 6, 1000 Brussels	0403 364 996	97 579	50.00 %	-	31-12-2005	EUR	9 378	625	
Palmetto Associates Inc. Prentice Hall, 2711 Centerville Road Wilmington, Delaware, USA	-	16 030	100.00 %	-	31-12-2005	USD	1 542	7	
Progex Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0462 629 325	34 113	99.99 %	0.01 %	31-12-2005	EUR	560	143	
Promotion Léopold Rue Godecharle 15-17, 1050 Brussels	0439 904 896	382 800	33.00 %	5.00 %	31-12-2005	EUR	32 252	3 254	
RAC Investment Corp. Van Eycklei 1 Box 6, 2018 Antwerp	0479 128 827	25	25.00 %	-	31-12-2005	EUR	2 253	-2 568	
Sienn Center (under liquidation) Schouwburgplein 30-34, 3012 CL Rotterdam, the Netherlands	-	277	100.00 %	-	31-12-2005	EUR	1 056	-6	
Société Espace Léopold Rue Godecharle 15-17, 1050 Brussels	0435 890 977	10 000	50.00 %	-	31-12-2005	EUR	7 582	694	
Société Financière de Participations Industrielles Avenue J. Dubrucq 175, 1080 Brussels	0449 032 596	41 974	99.99 %	0.01 %	31-12-2005	EUR	9 292	-1 266	
Veldimmo Ch de la Hulpe 130 Bte 2, 1000 Brussels	0430 622 986	1 300	50.00 %	-	31-12-2005	EUR	328	-73	

Short term investments : other investments	Report year	Previous year
Term deposits held with credit institutions	12 567	1 678
with a remaining period to run or a period of notice :		
- of less than or equal to one month	12 567	1 678

Deferred charges and accrued income	Report year	
Breakdown of the account 490/1 if it represents a significant amount		
Deferred charges	481	
Accrued income	129	

Statement of capital	Amounts	Number of shares
Share capital		
Issued capital		
At end of previous year	100 285	
At year end	100 285	
Breakdown of the capital		
Categories of shares		
- Ordinary shares without par value	100 285	4 121 934
Registered shares and bearer shares		
- Registered		1 266 614
- Bearer		2 855 320
Shareholder structure		
Number of respective shares issued by the Company		4 121 934
Known shareholders		
- Suez-Tractebel		1 258 565
- Eurodev Holding Corporation, Luxemburg		114 948
- Fidea and KBC Assurances		213 688
- Various registered shareholders		8 049
Total of known shareholders		1 595 250

Provisions for other liabilities and charges	Report year	
Breakdown of the account 163/5 of liabilities if it represents a significant amount		
Provisions for given rent guarantees	275	
Other provisions	63	

Statement of amounts payable		
Breakdown of amounts payable after one year, according to their residual term	Amounts payable within one year	Amounts payable between one and five years
Financial debts	74 979	72 951
Unsubordinated debentures	34	
Credit institutions	74 945	72 951
Total	74 979	72 951
	Debts (or part of debts) guaranteed by real sureties given or irrevocably promised by the company on its own assets	
Amounts payable guaranteed		
Financial debts		148 521
Credit institutions		148 521
Total		148 521
Amounts payable for taxes, remunerations and social security		Report year
Taxes		
- Non-expired taxes payable		155
Remunerations and social security		
- Other amounts relating to remunerations and social security		1 070
Accrued charges and deferred income		Report year
Charges to be accrued		552
Deferred income		271
Conversion differences		522

Operating results	Report year	Previous year
Number of personnel on the payroll		
Total number at the closing date	27	28
Average number of personnel in full-time equivalents	27.6	26.8
Number of actual working hours	52 058	51 177
Personnel charges		
Remunerations, salaries and direct benefits	1 773	1 661
Employer's contributions for social security	515	506
Employer's premiums for extra-statutory insurance	239	208
Other personnel charges	44	53
Pensions	5	2
Write-offs		
Stocks and contracts in progress		
- Recorded	625	276
- Released	-44	-
Trade debtors		
- Recorded	20	-
- Released	-49	-1 356
Provisions for liabilities and charges		
New provisions	18	21
Use and release	-1 286	-341
Other operating charges		
Taxes related to operations	1 922	945
Other	586	332
Temporary personnel and persons placed at the disposal of the company		
Total number at the closing date	1	-
Average number of persons in full-time equivalents	0.3	0.2
Number of hours actually worked	569	293
Charges to the company	12	10

Financial results	Report year	Previous year
Other financial income		
Currency exchange and conversion differences	2	1
SWAP interest passed on		385
Other	41	17
Other financial charges		
Exchange differences	1	2
Other commissions and bank charges	601	221

Income taxes	Report year
Income taxes for the current year	
Tax and withholding taxes due or paid	29
Excedent of tax payments or activated withholding taxes	-29
Income taxes on the results of previous years	85
Additional tax due or paid	85
Main reasons for discrepancies between the profit before taxes and the estimated taxable profit	
Non deductible expenses, taxable provisions and changes in reserves	7 860
Write back of impairment losses and more-values on financial assets	-14 306
Income already taxed	-3 584
Detaxation of taxed provisions and excess depreciation	-310
Status of deferred taxes	
Deferred tax assets	7 784
Accumulated tax losses deductible from later taxable profits	3 129
Income already taxed non allocated and to carry over	1 461
Notional interest deduction	1 621
Excess depreciation to detax	35
Revaluation more-values and taxed impairment losses	1 538
Deferred tax liabilities	13 706
Tax-exempted capital gains	13 706

Value added taxes and taxes borne by third parties	Report year	Previous year
VAT charged during the year		
To the company (deductible)	874	665
By the company	797	3 981
Amounts retained on behalf of third parties for :		
Withholding taxes on payroll	780	733
Withholding taxes on investment income	1 012	6

Rights and commitments not reflected in the balance sheet	
Personal guarantees given or irrevocably promised by the company as security for the debts or commitments of third parties	58 202
Maximum amount up to which other commitments by third parties are guaranteed by the company	58 202
Real guarantees given or irrevocably promised by the company on its own assets	As security for the debts or commitments of the company
Mortgages	
- Book value of mortgaged real properties	118 528
- Amount of mortgage	184
Pledges on other assets :	
- Book value of pledged assets	46 504
Important litigation and other significant commitments :	
- Third-party providers of guarantees on behalf of the company	26 653
- Commitment acquiring properties	26 400
Supplementary pension scheme	
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.	

	Associates		Companies with participating interests	
	Report year	Previous year	Report year	Previous year
Financial fixed assets	159 376	150 575	18 644	19 631
Participations	125 193	110 282	18 644	19 631
Amounts receivable : subordinated	15 540	22 165		
Amounts receivable : other	18 643	18 128		
Amounts receivable	60 458	47 511	1 097	940
Within one year	60 458	47 511	1 097	940
Amounts payable	37 813	19 588	868	868
Within one year	37 813	19 588	868	868
Personal and real guarantees given or irrevocably promised by the company as security for the debts or commitments of associates	54 077	106 819		
Personal and real guarantees given or irrevocably promised by associates as security for the debts or commitments of the company	18 807	20 141		
Financial results				
Income from financial fixed assets	5 406	6 176		
Income from current assets	1 731	2 084		
Other financial income		1		
Debt charges	566	398		
Disposal of fixed assets				
Realised capital gains		4		
Realised capital losses		3		

Financial relations with :	Report year
Directors and managers	
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	
- To the Directors and Managers	540
The auditor	
Statutory audit fees	31
Fees for extraordinary missions	59
- Other audit missions	13
- Tax consulting	46

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 6th 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

Statement of persons employed	Full time	Part time	Total (T) or total in full-time equivalents (FTE)	
	Report year	Report year	Report year	Previous year
Personnel on the payroll				
During the financial year and during the previous financial year				
Average number of employees	26.9	1.0	27.6 (FTE)	26.8 (FTE)
Number of hours actually worked	50 678	1 380	52 058 (T)	51 177 (T)
Personnel costs (in thousand EUR)	2 542	29	2 571 (T)	2 430 (T)
Amount of benefits in addition to wages (in thousand EUR)			27 (T)	25 (T)
As at the closing date of the financial year				
Number of personnel on the payroll	26	1	26.7	
Breakdown by type of employment contract				
- Contract of unlimited duration	26	1	26.7	
Breakdown by sex				
- Men	16		16.0	
- Women	10	1	10.7	
Breakdown by professional category				
- Management personnel	2	-	2.0	
- Employees	24	1	24.7	
Temporary personnel and persons placed at the disposal of the company				Temporary personnel
During the current year				
Average number of people employed				0.3
Number of hours actually worked				569
Charges to the company (in thousand EUR)				12

List of personnel movements during the financial year			
	Full time	Part time	Total in full-time equivalents
Joining			
Number of employed persons recorded on the payroll during the financial year	3		3.0
Breakdown by type of employment contract			
Contract of limited duration	3		3.0
Breakdown by sex and level of education			
Men : secondary	3		3.0
Leaving			
Number of employees whose contract end was recorded in the personnel register during the financial year	4		4.0
Breakdown by type of employment contract			
Contract of unlimited duration	1		1.0
Contract of limited duration	3		3.0
Breakdown by sex and level of education			
Men : secondary	3		3.0
university	1		1.0
Breakdown by reason for termination of contract			
Pension	1		1.0
Other reason	3		3.0

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)	
Measures including a financial incentive			
Structural reduction in social security contributions	28	27.7	68
Reduction of personal social security contributions by the employees with low remuneration	1	1.0	
Number of employees affected by one or more measures in favour of employment			
Total for the financial year	28	27.7	
Total for the previous financial year	28	27.7	

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	6	172	5
Women	3	64	1

Accounting principles

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

Assets

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.

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 30th 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 %

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 statements, 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.

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 30th January 2001.

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 30th 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.

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.

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.

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.

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

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.

Provisions and deferred taxes**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.

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.

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 30th January 2001 applies to amounts payable after one year.

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.

Statutory auditor's report

Statutory auditor's report for the year ended 31st December 2006 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. This report includes our opinion on the financial statements together with the required additional comments.

Unqualified audit opinion on the financial statements

We have audited the financial statements of COMPAGNIE IMMOBILIÈRE DE BELGIQUE SA for the year ended 31st December 2006, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 397,167 KEUR and a profit for the year of 10,191 KEUR.

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

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

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the Company and the presentation of the financial statements, taken as a whole. Finally, the Board of Directors and responsible officers of the Company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31st December 2006 give a true and fair view of the Company's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

Additional comments

The preparation and 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 are the responsibility of the Board of Directors.

Our responsibility is to include in our report the following additional comments 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 principal 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 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.

Diegem, March 22, 2007

The Statutory Auditor

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises

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

Represented by Pierre-hugues Bonnefoy