

# CONSOLIDATED ACCOUNTS



FERME DES 4 SAPINS (WAVRE) ▲  
- DESSIN ET CONSTRUCTION

# INCOME STATEMENT

(NOTE 1) (IN THOUSAND EUR)

	NOTES	31-12-2007	31-12-2006
<b>OPERATING INCOME</b>		<b>176 620</b>	<b>232 392</b>
Turnover	2	134 310	228 657
Other operating income	3	42 310	3 735
<b>OPERATING EXPENSES</b>		<b>-163 529</b>	<b>-208 991</b>
Purchases	4	-108 059	-194 024
Change in inventory	4	-1 219	20 978
Personnel expenses		-11 310	-10 399
Amortisation, depreciation and impairment of assets	5	-9 987	-3 353
Change in the fair value of investment property		-121	409
Other operating expenses	6	-32 833	-22 602
<b>OPERATING RESULT</b>		<b>13 091</b>	<b>23 401</b>
Financial expenses		-10 321	-14 460
Financial income		3 661	2 624
<b>FINANCIAL RESULT</b>	<b>7</b>	<b>-6 660</b>	<b>-11 836</b>
<b>SHARE IN THE RESULT OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD</b>	<b>8</b>	<b>3 786</b>	<b>1 675</b>
<b>RESULT BEFORE TAXES</b>		<b>10 217</b>	<b>13 240</b>
<b>INCOME TAXES</b>	<b>9</b>	<b>-1 017</b>	<b>-5 636</b>
<b>RESULT FROM CONTINUING OPERATIONS</b>		<b>9 200</b>	<b>7 604</b>
<b>RESULT FROM DISCONTINUED OPERATIONS</b>	<b>10</b>	<b>40 996</b>	<b>12 564</b>
<b>RESULT FOR THE YEAR</b>		<b>50 196</b>	<b>20 168</b>
Share of minority interests		-26	15
<b>SHARE OF COMPAGNIE IMMOBILIÈRE DE BELGIQUE</b>		<b>50 222</b>	<b>20 153</b>
Basic earnings and diluted earnings per share (in EUR)	11		
- Result of the continuing operations		2.23	1.84
- Result of the year		12.18	4.89

# BALANCE SHEET

(NOTE 1) (IN THOUSAND EUR)

ASSETS	NOTES	31-12-2007	31-12-2006
<b>NON-CURRENT ASSETS</b>		<b>27 284</b>	<b>90 726</b>
Intangible assets		45	72
Property, plant and equipment	12	2 182	2 069
Investment property	13	3 186	66 489
Associates accounted for under the equity method	14	19 929	19 581
Participating interests available for sale	15	776	782
Deferred tax assets	16	519	1 210
Other non-current assets	17	647	523
<b>CURRENT ASSETS</b>		<b>393 131</b>	<b>430 573</b>
Inventories	18	224 639	302 336
Trade receivables	19	18 558	51 595
Tax receivables		97	597
Other current assets	20	17 105	13 567
Cash and cash equivalents	21	132 732	62 478
<b>TOTAL ASSETS</b>		<b>420 415</b>	<b>521 299</b>

EQUITY AND LIABILITIES	NOTES	31-12-2007	31-12-2006
<b>EQUITY</b>	<b>22</b>	<b>206 194</b>	<b>194 813</b>
<b>EQUITY SHARE OF COMPAGNIE IMMOBILIÈRE DE BELGIQUE</b>		<b>206 170</b>	<b>194 764</b>
Capital		100 285	100 285
Reserves		105 935	93 389
Translation differences		-50	1 090
<b>MINORITY INTERESTS</b>		<b>24</b>	<b>49</b>
<b>NON-CURRENT LIABILITIES</b>		<b>49 665</b>	<b>104 939</b>
Pensions and similar obligations	23	1 572	1 832
Provisions	24	3 991	1 410
Deferred tax liabilities	16	1 002	3 720
Financial debts	21	29 475	97 977
Trade payables	25	13 625	
<b>CURRENT LIABILITIES</b>		<b>164 556</b>	<b>221 547</b>
Provisions	24	7 800	2 327
Financial debts	21	91 769	135 898
Trade payables	25	40 237	38 174
Tax liabilities		2 778	3 156
Other current liabilities	26	21 972	41 992
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>420 415</b>	<b>521 299</b>

# CASH FLOW STATEMENT

(NOTE 1) (IN THOUSAND EUR)

	NOTES	31-12-2007	31-12-2006
Operating result		13 091	23 401
Amortisation, depreciation and impairment of assets		9 987	3 353
Change in the fair value of investment property		121	-409
Change in provisions		8 565	-566
<b>CASH FLOW FROM OPERATIONS BEFORE CHANGES OF WORKING CAPITAL AND TAXES</b>		<b>31 764</b>	<b>25 779</b>
Change in working capital	27	33 054	1 383
<b>CASH FLOW FROM OPERATIONS BEFORE PAID TAXES</b>		<b>64 818</b>	<b>27 162</b>
Paid taxes		-4 558	-9 193
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>60 260</b>	<b>17 969</b>
Acquisitions of participating interests		-150	
Disposal of participating interests	28	26 585	1 124
Dividends collected from subsidiaries consolidated by the equity method		2 130	1 065
Acquisitions and disposals of fixed assets		-650	-912
Change in interests available for sale and other fixed assets		-135	173
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>27 780</b>	<b>1 450</b>
Change in borrowings	29	-50 719	5 833
Net financial costs		-6 830	-11 812
from which : received interests		3 596	2 180
paid interests		-9 927	-13 491
other financial results		-499	-501
Paid dividends	30	-37 922	-6 183
Retirement of own shares			285
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-95 471</b>	<b>-11 877</b>
<b>CASH FLOW FROM CONTINUING OPERATIONS</b>		<b>-7 431</b>	<b>7 542</b>
<b>CASH FLOW FROM DISCONTINUED OPERATIONS</b>	<b>31</b>	<b>77 685</b>	<b>-910</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>70 254</b>	<b>6 632</b>
Impact of exchange rate fluctuation			17
<b>CASH AND CASH EQUIVALENTS AT BEGIN OF THE YEAR</b>		<b>62 478</b>	<b>55 829</b>
<b>CASH AND CASH EQUIVALENTS AT YEAR END</b>		<b>132 732</b>	<b>62 478</b>

# STATEMENT OF CHANGES IN EQUITY

(IN THOUSAND EUR)

	EQUITY	RETAINED EARNINGS	OTHER RESERVES	TRANSLATION DIFFERENCES	EQUITY TO BE ALLOCATED TO THE GROUP	MINORITY INTERESTS	TOTAL EQUITY
<b>BOOK VALUE AS AT 01-01-2006 BEFORE CHANGE OF THE ACCOUNTING PRINCIPLES</b>	<b>100 285</b>	<b>80 144</b>	<b>-285</b>	<b>1 125</b>	<b>181 269</b>	<b>1</b>	<b>181 270</b>
Impact of change of the accounting principles <sup>1</sup>		-151			-151		-151
<b>BOOK VALUE AS AT 01-01-2006</b>	<b>100 285</b>	<b>79 993</b>	<b>-285</b>	<b>1 125</b>	<b>181 118</b>	<b>1</b>	<b>181 119</b>
Result for the year		20 153			20 153	15	20 168
Translation differences				-35	-35		-35
<b>SUBTOTAL OF INCOME AND EXPENSES FOR THE YEAR</b>		<b>20 153</b>		<b>-35</b>	<b>20 118</b>	<b>15</b>	<b>20 133</b>
Dividends paid out to the shareholders		-6 183			-6 183		-6 183
Other changes			285		285	33	318
<b>CHANGES IN THE YEAR</b>		<b>13 970</b>	<b>285</b>	<b>-35</b>	<b>14 220</b>	<b>48</b>	<b>14 268</b>
<b>BOOK VALUE AS AT 31-12-2006 BEFORE CHANGE OF THE ACCOUNTING PRINCIPLES</b>	<b>100 285</b>	<b>93 963</b>		<b>1 090</b>	<b>195 338</b>	<b>49</b>	<b>195 387</b>
Impact of change of the accounting principles <sup>1</sup>		-574			-574		-574
<b>BOOK VALUE AS AT 31-12-2006</b>	<b>100 285</b>	<b>93 389</b>		<b>1 090</b>	<b>194 764</b>	<b>49</b>	<b>194 813</b>
Result for the year		50 222			50 222	-26	50 196
Translation differences				-1 140	-1 140		-1 140
Actuarial losses on defined benefit funds recognised directly in retained earnings		246			246		246
<b>SUBTOTAL OF INCOME AND EXPENSES FOR THE YEAR</b>		<b>50 468</b>		<b>-1 140</b>	<b>49 328</b>	<b>-26</b>	<b>49 302</b>
Dividends paid out to the shareholders		-37 922 <sup>2</sup>			-37 922		-37 922
Other changes						1	1
<b>CHANGES IN THE YEAR</b>		<b>12 546</b>		<b>-1 140</b>	<b>11 406</b>	<b>-25</b>	<b>11 381</b>
<b>BOOK VALUE AS AT 31-12-2007</b>	<b>100 285</b>	<b>105 935</b>		<b>-50</b>	<b>206 170</b>	<b>24</b>	<b>206 194</b>

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

A gross unit dividend of 12.00 EUR per share will be proposed at the General Meeting on 14<sup>th</sup> May 2008 :

■ gross interim unit dividend of 7.20 EUR paid in September 2007,

■ gross final unit dividend of 4.80 EUR to be paid in May 2008.

The gross final dividend, i.e. 19,785 KEUR, was not recognised as debt in the financial statements.

1. Related to the application of the IAS 19 standard - Employee Benefit - See note 2 of the accounting principles.

2. Dividend for the year 2006 of 1.50 EUR gross per share and interim dividend for the year 2007 of 7.20 EUR gross per share.

# 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 19<sup>th</sup> March 2008.

The Company applied the following provisions as from this accounting year :

IAS 19 – *Employee Benefits* (revised in December 2004). The Company elected the option to recognize actuarial gains and losses on defined-benefit plans directly in equity. This decision entailed a retroactive restatement of the equity in the opening balance of the year 2006.

IFRS 7 – *Financial Instruments: Disclosures*. The impact of the adoption of IFRS 7 and the changes to IAS 1 – *Presentation of the financial statements* has been to expand the disclosures provided in these financial statements regarding the Group’s financial and capital risk management.

The Group did not elect for early application of the following new standards and interpretations :

Amendment to IAS 23 – *Borrowing Costs* (applicable for annual periods beginning on or after 1<sup>st</sup> January 2009). The amended standard will require the capitalization of borrowing costs incurred during the construction of an asset prospectively as from 2009.

IFRS 3 – *Business Combinations* (revised in January 2008; applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1<sup>st</sup> July 2009) and IAS 27 – *Consolidated and Separate Financial Statements* (revised in January 2008; applicable for annual periods beginning on or after 1<sup>st</sup> July 2009). The revision of those two standards could have a significant impact on the treatment of future business combinations and other equity transactions linked to subsidiaries.

IFRS 8 – *Operating Segments* (applicable for annual periods beginning on or after 1<sup>st</sup> January 2009). The application of IFRS 8 that will supersede IAS 14 requires certain disclosures by the Group relating to the origine of the revenue and assets.

IAS 1 – *Presentation of Financial Statements* (revised in September 2007; applicable for annual periods beginning on or after 1<sup>st</sup> January 2009). The impact of the application of this standard should be limited to the extent that the Company already presents a statement of comprehensive income (see above).

Amendments to IAS 32 – *Financial Instruments : Presentation* and IAS 1 – *Presentation of Financial Statements – Puttable financial instruments and obligations arising on liquidation* (annual periods beginning on or after 1<sup>st</sup> January 2009). The Company does not expect adoption to have any material impact.

Amendment to IFRS 2 – *Share Base Payment* (applicable for annual periods beginning on or after 1<sup>st</sup> January 2009). The Company does not expect adoption to have any material impact.

Interpreting IFRIC 11 – IFRS 2 – *Group and Treasury Share Transactions* (applicable for annual periods beginning on or after 1<sup>st</sup> March 2007), IFRIC 12 – *Service Concession Arrangements* (applicable for annual periods beginning on or after 1<sup>st</sup> January 2008), IFRIC 13 – *Customer Loyalty Programmes* (applicable for annual periods beginning on or after 1<sup>st</sup> July 2008), IFRIC 14 – IAS 19 – *The limit on a defined benefit asset, minimum funding requirements and their interaction* (applicable for annual periods beginning on or after 1<sup>st</sup> January 2008). The Company does not expect adoption to have any material impact.

## 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 31<sup>st</sup> December (reporting date of the Company) are adjusted so as to take into account the effect of significant transactions and events that occurred between the reporting date of the subsidiary, joint venture or associate and 31<sup>st</sup> December. The difference between 31<sup>st</sup> December and the reporting date of the subsidiary, joint venture or associate never exceeds 3 months.

#### **BUSINESS COMBINATIONS AND GOODWILL**

##### **GOODWILL**

Goodwill represents the excess of the cost of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition. Goodwill is reported as an asset and is

not amortised but annually subject to an impairment in value test at reporting date (or more frequently if there are indications of loss in value). Impairment losses are recognised immediately under income and are not reversed in subsequent periods.

Goodwill resulting from the acquisition of an associate is included in the book value of the associate. Goodwill resulting from the acquisition of subsidiaries and joint ventures is presented separately in the balance sheet.

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.

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 costprice 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 such a plan, the cost of corresponding commitments is determined using the Projected Unit Credit Method, with present values being calculated at year end.

The amount recognised in the balance sheet represents the present value of commitments in terms of the defined benefit pension plans, less the fair value of plan assets and costs of rendered services not yet recognised. Any asset resulting from this calculation is limited to the present value of possible payments for the Group and the decreases in future contributions to the plan.

Actuarial gains and losses are directly recorded in the equity and are presented in the statement of changes in equity.

#### **15. GRANTS RELATED TO ASSETS OR INVESTMENT SUBSIDIES**

Received government grants related to assets or investment subsidies are recognised in the balance sheet (presented under other long-term liabilities or other short-term liabilities) as deferred income. They are recognised as income in the same way as the asset margin to which they relate.

#### **16. REVENUE**

Group revenue comes mainly from Real Estate Development activities (including Project Management services) and also from Construction activities and lease agreements.

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

With respect to operating leases, rent is recognised under income on a straight-line basis over the term of the lease, even if payments are not made on this basis. Lease incentives granted by the 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. DISCONTINUED OPERATIONS**

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale. Such component represents a separate major line of business or geographical area of operations that can be clearly distinguished, operationally and for financial reporting purposes. The net result of discontinued operations (including possible results on disposal and taxes) is presented separately from the continued operations in the income statement.

#### **20. 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 13 of the financial statements.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

(IN THOUSAND EUR)

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## 1. INFORMATION BY SEGMENT - FINANCIAL INFORMATION BY BUSINESS SEGMENT

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

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

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

### PROFIT AND LOSS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	PROJECT MANAGEMENT	DEVELOPMENT	MISCELLANEA	ELIMINATIONS	CONSOLIDATED
<b>2007</b>								
“External” turnover	70 784	17 872	10 720	1 148	100 524	33 786		134 310
“Intersegment” sales <sup>1</sup>				1 133	1 133	846	-1 979	
“Segment” turnover	70 784	17 872	10 720	2 281	101 657	34 632	-1 979	134 310
<b>OPERATING RESULT</b>	<b>14 208</b>	<b>-4 032</b>	<b>3 030</b>	<b>-284</b>	<b>12 922</b>	<b>169</b>		<b>13 091</b>
Financial result								-6 660
Companies accounted for by the equity method	3 786				3 786			3 786
Taxes								-1 017
<b>RESULT FROM CONTINUING OPERATIONS</b>								<b>9 200</b>
Result from discontinued operations						40 996		40 996
<b>NET RESULT</b>								<b>50 196</b>
<b>2006</b>								
“External” turnover	144 640	37 798	10 841	972	194 251	34 406		228 657
“Intersegment” sales <sup>1</sup>				1 296	1 296	2 201	-3 497	
“Segment” turnover	144 640	37 798	10 841	2 268	195 547	36 607	-3 497	228 657
<b>OPERATING RESULT</b>	<b>14 287</b>	<b>4 029</b>	<b>4 434</b>	<b>128</b>	<b>22 878</b>	<b>523</b>		<b>23 401</b>
Financial result								-11 836
Companies accounted for by the equity method	1 675				1 675			1 675
Taxes								-5 636
<b>RESULT FROM CONTINUING OPERATIONS</b>								<b>7 604</b>
Result from discontinued operations						12 564		12 564
<b>NET RESULT</b>								<b>20 168</b>
					<b>BELGIUM</b>	<b>ABROAD</b>	<b>TOTAL</b>	
Turnover of the continuing operations :	at 31-12-2007				133 635	675	134 310	
	at 31-12-2006				227 995	662	228 657	
Turnover of the discontinued operations :	at 31-12-2007					5 212	5 212	
	at 31-12-2006					4 548	4 548	

1. Actual turnover based on market price.

## CASH AND CASH EQUIVALENTS ITEMS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	PROJECT MANAGEMENT	DEVELOPMENT	MISCELLANEA	CONSOLIDATED
<b>2007</b>							
Operating result	14 208	-4 032	3 030	-284	12 922	169	13 091
Amortisation, depreciation and impairment	7 079	2 647	5	-41	9 690	297	9 987
Change in fair value	121				121		121
Change in provisions	6 820	1 099	676	281	8 876	-311	8 565
Change in working capital	49 154	-10 101	-4 531	129	34 651	-1 597	33 054
<b>OPERATING CASH FLOW BEFORE TAXES</b>	<b>77 382</b>	<b>-10 387</b>	<b>-820</b>	<b>85</b>	<b>66 260</b>	<b>-1 442</b>	<b>64 818</b>
Investment cash flow	28 674	-146	-4	-23	28 501	-721	27 780
<b>2006</b>							
Operating result	14 287	4 029	4 434	128	22 878	523	23 401
Amortisation, depreciation and impairment	1 110	1 602	189	12	2 913	440	3 353
Change in fair value	-409				-409		-409
Change in provisions	-822		13	20	-789	223	-566
Change in working capital	-2 355	8 762	-3 065	223	3 565	-2 182	1 383
<b>OPERATING CASH FLOW BEFORE TAXES</b>	<b>11 811</b>	<b>14 393</b>	<b>1 571</b>	<b>383</b>	<b>28 158</b>	<b>-996</b>	<b>27 162</b>
Investment cash flow	2 275	-14	42	-33	2 270	-820	1 450

## BALANCE SHEET ITEMS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	PROJECT MANAGEMENT	DEVELOPMENT	MISCELLANEA	CONSOLIDATED
<b>2007</b>							
Segment assets	155 005	54 248	38 906	532	248 691	17 024	265 715
Unallocated items <sup>1</sup>							154 700
<b>TOTAL ASSETS</b>							<b>420 415</b>
Segment liabilities	47 636	20 045	4 322	1 322	73 325	15 872	89 197
Unallocated items <sup>1</sup>							125 024
<b>TOTAL LIABILITIES</b>							<b>214 221</b>
<b>2006</b>							
Segment assets	271 479	49 517	33 306	1 542	355 844	80 284	436 128
Unallocated items <sup>1</sup>							85 171
<b>TOTAL ASSETS</b>							<b>521 299</b>
Segment liabilities	53 785	10 107	3 801	929	68 622	17 113	85 735
Unallocated items <sup>1</sup>							240 751
<b>TOTAL LIABILITIES</b>							<b>326 486</b>
					BELGIUM	ABROAD	TOTAL
Segment assets 31-12-2007					263 414	2 301	265 715
Segment assets 31-12-2006					357 565	78 563	436 128

1. 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 :

	31-12-2007	31-12-2006
Asset sale	133 162	227 685
Service fees	1 148	972
<b>TOTAL TURNOVER</b>	<b>134 310</b>	<b>228 657</b>

Turnover is allocated as follows per segment :

	31-12-2007	31-12-2006
Development :		
- Offices <sup>1</sup>	70 784	144 640
- Residential Development <sup>2</sup>	17 872	37 798
- Land Development <sup>3</sup>	10 720	10 841
- Project Management	1 148	972
<b>TOTAL DEVELOPMENT</b>	<b>100 524</b>	<b>194 251</b>
Miscellanea <sup>4</sup>	33 786	34 406
<b>TOTAL TURNOVER</b>	<b>134 310</b>	<b>228 657</b>

## 3. OTHER OPERATING INCOME

This heading mainly consists of :

	31-12-2007	31-12-2006
Gain on disposal of subsidiaries <sup>5</sup>	37 787	
Other operating income	4 314	3 010
Grants	209	725
<b>TOTAL OTHER OPERATING INCOME</b>	<b>42 310</b>	<b>3 735</b>

Other operating income is allocated by segment as follows :

	31-12-2007	31-12-2006
Development :		
- Offices	40 875	1 801
- Residential Development	826	939
- Land Development	84	160
- Project Management	5	12
<b>TOTAL DEVELOPMENT</b>	<b>41 790</b>	<b>2 912</b>
Miscellanea	520	823
<b>TOTAL OTHER OPERATING INCOME</b>	<b>42 310</b>	<b>3 735</b>
Of which grants	209	725

1. Construction contracts *Lex* in Brussels, *South Express Block A* in Brussels (Saint-Gilles) and the disposal of the *Ellipse Building* in Brussels (Schaerbeek) contribute in particular to the "Offices Development" turnover.

2. The "Residential Development" turnover is basically influenced by following promotions : *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Jardins de la Couronne* in Brussels (Ixelles), *Jardins de Jette* in Brussels, *Omega Court* in Brussels (Auderghem), the *résidence Fisco* Place des Martyrs in Brussels and *Egmont House* in Brussels.

3. The main land developments contributing to the turnover were those of *Genval*, *Enghien*, *Erpent*, *Polleur*, *Bredene*, *Vedrin* and *Meux*.

4. "Miscellanea" includes the turnover from "Construction" activities.

5. These gains relate to the disposals of participating interests in the companies *Crown Avenue* (project *Crown Avenue* in Brussels (Ixelles)), *Immo Gaucheret* (project *Ellipse Building* in Brussels (Schaerbeek)) and *Soprima* (project *WestSide Village* in Luxembourg).

#### 4. PURCHASES - CHANGE IN INVENTORY

The purchases and the changes in inventory of the financial year 2007 break down as follows by segment :

	PURCHASES	CHANGE IN INVENTORY	NET COSTS
Development :			
- Offices	-46 764	-16 539	-63 303
- Residential Development	-28 572	12 210	-16 362
- Land Development	-7 505	3 079	-4 426
<b>TOTAL DEVELOPMENT</b>	<b>-82 841</b>	<b>-1 250</b>	<b>-84 091</b>
Miscellanea	-25 218	31	-25 187
<b>TOTAL PURCHASES</b>	<b>-108 059</b>	<b>-1 219</b>	<b>-109 278</b>

In addition to the acquisition of the site of *Universalis Park* in Brussels (Ixelles), the purchases of the Development segments "Offices" and "Residential" are mainly related to the continuation of the works *Lex* in Brussels, *Ellipse Building* in Brussels (Schaerbeek), *Omega* in Brussels (Auderghem), *South Express* in Brussels (Saint-Gilles), *State Administrative Centre* in Brussels, *Egmont House* in Brussels, *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Jardins de Jette* and *Place des Martyrs* in Brussels.

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

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

	PURCHASES	CHANGE IN INVENTORY	NET COSTS
Development :			
- Offices	-137 490	27 946	-109 544
- Residential Development	-20 661	-12 281	-32 942
- Land Development	-9 335	4 848	-4 487
<b>TOTAL DEVELOPMENT</b>	<b>-167 486</b>	<b>20 513</b>	<b>-146 973</b>
Miscellanea	-26 538	465	-26 073
<b>TOTAL PURCHASES</b>	<b>-194 024</b>	<b>20 978</b>	<b>-173 046</b>

#### 5. AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

Break down as follows :

	31-12-2007	31-12-2006
Impairment loss on goodwill - following disposals of assets		-479
Impairment loss on goodwill - following estimation of assets		-475
Amortisation of intangible assets and depreciation of tangible assets	-564	-518
Impairment losses on subsidiaries consolidated by the equity method <sup>1</sup>	-2 542	-285
Write down on other non-current assets - Increase	-18	-97
Write down on inventory - Increase <sup>1</sup>	-7 349	-1 937
Write down on inventory - Decrease	869	228
Write down on trade receivables - Increase	-426	
Write down on trade receivables - Decrease	43	210
<b>AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS</b>	<b>-9 987</b>	<b>-3 353</b>

1. The losses and recorded impairments result from adjustments on projects of which the expected sales value is lower than the book value. They are mainly related to the activities of the segments "Offices" and "Residential Development".

## 6. OTHER OPERATING EXPENSES

Break down as follows :

	31-12-2007	31-12-2006
Services and other goods	-19 657	-19 977
Provisions	-8 565	566
Other expenses	-4 611	-3 191
<b>OTHER OPERATING EXPENSES</b>	<b>-32 833</b>	<b>-22 602</b>

Main components of services and other goods :

	31-12-2007	31-12-2006
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 segment)	-2 250	-1 794
Third party payment (this item includes in particular the fees paid to third parties and related to the turnover)	-14 437	-14 541
Other services and other goods (including company supplies, advertising, maintenance and repair expenses, etc.)	-2 970	-3 642
<b>TOTAL SERVICES AND OTHER GOODS</b>	<b>-19 657</b>	<b>-19 977</b>

<b>OPERATING LEASE OBLIGATIONS</b>		
Total amount of payments recognised under expenses for the year	989	837
Total minimum payments to be made :		
- within one year	1 002	804
- after one year but within 5 years	2 244	2 396
These amounts correspond mainly to the rent for the registered office and cars.		

Amount of fees allocated during the year to SC s.f.d. Deloitte :

	31-12-2007	31-12-2006
Statutory audit fees within the Group	174	179
Fees for extraordinary services and special missions accomplished within the Group :	145	90
- Other certifying missions	15	2
- Tax consulting missions	124	75
- Other missions outside the audit mission	6	13

Main components of the provisions :

	31-12-2007	31-12-2006
Provisions related to the sales	-2 351	1 178
Provisions for litigations	-1 500	
Provisions for evaluation & organisation of the Group	-4 206	
Other provisions	-508	-612
<b>TOTAL PROVISIONS</b>	<b>-8 565</b>	<b>566</b>

The **other operating expenses** of -4,611 KEUR mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

## 7. FINANCIAL RESULT

The financial result breaks down as follows :

	31-12-2007	31-12-2006
- "Project Financing" financial expenses	-5 011	-10 814
- "Project Financing" financial income	766	1 453
"Project Financing" net treasury costs	-4 245	-9 361
- "Corporate" financial expenses	-3 796	-4 098
- "Corporate" financial income	1 484	1 263
"Corporate" net treasury costs	-2 312	-2 835
Dividends and interests of other fixed assets	70	178
Translation differences and exchange rate differences	-173	182
<b>FINANCIAL RESULT</b>	<b>-6 660</b>	<b>-11 836</b>

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

The result of companies accounted for by the equity method affects the "Offices Development" 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.

The companies accounted for by the equity method are listed under note 37.

## 9. INCOME TAXES

Income taxes are as follows :

	31-12-2007	31-12-2006
Current taxes for the current year	-3 231	-3 015
Current taxes for the previous financial years	-54	-227
Deferred taxes	2 268	-2 394
<b>TOTAL TAXES CHARGES</b>	<b>-1 017</b>	<b>-5 636</b>

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

	31-12-2007	31-12-2006
Result before taxes	10 217	13 240
Result of the companies accounted for by the equity method	-3 786	-1 675
<b>RESULT BEFORE TAXES AND RESULT OF THE COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD</b>	<b>6 431</b>	<b>11 565</b>
<b>AVERAGE TAXATION RATE OF 33.99 %</b>	<b>-2 186</b>	<b>-3 931</b>
Tax impact :		
- non-taxable income	12 334	5
- non-deductible expenses	-1 889	-1 234
- tax losses and temporary differences	-11 026	493
- different tax rates of affiliates operating abroad	51	5
Current taxes for the previous financial years	-13	-227
Deferred taxes for the previous financial years	1 712	-747
<b>INCOME TAX EXPENSE RECOGNISED</b>	<b>-1 017</b>	<b>-5 636</b>

#### 10. RESULT FROM DISCONTINUED OPERATIONS

This result relate to the *Campona Shopping Center* building in Budapest, of which the property company Campona '99 Kft has been sold in November 2007. The components of this account are :

	31-12-2007	31-12-2006
Capital gain on sale of participation	41 651	
Change in fair value for the year	-2 396	11 348
Other elements	1 741	1 216
<b>RESULT FROM DISCONTINUED OPERATIONS</b>	<b>40 996</b>	<b>12 564</b>

#### 11. EARNINGS PER SHARE

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

	31-12-2007	31-12-2006
Net result from continuing operations	9 200	7 604
Group's share in the net result for the year	50 222	20 153
Average number of shares considered for basic earnings and diluted earnings	4 121 934	4 118 112
Basic earnings and diluted earnings per share (in EUR) of the discontinued operations	9.95	3.05

## 12. TANGIBLE ASSETS

Tangible assets refer to the following segments :

	31-12-2007	31-12-2006
Development :		
- Offices / Residential Development	123	252
- Project Management	49	42
<b>TOTAL DEVELOPMENT</b>	<b>172</b>	<b>294</b>
Miscellanea (mainly Construction)	2 010	1 775
<b>TANGIBLE ASSETS</b>	<b>2 182</b>	<b>2 069</b>

The components of tangible assets are as follows :

	INSTALLATIONS, MACHINES AND TOOLS	FURNITURE, EQUIPMENT AND FIXTURES	OTHER TANGIBLE ASSETS	TOTAL
<b>GROSS BOOK VALUE</b>				
<b>ON 1<sup>ST</sup> JANUARY 2006</b>	<b>1 442</b>	<b>2 643</b>	<b>2 811</b>	<b>6 896</b>
Acquisitions	194	369	289	852
Disposals and retirements			-44	-44
Transfers	-141	-205	-32	-378
<b>ON 31<sup>ST</sup> DECEMBER 2006</b>	<b>1 495</b>	<b>2 807</b>	<b>3 024</b>	<b>7 326</b>
Acquisitions	177	202	269	648
Disposals and retirements		-244	-13	-257
Transfers			-175	-175
<b>ON 31<sup>ST</sup> DECEMBER 2007</b>	<b>1 672</b>	<b>2 765</b>	<b>3 105</b>	<b>7 542</b>
<b>ACCUMULATED DEPRECIATION</b>				
<b>ON 1<sup>ST</sup> JANUARY 2006</b>	<b>-1 205</b>	<b>-2 286</b>	<b>-1 697</b>	<b>-5 188</b>
Depreciation charges	-101	-205	-141	-447
Transfers	141	205	32	378
<b>ON 31<sup>ST</sup> DECEMBER 2006</b>	<b>-1 165</b>	<b>-2 286</b>	<b>-1 806</b>	<b>-5 257</b>
Depreciation charges	-132	-298	-92	-522
Disposals		244		244
Transfers			175	175
<b>ON 31<sup>ST</sup> DECEMBER 2007</b>	<b>-1 297</b>	<b>-2 340</b>	<b>-1 723</b>	<b>-5 360</b>
<b>NET BOOK VALUE</b>				
<b>ON 31<sup>ST</sup> DECEMBER 2006</b>	<b>330</b>	<b>521</b>	<b>1 218</b>	<b>2 069</b>
<b>ON 31<sup>ST</sup> DECEMBER 2007</b>	<b>375</b>	<b>425</b>	<b>1 382</b>	<b>2 182</b>

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

## FINANCE LEASE

	31-12-2007		31-12-2006	
Net book value of financial leases included in the previous table	1 172		989	
Amounts payable as finance lease	Minimum payments	Current payments	Minimum payments	Current payments
- Within 1 year	142	136	75	72
- From the 2 <sup>nd</sup> year to the 5 <sup>th</sup> year inclusive	379	338	277	244

### 13. INVESTMENT PROPERTY

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

Investment property represents real estate property held by the Group to earn rentals and to create value for the property rather than use or sell it.

The decrease in this account relate to the disposal of the participating interest in the company Campona '99 Kft, owner of the *Campona Shopping Center* in Budapest.

Investment property evolves as follows :

	31-12-2007	31-12-2006
FAIR VALUE ON 1 <sup>ST</sup> JANUARY	66 489	50 898
Acquisitions	3 060	2 746
Translation differences	-445	244
Change in the fair value recognised in the income statement	-2 517	12 631
Disposals and retirements	-63 401	-30
FAIR VALUE ON 31 <sup>ST</sup> DECEMBER	3 186	66 489

On 31 december 2007, this account contains a landed property under leasehold of an office building.

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

The withheld discount rate is 8.21 %.

### 14. SUBSIDIARIES ACCOUNTED FOR UNDER THE EQUITY METHOD

Subsidiaries consolidated by the equity method refer to the "Offices Development" activity.

	31-12-2007	31-12-2006
VALUE AS AT 1 <sup>ST</sup> JANUARY	19 581	20 365
Share in result	3 786	1 675
Acquisitions and transfers from accounts	1 234	
Disposals		-1 109
Dividends paid by the companies	-2 130	-1 065
Impairments in value	-2 542	-285
CHANGES FOR THE YEAR	348	-784
VALUE AS AT 31 <sup>ST</sup> DECEMBER	19 929	19 581

The subsidiaries consolidated by the equity method are listed under note 37.

**INFORMATION REGARDING COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD (100 %) :**

	31-12-2007	31-12-2006
Total assets	243 507	349 545
Total liabilities	179 565	288 125
Net assets	63 942	61 420
Turnover	172 059	88 023
Total net result	10 852	4 931
Guarantees obtained from third parties	16 972	18 194
Guarantees constituted by third parties on behalf of the companies	8 145	4 264

**15. PARTICIPATING INTERESTS AVAILABLE FOR SALE**

The participating interests available for sale moved as follows :

	31-12-2007	31-12-2006
<b>VALUE AS AT 1<sup>ST</sup> JANUARY</b>	<b>782</b>	<b>1 119</b>
Acquisitions	11	1
Disposals		-321
Other	-17	-17
<b>CHANGES FOR THE YEAR</b>	<b>-6</b>	<b>-337</b>
<b>VALUE AS AT 31<sup>ST</sup> DECEMBER</b>	<b>776</b>	<b>782</b>

The book value as at 31<sup>st</sup> December 2007 of the participating interests available for sale is considered to be representative of their fair value.

**16. DEFERRED TAX ASSETS AND LIABILITIES**

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable 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 the equity.

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

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Construction contracts	125	36		
Employee benefits obligations	172	170		
Tax losses	222	1 004		
Inventories			770	3 007
Investment property			215	622
Provisions & Other			17	91
<b>TOTAL</b>	<b>519</b>	<b>1 210</b>	<b>1 002</b>	<b>3 720</b>

	ASSETS	LIABILITIES	TOTAL
<b>ON 1<sup>ST</sup> JANUARY 2007</b>	<b>1 210</b>	<b>-3 720</b>	<b>-2 510</b>
Deferred tax expense and income recorded in profit and loss	-44	2 312	2 268
Disposals - Deconsolidation	-647	406	-241
<b>CHANGES FOR THE YEAR</b>	<b>-691</b>	<b>2 718</b>	<b>2 027</b>
<b>ON 31<sup>ST</sup> DECEMBER 2007</b>	<b>519</b>	<b>-1 002</b>	<b>-483</b>

	31-12-2007	31-12-2006
<b>TAX LOSS AMOUNTS FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNIZED IN THE BALANCE SHEET, FROM WHICH :</b>	<b>34 157</b>	<b>29 488</b>
Expiring at the end of 2007		602
Expiring at the end of 2008		2 812
Expiring at the end of 2010		2 060
Expiring at the end of 2011		1 284
Expiring at the end of 2013	2 143	2 812
Expiring at the end of 2014	2 613	
Not time-limited	29 401	19 918

## 17. OTHER NON-CURRENT ASSETS

The other non-current assets are made up of paid guarantees and securities.

## 18. INVENTORIES

Allocation of this position by segment is as follows :

	31-12-2007	31-12-2006
Development :		
- Offices	137 067	228 734
- Residential Development	48 917	40 180
- Land Development	37 821	32 672
<b>TOTAL DEVELOPMENT</b>	<b>223 805</b>	<b>301 586</b>
Miscellanea	834	750
<b>INVENTORIES</b>	<b>224 639</b>	<b>302 336</b>

The book value of inventories is as follows :

	31-12-2007	31-12-2006
<b>INVENTORY AS AT 1<sup>ST</sup> JANUARY</b>	<b>302 336</b>	<b>283 731</b>
Purchases for the year	69 455	120 150
Disposals of the year (including deconsolidation)	-140 672	-99 296
Transfers from accounts		-540
Write-offs recorded	-6 695	-1 937
Write-offs reversed	215	228
<b>MOVEMENTS DURING THE YEAR</b>	<b>-77 697</b>	<b>18 605</b>
<b>INVENTORY AS AT 31<sup>ST</sup> DECEMBER</b>	<b>224 639</b>	<b>302 336</b>
Book value of inventories which are pledged for bank loan securities	150 255	221 981

Break down of the movements of the year per segment :

	PURCHASES	DISPOSALS & TRANSFERS	WRITE-OFFS	NET
Development :				
- Offices	33 468	-121 367	-3 768	-91 667
- Residential Development	28 445	-16 944	-2 764	8 737
- Land Development	7 536	-2 387		5 149
<b>TOTAL DEVELOPMENT</b>	<b>69 449</b>	<b>-140 698</b>	<b>-6 532</b>	<b>-77 781</b>
Miscellanea	6	26	52	84
<b>TOTAL</b>	<b>69 455</b>	<b>-140 672</b>	<b>-6 480</b>	<b>-77 697</b>

The purchases of the “Offices Development” segment are mainly influenced by the projects *Universalis Park - State Administrative Centre - Ellipse Building - Omega Court* and *South Express*; the disposals include the projects *Ellipse Building - Crown Avenue* and *WestSide Village*.

The purchases and the sales of the “Residential Development” mainly relate to the projects *Universalis Park, Jardins de Jette, Egmont House, Omega Court, Jardin des Sittelles, Albatross Village* and *Place des Martyrs*.

#### MARKET RISKS AND UNCERTAINTIES

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

#### 19. TRADE RECEIVABLES<sup>1</sup>

Trade receivables refer to the following segments :

	31-12-2007	31-12-2006
Development :		
- Offices	1 841	32 064
- Residential Development	1 650	5 774
- Land Development	992	1 222
- Project Management	454	430
<b>TOTAL DEVELOPMENT</b>	<b>4 937</b>	<b>39 490</b>
Miscellanea (mainly Construction)	13 621	12 105
<b>TOTAL</b>	<b>18 558</b>	<b>51 595</b>

The decrease in trade receivables “Offices Development”, -30,223 KEUR, is mainly related to the projects *Extension of the Court of Justice* in Mons, *Ecluse* in Charleroi and *Lex* in Brussels.

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

## CREDIT RISK

The credit risk is related to the possible failing of the customers in respecting their commitments towards the Group. Due to the nature of the customers, being mainly known investors, public clients or equivalent, the Group does not use instruments covering the customer credit risk.

The customers are closely followed up and adequate impairments are recorded as to cover the amounts that considered being irrecoverable.

At 31<sup>st</sup> December 2007 there was no concentration of credit risk with a sole third party.

The maximum risk amounts to the book value of the receivables.

The recorded impairments of trade receivables amount to :	-1 249	-1 092
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## 20. OTHER CURRENT ASSETS<sup>1</sup>

The components of this account are :

	31-12-2007	31-12-2006
Other receivables	16 141	11 083
from which : prepaid purchases of inventories		2 500
advances to joint ventures and associates	5 863	3 005
taxes (other than income taxes) and VAT receivable	2 811	370
other	7 467	5 208
Deferred charges and accrued income	964	2 484
<b>TOTAL</b>	<b>17 105</b>	<b>13 567</b>

and are related to the following segments :

Development :		
- Offices	12 776	8 020
- Residential Development	3 648	2 580
- Land Development	93	37
- Project Management	29	29
<b>TOTAL DEVELOPMENT</b>	<b>16 546</b>	<b>10 666</b>
Miscellanea	559	2 901
<b>TOTAL</b>	<b>17 105</b>	<b>13 567</b>

## 21. NET TREASURY<sup>1</sup>

The Group's net treasury is the balance between the available cash and the financial debts (short term and long term). It is 11,488 KEUR as at 31<sup>st</sup> December 2007 compared to -171,397 KEUR as at 31<sup>st</sup> December 2006.

	31-12-2007	31-12-2006
Cash and cash equivalents (+)	132 732	62 478
Long-term financial debts (-)	29 475	97 977
Short-term financial debts (-)	91 769	135 898
<b>NET TREASURY</b>	<b>11 488</b>	<b>-171 397</b>

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

#### AVAILABLE CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to 132,732 KEUR compared to 62,478 KEUR at the end of 2006, representing an increase of 70,254 KEUR.

The available cash moved as follows :

	31-12-2007	31-12-2006
Term deposits	126 816	54 927
Cash at bank and in hand	5 916	7 551
<b>AVAILABLE CASH AND CASH EQUIVALENTS</b>	<b>132 732</b>	<b>62 478</b>

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

#### FINANCIAL DEBTS

Financial debts decrease with 112,631 KEUR, from 233,875 KEUR at 31<sup>st</sup> December 2006 to 121,244 KEUR at 31<sup>st</sup> December 2007.

The components of financial debts are as follows :

	31-12-2007	31-12-2006
Finance lease debts	379	286
Debts toward credit institutions	29 096	97 691
<b>LONG-TERM FINANCIAL DEBTS</b>	<b>29 475</b>	<b>97 977</b>
Finance lease debts	278	265
Debts toward credit institutions	91 491	135 633
<b>SHORT-TERM FINANCIAL DEBTS</b>	<b>91 769</b>	<b>135 898</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>121 244</b>	<b>233 875</b>

Financial debts evolve as follows :

<b>LONG-TERM FINANCIAL DEBTS AS AT 1<sup>ST</sup> JANUARY</b>	<b>97 977</b>	<b>170 074</b>
Contracted debts	24 732	57 453
Repaid debts	-1 484	-66 936
Disposals - Deconsolidation	-24 550	
Debts transferred to short term	-67 200	-62 614
<b>LONG-TERM FINANCIAL DEBTS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>29 475</b>	<b>97 977</b>
<b>SHORT-TERM FINANCIAL DEBTS AS AT 1<sup>ST</sup> JANUARY</b>	<b>135 898</b>	<b>57 968</b>
Contracted debts	4 845	26 059
Repaid debts	-78 812	-10 743
Disposals - Deconsolidation	-37 362	
Debts transferred from long term	67 200	62 614
<b>SHORT-TERM FINANCIAL DEBTS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>91 769</b>	<b>135 898</b>

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	67 200	68 600
Project Financing Credits (specific to projects)	54 044	165 275
<b>TOTAL FINANCIAL DEBTS</b>	<b>121 244</b>	<b>233 875</b>
<b>AMOUNT OF DEBTS COVERED WITH REAL SECURITIES</b>	<b>118 111</b>	<b>215 874</b>

#### INTEREST RATE RISK

In the frame of the availability of long term credits, Corporate or Project Financing, the Group uses financial instruments mainly for the hedging of interest rates.

At 31<sup>st</sup> December 2007, the nominal value of the debts subject to coverage is 17,063 KEUR. The market value of hedgings recorded at 31<sup>st</sup> December 2007 and according to the independent expert reports amounts to 110 KEUR compared to 31 KEUR at 31<sup>st</sup> December 2006.

The financial debt schedule is summarised as follows :

Due in	2008	2009	2010 and >	TOTAL
Total amount of debts	92 262	27 669	1 313	<b>121 244</b>
- from which amount of debts with variable rate	92 262	11 919		<b>104 181</b>
- from which hedged amount of debts with variable rate		15 750	1 313	<b>17 063</b>

On the basis of the situation as per 31<sup>st</sup> December 2007, each change in interest rate of 1 % involves an annual increase or decrease of the interest charge on debts at variable rate of 1,042 KEUR.

#### CASH RISK

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

#### FINANCIAL COMMITMENTS

The Group is, for the majority of the mentioned financial debts, subject to a number of financial commitments. These commitments include in particular ratios of coverage, solvency and charges.

At 31<sup>st</sup> December 2007, as for the previous years, the Group was in conformity with all these financial commitments.

#### RISK OF FLUCTUATION IN FOREIGN CURRENCIES

The Group, whose activity is mainly located at 31<sup>st</sup> December in Belgium, does not resort to any exchange rate hedging.

## 22. EQUITY

The equity is 206,194 KEUR compared to 194,813 KEUR as at 31<sup>st</sup> December 2006, representing an increase of 11,381 KEUR.

A gross unit dividend of 12.00 EUR per share will be proposed at the General Meeting on 14<sup>th</sup> May 2008.

A gross unit intermediate dividend of 7.20 EUR per share was paid during the year 2007, total gross dividend of 29,678 KEUR.

The total gross final dividend, i.e. 19,785 KEUR, was not recognised as debt in the financial statements.

The components of the equity are as follows :

	31-12-2007	31-12-2006
Capital	100 285	100 285
Retained earnings	105 935	93 389
- from which Legal reserve	10 028	10 028
Translation differences	-50	1 090
Minority interests	24	49
<b>EQUITY</b>	<b>206 194</b>	<b>194 813</b>
<b>EQUITY AS AT 1<sup>ST</sup> JANUARY</b>	<b>194 813</b>	<b>181 270</b>
Result for the year	50 196	20 168
Paid out dividends	-8 244	-6 183
Paid out interim dividend 2007	-29 678	
Actuarial losses on defined benefit funds recognised directly in equity	246	-725
Disposal of 7,836 own shares held by subsidiaries on the stock exchange		285
Change in translation differences	-1 140	-35
Movements on minority interests	1	33
<b>MOVEMENTS FOR THE YEAR</b>	<b>11 381</b>	<b>13 543</b>
<b>EQUITY AS AT 31<sup>ST</sup> DECEMBER</b>	<b>206 194</b>	<b>194 813</b>

### RISK MANAGEMENT RELATED TO THE CAPITAL

Compagnie Immobilière de Belgique is attending to optimise the structure of its permanent capital through a balance between capital and long term debts. The target is to maximise the value for the shareholder while maintaining the required flexibility to achieve the development projects. Other elements, like the expected return on each project and the respect of a number of balance sheet ratios, influence the decision taking.

### 23. 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.

	31-12-2007	31-12-2006
<b>AMOUNTS RECORDED IN THE BALANCE SHEET</b>		
Present value of funded defined benefit obligations	4 308	4 465
Fair value of plan assets at the end of the period	-2 736	-2 633
<b>FUNDED STATUS DEFICIT</b>	<b>1 572</b>	<b>1 832</b>
Actuarial differences not recognized in the balance sheet	-479	-725
<b>SUBTOTAL</b>	<b>1 093</b>	<b>1 107</b>
Actuarial losses on defined benefit funds recognised directly in equity	479	725
<b>LIABILITIES RECOGNISED IN THE BALANCE SHEET</b>	<b>1 572</b>	<b>1 832</b>
<b>MOVEMENTS OF THE NET OBLIGATIONS IN THE BALANCE SHEET</b>		
<b>OBLIGATIONS AS AT 1<sup>ST</sup> JANUARY</b>	<b>1 107</b>	<b>1 123</b>
Total expense breaks down as follows :	305	241
- cost of services rendered during the year	203	198
- financial cost	189	156
- expected return on plan's assets	-113	-112
- actuarial differences	26	-1
Company contributions	-319	-257
<b>OBLIGATIONS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>1 093</b>	<b>1 107</b>
<b>PRESENT VALUE OF THE OBLIGATIONS AS AT 1<sup>ST</sup> JANUARY</b>	<b>4 465</b>	<b>3 687</b>
Cost of services rendered during the period	266	257
Financial cost	189	156
Loss resulting from the actuarial assumption	-273	512
Paid benefits	-339	-147
<b>PRESENT VALUE OF THE OBLIGATIONS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>4 308</b>	<b>4 465</b>
<b>FAIR VALUE OF THE PLAN ASSETS AS AT 1<sup>ST</sup> JANUARY</b>	<b>2 633</b>	<b>2 413</b>
Expected return in plan's assets	113	112
Contribution of the employer and the employees	382	316
Loss resulting from the actuarial assumption	-53	-61
Paid benefits	-339	-147
<b>FAIR VALUE OF THE PLAN ASSETS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>2 736</b>	<b>2 633</b>
Contribution of the employer and the employees expected for 2008 / 2007	394	328
<b>REAL RETURN ON THE PLAN ASSETS</b>	<b>131</b>	<b>115</b>
<b>ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS</b>		
Discount rate	5.40 %	4.40 %
Expected rate of return on plan's assets	4.25 %	4.30 %
Expected salary growth rate	3.50 %	3.50 %
Average inflation rate	2.00 %	2.00 %

#### EXPECTED RETURN ON ASSETS

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.

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

	2007	2006	2005	2004
<b>PENSION PLAN WITH DEFINED BENEFIT OBLIGATION</b>				
Present value of defined benefit obligation	4 308	4 465	3 687	3 156
Fair value of plan assets at the end of the period	2 736	2 633	2 413	2 053
Deficit of financed plans	1 572	1 832	1 274	1 103
Experience adjustments on :				
- plan assets	-98	-572		
- plan liabilities	-53	-61	-35	-45

#### 24. PROVISIONS

The components of provisions are as follows :

	31-12-2007	31-12-2006
Provisions for major maintenance and repair	925	2 425
Provisions related to the sales	3 826	475
Provisions for litigations	1 500	
Provisions for evaluation & organisation of the Group	4 206	
Other provisions	1 334	837
<b>TOTAL PROVISIONS</b>	<b>11 791</b>	<b>3 737</b>
<b>PROVISIONS AS AT 1<sup>ST</sup> JANUARY</b>	<b>3 737</b>	<b>2 787</b>
Allocations	10 331	2 261
Utilisations	-753	-1 115
Disposals - Deconsolidation	-1 524	-196
<b>CHANGES FOR THE YEAR</b>	<b>8 054</b>	<b>950</b>
<b>PROVISIONS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>11 791</b>	<b>3 737</b>
From which short-term provisions	7 800	2 327

Allocation of this position by segment is as follows :

	31-12-2007	31-12-2006
Development :		
- Offices	8 007	1 208
- Residential Development	1 165	
- Land Development	810	67
- Project Management	324	
<b>TOTAL DEVELOPMENT</b>	<b>10 306</b>	<b>1 275</b>
Miscellanea	1 485	2 462
<b>TOTAL</b>	<b>11 791</b>	<b>3 737</b>

## 25. TRADE PAYABLES<sup>1</sup>

This account is allocated by segment as follows :

	31-12-2007	31-12-2006
Development :		
- Offices	24 806	19 912
- Residential Development	15 497	6 055
- Land Development	1 606	1 846
- Project Management	269	458
<b>TOTAL DEVELOPMENT</b>	<b>42 178</b>	<b>28 271</b>
Miscellanea	11 684	9 903
<b>TRADE PAYABLES</b>	<b>53 862</b>	<b>38 174</b>

Schedule of the long-term trade payables :

Due in	2009	2010	2011	TOTAL
	8 000	3 000	2 625	13 625

## 26. OTHER CURRENT LIABILITIES<sup>1</sup>

The components of this account are :

	31-12-2007	31-12-2006
Personnel debts	2 048	1 661
Taxes (other than income taxes) and VAT payable	1 151	15 849
Accrued charges and deferred income	880	2 168
Operating subsidies	2 546	1 764
Other <sup>2</sup>	15 347	20 550
<b>TOTAL</b>	<b>21 972</b>	<b>41 992</b>

and are related to the following segments :

Development :		
- Offices	13 785	30 684
- Residential Development	3 383	2 691
- Land Development	1 507	1 455
- Project Management	594	365
<b>TOTAL DEVELOPMENT</b>	<b>19 269</b>	<b>35 195</b>
Miscellanea	2 703	6 797
<b>OTHER CURRENT LIABILITIES</b>	<b>21 972</b>	<b>41 992</b>

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

2. The items recognised under this account are mainly related to the Development segment; it are mainly participating debts on projects in progress and advance payments.

## 27. CHANGE IN WORKING CAPITAL

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

	31-12-2007	31-12-2006
Inventories	1 709	-13 469
Trade receivables	31 271	-369
Trade payables	20 692	6 553
Other current assets and liabilities	-20 618	8 668
<b>CHANGE IN WORKING CAPITAL</b>	<b>33 054</b>	<b>1 383</b>

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

## 28. DISPOSAL OF PARTICIPATING INTERESTS

The disposal of participating interests relate to the companies Crown Avenue (project *Crown Avenue* in Brussels (Ixelles)), Immo Gaucheret (project *Ellipse Building* in Brussels (Schaerbeek)) and Soprima (project *WestSide Village* in Luxembourg).

## 29. CHANGE IN BORROWINGS

	31-12-2007	31-12-2006
New contracted borrowings	29 577	83 512
Repaid loans	-80 296	-77 679
<b>NET OF THE YEAR</b>	<b>-50 719</b>	<b>5 833</b>

## 30. PAID DIVIDENDS

	31-12-2007	
Gross dividend (2.00 EUR per share) related to 2006	-8 244	
Gross interim dividend (7.20 EUR per share) related to 2007	-29 678	
<b>PAID DIVIDENDS</b>	<b>-37 922</b>	

## 31. CASH FLOW FROM DISCONTINUED OPERATIONS

This account relate to the *Campona Shopping Center* in Budapest, of which the property company Campona '99 Kft has been sold in November 2007.

	31-12-2007	31-12-2006
Cash flow from operating activities	48 176	2 249
Cash flow from investing activities	31 163	-1 460
Cash flow from financing activities	-1 654	-1 699
<b>TOTAL</b>	<b>77 685</b>	<b>-910</b>

### 32. 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.).

	31-12-2007	31-12-2006
Contract income recognised under income for the year	17 173	62 812
For ongoing contracts at reporting date :		
- Total accumulated amount of recognised accrued costs and income	2 922	119 029
- Advances received	-2 824	-116 257
- Net amount recorded under trade receivables	294	2 855
- Net amount recorded under trade payables	-196	-83

### 33. MAIN CONTINGENT ASSETS AND LIABILITIES

	31-12-2007	31-12-2006
Guarantees from third parties on behalf of the Group with respect to :		
- inventories	36 003	30 520
- construction contracts	12 030	114 862
- other assets	232	232
<b>TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP</b>	<b>48 265</b>	<b>145 614</b>
These guarantees consist of :		
- guarantees "Real estate trader"	13 286	8 454
- guarantees "Law Breyné"	9 363	10 036
- guarantees "Good end of execution"	23 028	9 878
- guarantees "Refund of advance payments"		114 862
- guarantees "Other"	2 588	2 384
<b>TOTAL</b>	<b>48 265</b>	<b>145 614</b>
Mortgage power - Amount of inscription	85 000	90 720
Book value of Group's assets pledged for debt securities related to :		
- participating interests held by the Group	28 941	54 533
- property and inventory as a whole	153 441	288 470
- receivables		8 296
<b>BOOK VALUE OF PLEDGED GROUP'S ASSETS</b>	<b>182 382</b>	<b>351 299</b>
Amount of debts guaranteed by above securities		
- long-term debts	28 982	97 501
- short-term debts	89 129	118 373
<b>TOTAL</b>	<b>118 111</b>	<b>215 874</b>
Commitments for the acquisition of inventories	12 375	26 400
Commitments for the disposal of inventories	PM	1 358
The commitments from which the value of acquisition or disposal can not be defined, because depending from future events (permit to obtain, number of m <sup>2</sup> to construct ...), are not included.		

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

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

### 34. 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 37.

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 :

	31-12-2007	31-12-2006
Other current assets	1 130	1 051
Other current liabilities	71	314

#### RELATIONSHIPS WITH SHAREHOLDERS

	31-12-2007	31-12-2006
<b>MAIN SHAREHOLDERS :</b>		
JER Europe Fund III 11 S. à r.l.	30.53 %	-
Fidea n.v. and KBC Assurances	5.71 %	5.18 %
Suez - Tractebel	-	30.53 %
Eurodev Holding Corporation, Luxembourg	-	2.79 %
Various registered shareholders	0.01 %	0.20 %
Other	63.75 %	61.30 %
Number of representative capital shares	4 121 934	4 121 934

#### RELATIONSHIPS WITH SENIOR EXECUTIVES

	31-12-2007	31-12-2006
Remuneration amounts allocated to senior executives during the year	1 632	1 512

#### TRANSACTIONS WITH OTHER RELATED PARTIES

	31-12-2007	31-12-2006
These relations mainly consist of fees recorded under other operating expenses	3 223	1 250

### 35. EVENTS SUBSEQUENT TO REPORTING DATE

No significant event that may change the financial statements occurred from the reporting date on 31<sup>st</sup> December 2007 up to 19<sup>th</sup> March 2008 when the financial statements were closed by the Board of Directors.

### 36. JOINT VENTURES

The companies jointly controlled are listed under note 37.

The participating interests of the Group in these companies are reported using the proportionate consolidation method grouping the accounts line by line.

The share of the joint ventures in the consolidated financial statements are detailed as follows :

	31-12-2007	31-12-2006
Total non-current assets	110	751
Total current assets	83 371	133 272
Total non-current liabilities	27 856	1 734
Total current liabilities	75 024	131 170
Total income	20 126	68 051
Total charges	18 021	66 323

### 37. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Companies forming part of the Group as at 31<sup>st</sup> December 2007 :

#### SUBSIDIARIES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST <sup>1</sup>
Compagnie Immobilière de Lotissements (Lotinvest)	0451 565 088	Brussels	100.00
Compagnie Immobilière de Participations Financières (CIPAF)	0454 107 082	Brussels	100.00
Compagnie Immobilière de Wallonie (CIW)	0401 541 990	Flémalle	100.00
Compagnie Immobilière Luxembourgeoise	-	Luxembourg	100.00
Demetex	0435 431 218	Flémalle	100.00
Entreprise et Gestion Immobilières (Egimo)	0403 360 741	Brussels	100.00
Espace Nivelles	0472 279 241	Brussels	100.00
Foncière Jennifer	0464 582 884	Brussels	100.00
Harmonia	0444 218 131	Brussels	99.60
Immobiëlen Vennootschap van Vlaanderen (Investimmo)	0403 342 826	Brussels	100.00
Immobilière Deka	0417 100 196	Brussels	100.00
International Finance & Real Estate (IFR)	-	Luxembourg	100.00
Les Courses	0442 973 165	Brussels	100.00
Les Jardins du Nord	0444 857 737	Brussels	76.00
Progex	0462 629 325	Brussels	100.00
Projectontwikkelingsmaatschappij Immo	0443 551 997	Brussels	100.00
Reforme	0402 973 335	Flémalle	100.00
Société Financière de Participations Industrielles (Sofipari)	0449 032 596	Brussels	100.00

1. The % interest corresponds with the voting rights.

**JOINT VENTURES**

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST <sup>1</sup>
Bella Vita	0890 019 738	Brussels	50.00
Espace Trianon	0450 883 417	Embourg	50.00
Foncière du Parc	0433 168 544	Brussels	50.00
Ilot Ecluse	0441 544 592	Gilly	50.00
Intergénérationnel de Waterloo	0890 182 460	Brussels	50.00
Lex 2000	0403 364 996	Brussels	50.00
Omega 8-10	0892 725 345	Brussels	50.00
RAC Investment Corp. (RACI Corp)	0479 128 827	Antwerp	25.00
Société Espace Léopold	0435 890 977	Brussels	50.00
Universalis Park	0891 775 438	Brussels	50.00
Veldimmo	0430 622 986	Brussels	50.00
Vilpro	0437 858 295	Brussels	50.00
WestSide	-	Luxembourg	50.00

**ASSOCIATES**

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST <sup>1</sup>
Brownfields	0475 562 591	Grimbergen	42.00
Espace Midi	0402 594 342	Brussels	20.00
Esplanade 64	0888 411 419	Brussels	25.00
Immobilière Puvrez	0447 825 739	Brussels	19.97
Infrastructures et Développements Immobiliers (IDIM)	0432 248 925	Brussels	37.47
La Meute <sup>2</sup>	0474 581 408	Brussels	10.24
Palmetto Associates Inc. under liquidation	-	Delaware	100.00
Promotion Léopold	0439 904 896	Brussels	35.50

1. The % interest corresponds with the voting rights.

2. 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.

## CHANGES IN 2007

NAME	REGISTERED OFFICE	% INTEREST <sup>1</sup>
<b>INCOMING COMPANIES</b>		
Bella Vita	Brussels	50.00
Intergénérationnel de Waterloo	Brussels	50.00
Omega 8-10	Brussels	50.00
Universalis Park	Brussels	50.00
WestSide	Luxembourg	50.00
Esplanade 64	Brussels	25.00
<b>OUTGOING COMPANIES</b>		
Campona '99 Kft	Budapest	100.00
Immo Gaucheret	Brussels	50.00
Crown Avenue	Brussels	50.00
Soprima	Luxembourg	50.00

## OTHER CHANGES

Sienn Center - 100 % holding - Liquidation closed.

Immobilière Drève du Garde - 100 % holding - Merged by absorption by Lotinvest.

1. The % interest corresponds with the voting rights

# STATUTORY AUDITOR'S REPORT

## STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

To the shareholders

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

### UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of COMPAGNIE IMMOBILIÈRE DE BELGIQUE SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, 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 420,415 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 50,222 (000) EUR.

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 31 December 2007, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

### ADDITIONAL COMMENT

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

Our responsibility is to include in our report the following additional comment which 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, 7 April 2008

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



JARDINS DE JETTE (BRUSSELS / JETTE) ▲  
- ASSAR

# BALANCE SHEET

(IN THOUSAND EUR)

ASSETS	NOTES	31-12-2007	31-12-2006
<b>FIXED ASSETS</b>		<b>106 451</b>	<b>179 598</b>
ESTABLISHMENT COSTS		17	24
INTANGIBLE FIXED ASSETS		41	61
<b>TANGIBLE FIXED ASSETS</b>		<b>155</b>	<b>800</b>
Plant, machinery and equipment		29	32
Furnitures and vehicles		126	159
Other tangible fixed assets			609
<b>FINANCIAL FIXED ASSETS</b>		<b>106 238</b>	<b>178 713</b>
Associates		90 357	159 376
- Participating interests	1	86 376	125 193
- Amounts receivables	2	3 981	34 183
Other companies linked by participating interests		15 188	18 644
- Participating interests	1	15 188	18 644
Other financial fixed assets		693	693
- Shares	1	682	682
- Amounts receivable and cash guarantees		11	11
<b>CURRENT ASSETS</b>		<b>241 862</b>	<b>217 569</b>
<b>STOCKS AND CONTRACTS IN PROGRESS</b>		<b>74 317</b>	<b>131 075</b>
Stocks	3	74 317	131 075
<b>AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>		<b>53 139</b>	<b>71 200</b>
Trade debtors		2 023	5 644
Other amounts receivable	4	51 116	65 556
<b>SHORT TERM INVESTMENTS</b>		<b>111 468</b>	<b>12 567</b>
Other investments		111 468	12 567
<b>CASH AT BANK AND IN HAND</b>		<b>2 740</b>	<b>2 117</b>
<b>DEFERRED CHARGES AND ACCRUED INCOME</b>		<b>198</b>	<b>610</b>
<b>TOTAL ASSETS</b>		<b>348 313</b>	<b>397 167</b>

LIABILITIES	NOTES	31-12-2007	31-12-2006
<b>SHAREHOLDERS' EQUITY</b>	<b>5</b>	<b>186 329</b>	<b>179 636</b>
<b>CAPITAL</b>		<b>100 285</b>	<b>100 285</b>
Subscribed capital		100 285	100 285
<b>REVALUATION RESERVES</b>			<b>609</b>
<b>RESERVES</b>		<b>10 075</b>	<b>10 151</b>
Legal reserve		10 028	10 028
Untaxed reserves		47	47
Reserves available for distribution			76
<b>ACCUMULATED PROFITS</b>		<b>75 969</b>	<b>68 591</b>
<b>PROVISIONS AND DEFERRED TAXES</b>		<b>8 893</b>	<b>338</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>6</b>	<b>8 893</b>	<b>338</b>
Other liabilities and charges		8 893	338
<b>DEBTS</b>		<b>153 091</b>	<b>217 193</b>
<b>AMOUNTS PAYABLE AFTER ONE YEAR</b>		<b>2 323</b>	<b>72 951</b>
Financial debts	7	2 323	72 951
- Credit institutions		2 323	72 951
<b>AMOUNTS PAYABLE WITHIN ONE YEAR</b>		<b>149 683</b>	<b>142 897</b>
Current portion of amounts payable after one year	7	87 234	74 979
Financial debts	7		625
- Credit institutions			625
Trade debts		12 022	9 663
- Suppliers		12 022	9 663
Advance payments received on contracts in progress		4	4
Amounts payable for taxes, remuneration and social security		1 197	1 225
- Taxes		100	155
- Remuneration and social security		1 097	1 070
Other debts	8	49 226	56 401
<b>ACCRUED CHARGES AND DEFERRED INCOME</b>		<b>1 085</b>	<b>1 345</b>
<b>TOTAL LIABILITIES</b>		<b>348 313</b>	<b>397 167</b>

# INCOME STATEMENT

(IN THOUSAND EUR)

	NOTES	31-12-2007	31-12-2006
<b>OPERATING INCOME</b>		<b>6 058</b>	<b>8 837</b>
Turnover	9	67 654	30 957
Variation in stocks of finished goods, works and contracts in progress (increase +, decrease -)		-65 082	-23 996
Other operating income		3 486	1 876
<b>OPERATING EXPENSES</b>		<b>35 634</b>	<b>12 659</b>
Raw materials, consumables and goods for resale		4 509	864
- Purchases		23 046	69 979
- Variation in stocks (increase -, decrease +)		-18 537	-69 115
Services and other goods		14 979	7 237
Remunerations, social security costs and pensions		2 846	2 576
Depreciation and impairment of establishment costs, tangible and intangible fixed assets		89	190
Write-offs on stocks, contracts in progress and trade debtors (increase +, use and decrease -)	10	3 137	552
Provisions for liabilities and charges (increase +, use and decrease -)	11	7 860	-1 268
Other operating charges		2 214	2 508
<b>OPERATING RESULT</b>		<b>-29 576</b>	<b>-3 822</b>
<b>FINANCIAL INCOME</b>		<b>43 779</b>	<b>7 675</b>
Income from financial fixed assets		39 729	5 516
Income from current assets		3 941	2 115
Other financial income		109	44
<b>FINANCIAL CHARGES</b>		<b>8 371</b>	<b>7 085</b>
Interest and other debt charges		7 187	6 711
Other financial charges		1 184	374
<b>FINANCIAL RESULT</b>	<b>12</b>	<b>35 408</b>	<b>590</b>
<b>CURRENT PROFIT BEFORE TAXES</b>		<b>5 832</b>	<b>-3 232</b>
<b>EXTRAORDINARY INCOME</b>		<b>76 536</b>	<b>14 489</b>
Reversal of impairment of financial fixed assets		15 136	14 284
Gain on disposal of fixed assets		61 400	205
<b>EXTRAORDINARY CHARGES</b>		<b>25 603</b>	<b>989</b>
Impairment of financial fixed assets		25 480	910
Loss on disposal of fixed assets		123	79
<b>EXTRAORDINARY RESULT</b>	<b>13</b>	<b>50 933</b>	<b>13 500</b>
<b>PROFIT FOR THE YEAR BEFORE TAXES</b>		<b>56 765</b>	<b>10 268</b>
<b>INCOME TAXES</b>			<b>-76</b>
Income taxes			-85
Adjustment of income taxes and release of tax provisions			9
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>56 765</b>	<b>10 192</b>
Transfer to untaxed reserves			-1
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR APPROPRIATION</b>		<b>56 765</b>	<b>10 192</b>

# APPROPRIATION OF THE RESULTS

(IN THOUSAND EUR)

	31-12-2007	31-12-2006
<b>PROFIT TO BE APPROPRIATED</b>	<b>125 356</b>	<b>76 759</b>
Profit for the financial year available for appropriation	56 765	10 191
Profit carried forward	68 591	66 568
<b>DRAWINGS ON EQUITY</b>	<b>76</b>	<b>76</b>
On the available reserve	76	76
<b>RESULT TO BE CARRIED FORWARD</b>	<b>75 969</b>	<b>68 591</b>
Profit to be carried forward	75 969	68 591
<b>PROFIT AVAILABLE FOR DISTRIBUTION</b>	<b>49 463</b>	<b>8 244</b>
Dividends	49 463	8 244

# NOTES TO THE COMPANY ACCOUNTS

(IN THOUSAND EUR)

## NOTE 1. FINANCIAL ASSETS - PARTICIPATING INTERESTS IN ASSOCIATES

The participating interests in associates amount to 102,246 KEUR compared to 144,519 KEUR at 31<sup>st</sup> December 2006, a decrease of 42,273 KEUR due to the following movements :

	31-12-2007	
Acquisitions / Increases	17 600	
Disposals / Decreases	-49 529	
Written back impairment losses	15 136	
Recorded impairment losses	-25 480	
	<b>-42 273</b>	

## NOTE 2. AMOUNTS RECEIVABLE FROM ASSOCIATES

The breakdown of this account per sector is as follows :

	31-12-2007	31-12-2006
Development - Offices	3 981	15 540
Property		18 643
	<b>3 981</b>	<b>34 183</b>

The decrease in this account of 30,202 KEUR is due to the following movements :

New advances granted	4 939	
Repayment of advances	-35 141	
	<b>-30 202</b>	

## NOTE 3. STOCKS

The inventories amount to 74,317 KEUR compared to 131,075 KEUR at 31<sup>st</sup> December 2006, a decrease of 56,758 KEUR.

The constituents of this increase are as follows :

	31-12-2007	
Acquisitions	18 539	
Disposals	-65 082	
Transfers	-7 170	
Recorded impairment losses	-3 045	
	<b>-56 758</b>	

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

The main constituents of this account are as follows :

	31-12-2007	31-12-2006
Advances to subsidiaries	47 675	60 985
Other amounts receivable	3 441	4 571
	<b>51 116</b>	<b>65 556</b>

#### NOTE 5. SHAREHOLDERS' EQUITY

The shareholders' equity amounts to 186,329 KEUR. The increase of 6,693 KEUR compared with the previous year results from the following movements :

	31-12-2007	
Result of the period	56 765	
Interim dividend paid in September 2007	-29 678	
Final dividend to be paid in May 2008	-19 785	
Decrease of the revaluation reserves	-609	
	<b>6 693</b>	

#### NOTE 6. PROVISIONS FOR LIABILITIES AND CHARGES

The components of provisions are as follows :

	31-12-2007	31-12-2006
Provisions related to the sales	3 057	338
Other provisions	5 836	
<b>TOTAL PROVISIONS</b>	<b>8 893</b>	<b>338</b>
<b>PROVISIONS AS AT 1<sup>ST</sup> JANUARY</b>	<b>338</b>	
Allocations (operating result)	8 198	
Allocations (financial result)	695	
Utilisations	-338	
<b>CHANGES FOR THE YEAR</b>	<b>8 555</b>	
<b>PROVISIONS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>8 893</b>	

#### NOTE 7. FINANCIAL DEBTS

The financial debts are as follows :

	31-12-2007	31-12-2006
Long-term financial debts	2 323	72 951
Short-term financial debts	87 234	75 604
<b>TOTAL FINANCIAL DEBTS</b>	<b>89 557</b>	<b>148 555</b>

Financial debts evolve as follows :

<b>LONG-TERM FINANCIAL DEBTS AS AT 1<sup>ST</sup> JANUARY</b>	<b>72 951</b>	
Contracted debts	372	
Repaid debts	-3 800	
Debts transferred to short term	-67 200	
<b>LONG-TERM FINANCIAL DEBTS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>2 323</b>	
<b>SHORT-TERM FINANCIAL DEBTS AS AT 1<sup>ST</sup> JANUARY</b>	<b>75 604</b>	
Contracted debts	4 506	
Repaid debts	-60 076	
Debts transferred from long term	67 200	
<b>SHORT-TERM FINANCIAL DEBTS AS AT 31<sup>ST</sup> DECEMBER</b>	<b>87 234</b>	

#### NOTE 8. AMOUNTS PAYABLE WITHIN ONE YEAR - OTHER DEBTS

The main constituents of this account are as follows :

	31-12-2007	31-12-2006
Advances from subsidiaries	25 945	38 667
Various other debts	3 496	9 490
Proposed dividends	19 785	8 244
	<b>49 226</b>	<b>56 401</b>

#### NOTE 9. TURNOVER

The constituents of the turnover evolve as follows :

	31-12-2007	31-12-2006
Sales Development - Offices	54 735	10 335
Sales Development - Residential Development	11 738	19 347
Other	1 181	1 275
	<b>67 654</b>	<b>30 957</b>

#### NOTE 10. WRITE-OFFS ON STOCKS AND TRADE DEBTORS

Constituents of this account :

	31-12-2007	31-12-2006
Write-offs on stocks	3 045	581
Write-offs on trade debtors	92	-29
	<b>3 137</b>	<b>552</b>

#### NOTE 11. PROVISIONS FOR LIABILITIES AND CHARGES

Main components of provisions :

	31-12-2007	31-12-2006
Provisions related to the sales	2 024	-1 268
Other provisions	5 836	
<b>TOTAL PROVISIONS</b>	<b>7 860</b>	<b>-1 268</b>

#### NOTE 12. FINANCIAL RESULT

The breakdown of financial result is as follows :

	31-12-2007	31-12-2006
Gross dividends from participations	38 770	3 709
Interest on loans	959	1 807
Net interest on advances to / from subsidiaries	1 872	1 181
Interest on long-term debt	-5 852	-6 022
Provisions related to the sales	-695	
Other income / charges from cash management	354	-85
	<b>35 408</b>	<b>590</b>

#### NOTE 13. EXTRAORDINARY RESULT

The breakdown of extraordinary result is as follows :

	31-12-2007	31-12-2006
Capital gain on disposal of participations <sup>1</sup>	61 277	117
Impairment losses of participations	-10 344	13 374
Merger goodwill and other		9
	<b>50 933</b>	<b>13 500</b>

1. These gains mainly relate the disposals of participating interests in the companies Crown Avenue, Immo Gaucheret and Campona '99 Kft.

# CASH FLOW STATEMENT

(IN THOUSAND EUR)

+ CASH IN, - CASH OUT	2003	2004	2005	2006	2007	NOTES
<b>CASH FLOW</b>	<b>33 356</b>	<b>-1 195</b>	<b>9 089</b>	<b>-3 708</b>	<b>78 891</b>	<b>1</b>
<b>CHANGE IN WORKING CAPITAL REQUIREMENT</b>						
Stocks and contracts in progress	-7 449	1 891	422	-45 108	53 713	
Amounts receivable within one year	-6 611	-4 102	11 182	-14 482	17 969	
Other balance sheet items	-8 659	-17 882	-10 915	16 036	-16 231	
Merger impact			-4 549			
<b>TOTAL CHANGE IN WORKING CAPITAL REQUIREMENT</b>	<b>-22 719</b>	<b>-20 093</b>	<b>-3 860</b>	<b>-43 554</b>	<b>55 451</b>	<b>2</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>10 637</b>	<b>-21 288</b>	<b>5 229</b>	<b>-47 262</b>	<b>134 342</b>	
<b>INVESTMENTS</b>						
Tangible and intangible fixed assets	-326	-86	-170	-172	-27	
Financial fixed assets – shares		-2 269	-39	-2 197	-17 600	3
Financial fixed assets – amounts receivable	-2 897	-8 304	-953	-1 446	-3 981	4
<b>TOTAL INVESTMENTS</b>	<b>-3 223</b>	<b>-10 659</b>	<b>-1 162</b>	<b>-3 815</b>	<b>-21 608</b>	
<b>DISPOSALS</b>						
Tangible and intangible fixed assets	7 135			10		
Financial fixed assets – shares	12 402	1 118	5 666	1 648	49 529	3
Financial fixed assets – amounts receivable	1 836	27 474	254	7 556	34 181	4
<b>TOTAL DISPOSALS</b>	<b>21 373</b>	<b>28 592</b>	<b>5 920</b>	<b>9 214</b>	<b>83 710</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>18 150</b>	<b>17 933</b>	<b>4 758</b>	<b>5 399</b>	<b>62 102</b>	
<b>FINANCING ACTIVITIES</b>						
Repayments of capital	-40 565					
New long-term debts	70 000	3 026	70 000	37 999	372	
Repayment of long-term debt	-16 452	-85 000	-4 895	-54 945	-71 000	5
Paid dividends				-6 183	-37 922	6
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>12 983</b>	<b>-81 974</b>	<b>65 105</b>	<b>-23 129</b>	<b>-108 550</b>	
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>41 770</b>	<b>-85 329</b>	<b>75 092</b>	<b>-64 992</b>	<b>87 894</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>-27 461</b>	<b>14 309</b>	<b>-71 020</b>	<b>4 072</b>	<b>-60 920</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>14 309</b>	<b>-71 020</b>	<b>4 072</b>	<b>-60 920</b>	<b>26 974</b>	

# 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
31-12-2007	56 765	89	8 555	13 482	78 891
31-12-2006	10 192	190	-1 268	-12 822	-3 708

## NOTE 2. CHANGE IN WORKING CAPITAL REQUIREMENT

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

Stocks	53 713
Net Change in advances to / from subsidiaries	588
Other movements	1 150
<b>CHANGE IN WORKING CAPITAL REQUIREMENT</b>	<b>55 451</b>

## NOTE 3. INVESTMENTS / DISPOSALS - FINANCIAL ASSETS SHARES

The investments relate to the subsidiaries Bella Vita, Omega 8-10, RAC Investment Corp, Universalis Park and Esplanade 64.

The disposals mainly relate to the disposal of the subsidiaries Campona '99 Kft, Crown Avenue and Immo Gaucheret and the repayment of the capital of Egimo.

## NOTE 4. INVESTMENTS / DISPOSALS - FINANCIAL ASSETS AMOUNTS RECEIVABLE

The net movement of these accounts, 30,202 KEUR, refer to the followings sectors :

Development - Offices	11 559
Property	18 643
	<b>30 202</b>

## NOTE 5. REPAYMENTS LONG-TERM DEBTS

Repayments during the year	-3 800
Transfer to the "Amounts payable within one year" due in 2008	-67 200
	<b>-71 000</b>

## NOTE 6. PAID DIVIDENDS

Gross dividend (2.00 EUR per share) related to 2006	-8 244
Intermediate gross dividend (7.20 EUR per share) related to 2007	-29 678
	<b>-37 922</b>

# SUPPLEMENTARY NOTES TO THE COMPANY ACCOUNTS

(IN THOUSAND EUR)

STATEMENT OF ESTABLISHMENT COSTS	
Net book value at end of previous year	24
Movements during the year :	
- Depreciation charges	-7
<b>NET BOOK VALUE AT YEAR END</b>	<b>17</b>

STATEMENT OF INTANGIBLE ASSETS		CONCESSIONS, PATENTS, LICENCES ETC.
<b>ACQUISITION COSTS</b>		
<b>AT END OF PREVIOUS YEAR</b>		<b>577</b>
Movements during the year :		
- Acquisitions including capitalised production	7	
- Sales and disposals	-27	
Total movements during the year	-20	
<b>AT YEAR END</b>		<b>557</b>
<b>DEPRECIATIONS AND IMPAIRMENTS</b>		
<b>AT END OF PREVIOUS YEAR</b>		<b>516</b>
Movements during the year :		
- Recorded	27	
- Cancelled after disposals and retirements	-27	
Total movements during the year		
<b>AT YEAR END</b>		<b>516</b>
<b>NET BOOK VALUE</b>		
<b>AT END OF PREVIOUS YEAR</b>		<b>61</b>
<b>AT YEAR END</b>		<b>41</b>

<b>STATEMENT OF TANGIBLE ASSETS</b>	<b>PLANT, MACHINERY AND EQUIPMENT</b>	<b>FURNITURE AND VEHICLES</b>	<b>OTHER TANGIBLE FIXED ASSETS</b>
<b>ACQUISITION COSTS</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>51</b>	<b>1 297</b>	<b>2 466</b>
Movements during the year :			
- Acquisitions including capitalised production	1	22	
- Sales and disposals		-27	-2 232
Total movements during the year	1	-5	-2 232
<b>AT YEAR END</b>	<b>52</b>	<b>1 292</b>	<b>234</b>
<b>CAPITAL GAINS</b>			
<b>AT END OF PREVIOUS YEAR</b>			<b>761</b>
Movements during the year :			
- Cancelled			-761
Total movements during the year			-761
<b>AT YEAR END</b>			
<b>DEPRECIATIONS AND IMPAIRMENTS</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>18</b>	<b>1 139</b>	<b>2 618</b>
Movements during the year :			
- Recorded	5	50	
- Cancelled after disposals and retirements		-23	-2 384
Total movements during the year	5	27	-2 384
<b>AT YEAR END</b>	<b>23</b>	<b>1 166</b>	<b>234</b>
<b>NET BOOK VALUE</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>33</b>	<b>158</b>	<b>609</b>
<b>AT YEAR END</b>	<b>29</b>	<b>126</b>	

<b>STATEMENT OF FINANCIAL ASSETS</b>	<b>SUBSIDIARIES</b>	<b>ASSOCIATES</b>	<b>OTHER COMPANIES</b>
<b>PARTICIPATING INTERESTS AND SHARES</b>			
<b>ACQUISITION COSTS</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>161 019</b>	<b>19 088</b>	<b>683</b>
Movements during the year			
- Acquisitions	16 344	30	
- Sales and disposals	-48 301		
Total movements during the year	-31 957	30	
<b>AT YEAR END</b>	<b>129 062</b>	<b>19 118</b>	<b>683</b>
<b>IMPAIRMENTS</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>34 106</b>	<b>444</b>	<b>1</b>
- Recorded	21 994	3 486	
- Written back because in excess	-15 136		
Total movements during the year	6 858	3 486	
<b>AT YEAR END</b>	<b>40 964</b>	<b>3 930</b>	<b>1</b>
<b>NON CALLED AMOUNTS</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>1 722</b>		
Total movements during the year			
<b>AT YEAR END</b>	<b>1 722</b>		
<b>NET BOOK VALUE</b>			
<b>AT END OF PREVIOUS YEAR</b>	<b>125 191</b>	<b>18 644</b>	<b>682</b>
<b>AT YEAR END</b>	<b>86 376</b>	<b>15 188</b>	<b>682</b>
<b>AMOUNTS RECEIVABLE</b>			
<b>NET BOOK VALUE AT END OF PREVIOUS YEAR</b>	<b>34 183</b>		<b>11</b>
Movements during the year			
- Additions	4 939		
- Repayments	-35 141		
Total movements during the year	-30 202		
<b>NET BOOK VALUE AT YEAR END</b>	<b>3 981</b>		<b>11</b>

**PARTICIPATING INTERESTS AND OTHER RIGHTS HELD IN OTHER COMPANIES**

COMPANY NAME AND HEADQUARTERS	SHARES HELD					ANNUAL ACCOUNTS DATED	CURRENCY	INFORMATION FROM MOST RECENT AVAILABLE ANNUAL ACCOUNTS	
	COMPANY NUMBER	NUMBER	DIRECTLY (%)	BY SUBSIDIARIES (%)	EQUITY			NET RESULT	
Bella Vita Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0890 019 738	2 284	49.91 %	0.09 %	-	-	-	-	
Compagnie Immobilière de Lotissements Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0451 565 088	699 999	99.99 %	0.01 %	31-12-2006	EUR	5 590	2 878	
Compagnie Immobilière de Participations Financières Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0454 107 082	250 111	99.99 %	0.01 %	31-12-2006	EUR	1 986	218	
Compagnie Immobilière de Wallonie Rue des Moissons 10, 4400 Flémalle	0401 541 990	25 461	99.99 %	0.01 %	31-12-2006	EUR	6 819	-286	
EGLB Beteiligungs GmbH Fasanenstrasse 63, 10719 Berlin, Germany	-	4 700	5.22 %	9.22 %	31-12-2006	EUR	135	-8	
Entreprise et Gestion Immobilières Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0403 360 741	95 999	99.99 %	0.01 %	31-12-2006	EUR	6 013	7 895	
Espace Midi Avenue des Communautés 100, 1200 Woluwe-Saint-Lambert	0402 594 342	6 304	20.00 %	-	31-12-2006	EUR	12 237	320	
Espace Nivelles Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0472 279 241	10	1.05 %	98.95 %	31-12-2006	EUR	950	9	
Esplanade 64 Rue Godecharle 15-17, 1080 Brussels	0888 411 419	300	5.00 %	40.00 %	-	-	-	-	
Foncière du Parc Avenue Brugmann 27, 1060 Brussels	0433 168 544	329 385	50.00 %	-	31-12-2006	EUR	5 418	209	
Foncière Jennifer Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0464 582 884	103	99.99 %	0.01 %	31-12-2006	EUR	2 525	-6	
Harmonia Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0444 218 131	24 900	99.60 %	-	31-12-2006	EUR	478	-85	
Immobiëliën Vennootschap van Vlaanderen Avenue J. Dubrucq 177, 1080 Brussels	0403 342 826	1 262 591	99.99 %	-	31-12-2006	EUR	23 552	823	
Immobilière Deka Avenue J. Dubrucq 175, 1080 Brussels	0417 100 196	130 391	99.99 %	0.01 %	31-12-2006	EUR	4 383	-131	
Immobilière Puvrez Avenue des Communautés 100, 1200 Woluwe-Saint-Lambert	0447 825 739	132	19.97 %	-	31-12-2006	EUR	621	315	

PARTICIPATING INTERESTS AND OTHER RIGHTS HELD IN OTHER COMPANIES (CONTINUATION)									
COMPANY NAME AND HEADQUARTERS	SHARES HELD					ANNUAL ACCOUNTS DATED	CURRENCY	INFORMATION FROM MOST RECENT AVAILABLE ANNUAL ACCOUNTS	
	COMPANY NUMBER	NUMBER	DIRECTLY (%)	By SUBSIDIARIES (%)	EQUITY			NET RESULT	
Infrastructures et Développements Immobiliers Avenue de Tervueren 72, 1040 Brussels	0432 248 925	1 424	37.47 %	-	31-12-2006	EUR	10 111	15	
International Finance & Real Estate Rue Jean-Pierre Brasseur 6, 1258 Luxembourg Grand Duchy of Luxembourg	-	2 499	99.99 %	0.01 %	31-12-2006	EUR	196	12	
La Meute Avenue Reine Astrid 92, 1310 La Hulpe	0474 581 408	253	11.50 %	-	31-12-2006	EUR	1 948	-58	
Les Courses Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0442 973 165	100 849	99.99 %	0.01 %	31-12-2006	EUR	2 768	1 506	
Les Jardins du Nord Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0444 857 737	228	76.00 %	-	31-12-2006	EUR	125	225	
Lex 2000 Boulevard Pachéco 44, 1000 Brussels	0403 364 996	97 579	50.00 %	-	31-12-2006	EUR	14 875	48 998	
Omega 8-10 Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0892 725 345	4 230	50.00 %	-	-	-	-	-	
Palmetto Associates Inc. Prentice Hall, 2711 Centerville Road Wilmington, Delaware, USA	-	16 030	100.00 %	-	14-02-2007	USD	1 990	-3	
Progex Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0462 629 325	34 113	99.99 %	0.01 %	31-12-2006	EUR	583	23	
Promotion Léopold Rue Godecharle 15-17, 1050 Brussels	0439 904 896	382 800	33.00 %	5.00 %	31-12-2006	EUR	30 521	4 131	
RAC Investment Corp. Van Eycklei 1 Box 6, 2018 Antwerp	0479 128 827	25	25.00 %	-	31-12-2006	EUR	5 280	-973	
Société Espace Léopold Rue Godecharle 15-17, 1050 Brussels	0435 890 977	10 000	50.00 %	-	31-12-2006	EUR	8 037	455	
Société Financière de Participations Industrielles Avenue J. Dubrucq 175, 1080 Brussels	0449 032 596	41 974	99.99 %	0.01 %	31-12-2006	EUR	10 353	1 061	
Universalis Park Avenue J. Dubrucq 175 Box 1, 1080 Brussels	0891 775 438	50	50.00 %	-	-	-	-	-	
Veldimmo Chaussée de la Hulpe 130 Box 2, 1000 Brussels	0430 622 986	1 300	50.00 %	-	31-12-2006	EUR	226	-102	

<b>SHORT TERM INVESTMENTS : OTHER INVESTMENTS</b>	<b>REPORT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>TERM DEPOSITS HELD WITH CREDIT INSTITUTIONS</b>	<b>111 468</b>	<b>12 567</b>
With a remaining period to run or a period of notice :		
- Of less than or equal to one month	111 468	12 567

<b>DEFERRED CHARGES AND ACCRUED INCOME</b>	<b>REPORT YEAR</b>	
<b>BREAKDOWN OF THE ACCOUNT 490/1 IF IT REPRESENTS A SIGNIFICANT AMOUNT</b>		
Deferred charges	169	
Accrued income	29	

<b>STATEMENT OF CAPITAL</b>	<b>AMOUNTS</b>	<b>NUMBER OF SHARES</b>
<b>SHARE CAPITAL</b>		
<b>ISSUED CAPITAL</b>		
At end of previous year	100 285	
At year end	100 285	
<b>BREAKDOWN OF THE CAPITAL</b>		
Categories of shares		
- Ordinary shares without par value	100 285	4 121 934
Registered shares and bearer shares		
- Registered		1 402 038
- Bearer		2 719 896
<b>AUTHORIZED NON SUBSCRIBED CAPITAL</b>	<b>50 000</b>	
<b>SHAREHOLDING STRUCTURE</b>		
<b>NUMBER OF RESPECTIVE SHARES ISSUED BY THE COMPANY</b>		<b>4 121 934</b>
<b>KNOWN SHAREHOLDERS</b>		
- JER Europe Fund III S.à r.l.		1 258 565
- Fidea and KBC Assurances		235 444
- Various registered shareholders		210
<b>TOTAL OF KNOWN SHAREHOLDERS</b>		<b>1 494 219</b>

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>REPORT YEAR</b>	
<b>BREAKDOWN OF THE ACCOUNT 163/5 OF LIABILITIES IF IT REPRESENTS A SIGNIFICANT AMOUNT</b>		
Provisions for given guarantees	1 696	
Provisions for litigations	255	
Provisions for commitments and contractual obligations	720	
Other provisions	5 744	

<b>STATEMENT OF AMOUNTS PAYABLE</b>		
<b>BREAKDOWN OF AMOUNTS PAYABLE AFTER ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM</b>	<b>AMOUNTS PAYABLE WITHIN ONE YEAR</b>	<b>AMOUNTS PAYABLE BETWEEN ONE AND FIVE YEARS</b>
<b>FINANCIAL DEBTS</b>	<b>87 234</b>	<b>2 323</b>
Unsubordinated debentures	34	
Credit institutions	87 200	2 323
<b>TOTAL</b>	<b>87 234</b>	<b>2 323</b>
	<b>DEBTS (OR PART OF DEBTS) GUARANTEED BY REAL SURETIES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY ON ITS OWN ASSETS</b>	
<b>AMOUNTS PAYABLE GUARANTEED</b>		
<b>FINANCIAL DEBTS</b>		<b>89 523</b>
Credit institutions		89 523
<b>TOTAL</b>		<b>89 523</b>
<b>AMOUNTS PAYABLE FOR TAXES, REMUNERATIONS AND SOCIAL SECURITY</b>		<b>REPORT YEAR</b>
Taxes		
- Non-expired taxes payable		100
Remunerations and social security		
- Other amounts relating to remunerations and social security		1 097
<b>ACCRUED CHARGES AND DEFERRED INCOME</b>		<b>REPORT YEAR</b>
Charges to be accrued		355
Deferred income		111
Conversion differences		620

<b>OPERATING RESULTS</b>	<b>REPORT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>OPERATING INCOME</b>		
<b>TURNOVER</b>		
Allocation by sector of activity :		
- Real Estate development	66 117	29 684
- Service fees	899	647
- Rent	638	626
<b>NUMBER OF PERSONNEL ON THE PAYROLL</b>		
Total number at the closing date	23	27
Average number of personnel in full-time equivalents	24.2	27.6
Number of actual working hours	44 126	52 058
<b>PERSONNEL CHARGES</b>		
Remunerations, salaries and direct benefits	1 911	1 773
Employer's contributions for social security	584	515
Employer's premiums for extra-statutory insurance	268	239
Other personnel charges	79	44
Pensions	4	5
<b>PROVISIONS FOR PENSIONS</b>		
Allocations (use and release)	479	
<b>WRITE-OFFS</b>		
Stocks and contracts in progress		
- Recorded	3 077	625
- Released		-44
Trade debtors		
- Recorded	60	20
- Released		-49
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
New provisions	8 134	18
Use and release	-274	-1 286
<b>OTHER OPERATING CHARGES</b>		
Taxes related to operations	1 800	1 922
Other	414	586
<b>TEMPORARY PERSONNEL AND PERSONS PLACED AT THE DISPOSAL OF THE COMPANY</b>		
Total number at the closing date	1	1
Average number of persons in full-time equivalents	2.0	0.3
Number of hours actually worked	3 559	569
Charges to the company	146	12

FINANCIAL RESULTS	REPORT YEAR	PREVIOUS YEAR
<b>OTHER FINANCIAL INCOME</b>		
Currency exchange and conversion differences	36	2
Other	72	93
<b>OTHER FINANCIAL CHARGES</b>		
Exchange differences	3	1
Other commissions and bank charges	638	601

INCOME TAXES	REPORT YEAR
<b>INCOME TAXES FOR THE CURRENT YEAR</b>	
Tax and withholding taxes due or paid	32
Excedent of tax payments or activated withholding taxes	-32
<b>MAIN REASONS FOR DISCREPANCIES BETWEEN THE PROFIT BEFORE TAXES AND THE ESTIMATED TAXABLE PROFIT</b>	
Non deductible expenses, taxable provisions and changes in reserves	44 364
Write back of impairment losses and more-values on financial assets	-74 282
Income already taxed	-27 469
Detaxation of taxed provisions and excess depreciation	622
<b>SOURCES OF DEFERRED TAXES</b>	
<b>DEFERRED TAX ASSETS</b>	<b>24 534</b>
Accumulated tax losses deductible from later taxable profits	3 115
Income already taxed non allocated and to carry over	10 757
Notional interest deduction	1 666
Excess depreciation to detax	86
Taxed provisions to detax	7 388
Revaluation more-values and taxed impairment losses	1 522

VALUE ADDED TAXES AND TAXES BORNE BY THIRD PARTIES	REPORT YEAR	PREVIOUS YEAR
<b>VAT CHARGED DURING THE YEAR</b>		
To the company (deductible)	10 418	874
By the company	10 817	797
<b>AMOUNTS RETAINED ON BEHALF OF THIRD PARTIES FOR :</b>		
Withholding taxes on payroll	832	780
Withholding taxes on investment income	5 906	1 012

<b>RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET</b>	
<b>PERSONAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR THE DEBTS OR COMMITMENTS OF THIRD PARTIES</b>	<b>30 658</b>
Maximum amount up to which other commitments by third parties are guaranteed by the company	30 658
<b>REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY ON ITS OWN ASSETS</b>	<b>AS SECURITY FOR THE DEBTS OR COMMITMENTS OF THE COMPANY</b>
Mortgages :	
- Book value of mortgaged real properties	43 403
- Amount of mortgage	35
Pledges on other assets :	
- Book value of pledged assets	25 036
Important commitments acquiring assets :	
- Commitment acquiring real estate properties	3 900
Important litigations and other significant commitments :	
- Third-party providers of guarantees on behalf of the company	40 264
<b>SUPPLEMENTARY PENSION SCHEME</b>	
A group insurance policy has been taken out with an insurance company with the object of providing the following benefits, in addition to statutory pension rights :	
- old age insurance, to provide an extra pension at the age of 65,	
- insurance in case of death before reaching the age of retirement.	
This group insurance is paid for by obligatory contributions from the insured, and by a contribution from the Company.	

RELATIONS WITH ASSOCIATES AND COMPANIES LINKED BY PARTICIPATING INTERESTS				
	ASSOCIATES		COMPANIES WITH PARTICIPATING INTERESTS	
	REPORT YEAR	PREVIOUS YEAR	REPORT YEAR	PREVIOUS YEAR
<b>FINANCIAL FIXED ASSETS</b>	<b>90 357</b>	<b>159 736</b>	<b>15 188</b>	<b>18 644</b>
Participations	86 376	125 193	15 188	18 644
Amounts receivable : subordinated		15 540		
Amounts receivable : other	3 981	18 643		
<b>AMOUNTS RECEIVABLE</b>	<b>46 665</b>	<b>60 458</b>	<b>1 035</b>	<b>1 097</b>
Within one year	46 665	60 458	1 035	1 097
<b>AMOUNTS PAYABLE</b>	<b>25 874</b>	<b>37 813</b>	<b>71</b>	<b>868</b>
Within one year	25 874	37 813	71	868
<b>PERSONAL AND REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR THE DEBTS OR COMMITMENTS OF ASSOCIATES</b>	<b>30 658</b>	<b>54 077</b>		
<b>PERSONAL AND REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR THE DEBTS OR COMMITMENTS OF THE COMPANY</b>	<b>13 320</b>	<b>18 807</b>		
<b>FINANCIAL RESULTS</b>				
Income from financial fixed assets	37 679	5 406		
Income from current assets	3 050	1 731		
Debt charges	1 211	566		

FINANCIAL RELATIONS WITH	REPORT YEAR
<b>DIRECTORS AND MANAGERS</b>	
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	160
- To the former Directors and Managers	259
<b>THE AUDITOR AND HIS RELATED PARTIES</b>	
Statutory audit fees	34
Fees for extraordinary missions performed by the auditor	18
- Other audit missions	6
- Other missions outside the audit mission	12
Fees for extraordinary missions performed by people in relationship with the auditor	89
- Tax consulting	74
- Other missions outside the audit mission	15

#### DECLARATION CONCERNING THE CONSOLIDATED ACCOUNTS

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

# SOCIAL REPORT

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

010-0102636-66

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

100.00 - 218.00

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
<b>PERSONNEL ON THE PAYROLL</b>				
<b>DURING THE FINANCIAL YEAR AND DURING THE PREVIOUS FINANCIAL YEAR</b>				
Average number of employees	23.8	0.7	24.2 (FTE)	27.6 (FTE)
Number of hours actually worked	43 103	1 023	44 126 (T)	52 058 (T)
Personnel costs (in thousand EUR)	2 776	66	2 841 (T)	2 572 (T)
Amount of benefits in addition to wages (in thousand EUR)			24 (T)	27 (T)
<b>AS AT THE CLOSING DATE OF THE FINANCIAL YEAR</b>				
Number of personnel on the payroll	23		23.0	
Breakdown by type of employment contract				
- Contract of unlimited duration	23		23.0	
Breakdown by sex				
- Men	15		15.0	
- Women	8		8.0	
Breakdown by professional category				
- Employees	23		23.0	
<b>TEMPORARY PERSONNEL AND PERSONS PLACED AT THE DISPOSAL OF THE COMPANY</b>				<b>TEMPORARY PERSONNEL</b>
<b>DURING THE CURRENT YEAR</b>				
Average number of people employed				2.0
Number of hours actually worked				3 559
Charges to the company (in thousand EUR)				146

<b>LIST OF PERSONNEL MOVEMENTS DURING THE FINANCIAL YEAR</b>			
	<b>FULL TIME</b>	<b>PART TIME</b>	<b>TOTAL IN FULL-TIME EQUIVALENTS</b>
<b>JOINING</b>			
<b>NUMBER OF EMPLOYED PERSONS RECORDED ON THE PAYROLL DURING THE FINANCIAL YEAR</b>	<b>3</b>		<b>3.0</b>
<b>BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT</b>			
Contract of limited duration	3		3.0
<b>BREAKDOWN BY SEX AND LEVEL OF EDUCATION</b>			
Men : secondary	1		1.0
superior non-university	1		1.0
Women : secondary	1		1.0
<b>LEAVING</b>			
<b>NUMBER OF EMPLOYEES WHOSE CONTRACT END WAS RECORDED IN THE PERSONNEL REGISTER DURING THE FINANCIAL YEAR</b>	<b>6</b>	<b>1</b>	<b>6.7</b>
<b>BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT</b>			
Contract of unlimited duration	3	1	3.7
Contract of limited duration	3		3.0
<b>BREAKDOWN BY SEX AND LEVEL OF EDUCATION</b>			
Men : secondary	3		3.0
Women : secondary	3	1	3.7
<b>BREAKDOWN BY REASON FOR TERMINATION OF CONTRACT</b>			
Pension	1		1.0
Early retirement	1		1.0
Dismissal	2	1	2.7
Other reason	2		2.0

## 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	
<b>MEASURES INCLUDING A FINANCIAL INCENTIVE</b>			
Structural reduction in social security contributions	28	27.7	66
<b>NUMBER OF EMPLOYEES AFFECTED BY ONE OR MORE MEASURES IN FAVOUR OF EMPLOYMENT</b>			
Total for the financial year	28	27.7	
Total for the previous financial year	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	90	5
Women	2	32	3

# ACCOUNTING PRINCIPLES

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

## ASSETS

### 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 30<sup>th</sup> January 2001, the acquisition cost of tangible assets may include interest charges relating to the capital borrowed to finance these assets, but only on condition that such interest relates to the period preceding the effective commissioning of the assets.

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

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

### 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 cur-

rency 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 30<sup>th</sup> 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 30<sup>th</sup> January 2001, the cost of orders in progress may include the interest charges relating to the capital borrowed to finance the orders, on condition that such interest relates to stocks or orders whose normal production or completion period exceeds one year and that it covers the normal period of production.

| On any contract for which the cost of the supplies and services – plus estimated amounts for those still to be supplied or rendered – exceeds the net sales price of such services at the end of the financial year, an adjustment in value is made at least equal to this difference. Adjustments in value may also be made to take account of technical, political and monetary problems known at the time of valuation.

#### **ACQUISITIONS AND DISPOSALS OF PROPERTIES**

The sales and the purchases of properties are recorded at the signature of the notarial act in so far as the eventual conditions precedents are lifted and a clause of deferred property transfer is foreseen in the compromise under private signature. In case of absence of this clause, the recording will take place at the date of the compromise under private signature.

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

#### **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 30<sup>th</sup> 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 REPORTS

## STATUTORY AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 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 and information.

### UNQUALIFIED AUDIT OPINION ON THE FINANCIAL STATEMENTS

We have audited the financial statements of COMPAGNIE IMMOBILIERE DE BELGIQUE SA for the year ended 31 December 2007, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 348,313 (000) EUR and a profit for the year of 56,765 (000) EUR.

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 31 December 2007 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 AND INFORMATION

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 and information 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.

■ During the period, the company paid an interim dividend on which we have issued the report attached to the present report, as required by law.

Diegem, 7 April 2008

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Pierre-hugues Bonnefoy

## AUDIT REPORT ON THE STATEMENT OF ASSETS AND LIABILITIES ON 31<sup>ST</sup> JULY 2007 TO THE BOARD OF DIRECTORS IN VIEW OF THE PAYMENT OF AN INTERIM DIVIDEND (FREE TRANSLATION)

### 1. INTRODUCTION

In accordance with article 46 of the company's by-laws, the Board of Directors proposes to pay an interim dividend on the results of the financial year.

In accordance with article 618 of the Company Code, we have the honour to report to you on the statement of assets and liabilities for the period January 1, 2007 till July 31, 2007 showing total assets of 360.507 (000) EUR.

This interim statement of assets and liabilities has been established under the responsibility of the Board of directors in order to examine whether the available profit, in accordance with article 618 below, is sufficient to pay an interim dividend of 30 000 (000) EUR.

The text of article 618 is:

« Les statuts peuvent donner au conseil d'administration le pouvoir de distribuer un acompte à imputer sur le dividende qui sera distribué sur les résultats de l'exercice.

Cette distribution ne peut avoir lieu que par prélèvement sur le bénéfice de l'exercice en cours, le cas échéant réduit de la perte reportée ou majoré du bénéfice reporté, à l'exclusion de tout prélèvement sur des réserves constituées et en tenant compte des réserves à constituer en vertu d'une disposition légale ou statutaire.

Elle ne peut en outre être effectuée que si, sur le vu d'un état, vérifié par le commissaire et résumant la situation active et passive, le conseil d'administration constate que le bénéfice calculé conformément à l'alinéa 2 est suffisant pour permettre la distribution d'un acompte.

Le rapport de vérification du commissaire est annexé à son rapport annuel.

La décision du conseil d'administration de distribuer un acompte ne peut être prise plus de deux mois après la date à laquelle a été arrêtée la situation active et passive.

La distribution ne peut être décidée moins de six mois après la clôture de l'exercice précédent ni avant l'approbation des comptes annuels se rapportant à cet exercice.

Lorsqu'un premier acompte a été distribué, la décision d'en distribuer un nouveau ne peut être prise que trois mois au moins après la décision de distribuer le premier.

Lorsque les comptes excèdent le montant du dividende arrêté ultérieurement par l'Assemblée Générale, ils sont, dans cette mesure, considérés comme un acompte à valoir sur le dividende suivant. »

### 2. REVIEWS PERFORMED

Our examination of the statement of assets and liabilities as of July 31, 2007 was carried out in conformity with the recommendation of the Belgian Institute of Company Auditors applicable to limited review engagements. This review consisted primarily of the analysis of the financial information and the discussion thereof with the company's management. Our review was therefore less extensive than a full-scope audit, the objective of which is to express an opinion on the financial statements.

We also checked whether the by-laws provide the Board of Directors with the authority to pay an interim dividend.

### 3. REMARKS ON THE STATEMENT OF THE ASSETS AND LIABILITIES

The interim statement of the assets and liabilities as of July 31, 2007 has been established under the responsibility of the Board of Directors in accordance with applicable accounting regulation and the company's accounting principles and results from the accounting records of C.I.B. SA. The accounting principles are consistent with the ones used in the previous financial year.

The balance sheet as of December 31, 2006 is enclosed and compared with the statement of assets and liabilities. We have examined these annual accounts which have been approved by the General Meeting of shareholders of May 9, 2007.

### 4. EVENTS OCCURRING AFTER THE INTERIM CLOSING DATE

On the date of this report and based on the discussions with the management, no event has occurred since July 31, 2007 that may have any material influence, closing date of the interim statement of assets and liabilities.

### 5. LIMITATION OF PROFIT APPROPRIATION

According to article 616 of the Companies Code, yearly at least one twentieth of the net profit must be allocated to reserves. This ends when the reserves amount to one tenth of the social capital.

In accordance with article 617 of the Companies Code, no payment can be made if the net-assets would decrease below the higher of the called capital or the unpaid capital increased with all reserves that cannot be paid according to the law or company's by-laws. By net assets we mean the total assets as shown on the balance sheet decreased with all provisions and debts. For distribution of the interim dividend, the capital and reserves should not include undepreciated formation and expansion expenses, nor, except for justified exceptional cases, the undepreciated research and development costs.

According to article 618 of the Companies Code, an interim dividend can only be paid from the profit of the current financial year, if necessary decreased with the loss carried forward or increased with the profit carried forward, without transfer from legal reserves and taking into account the reserves that have to be built by virtue of legal or statutory regulation.

### 6. CONCLUSION

Our review did not reveal any facts or elements that could lead to significant changes in the interim statement of the assets and liabilities for the period of January 1, 2007 to July 31, 2007.

The profit of the current financial year as mentioned in the interim statement as of July 31, 2007, increased with the profit carried forward, without transfer from legal or statutory reserves set up or to be set up, is higher than the amount of the proposed interim dividend.

This report has been established for the exclusive use by the Board of Directors and the shareholders, within the scope of the payment of an interim dividend as mentioned above, and cannot be used for any other purpose. In accordance with article 618, it will have to be attached to the auditor's report on the annual accounts as of December 31, 2007.

Diegem, 10<sup>th</sup> September 2007

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises  
BV o.v.v.e. CVBA / SC s.f.d. SCRL Represented by Pierre-hugues Bonnefooy

Attachments : interim statement of the assets and liabilities as of 31<sup>st</sup> July 2007 and the company's accounting principles.