



Building
the future,
adding value.



IMMOBEL
since 1863

Message from the President and the Managing Director	02
Key events	04
Financial information and key figures	07
Declaration of corporate governance	10
Evolution of the property market	20
Sustainable development	26
Property development	28
Offices	30
Residential	38
Landbanking	48
Directors' report	55
Consolidated accounts and summary of statutory accounts	63
Auditor's report	100
General information	104



For over 145 years IMMOBEL has been a major player in property development in Belgium. It is also active in the Grand-Duchy of Luxemburg and is in the process of developing a new growth pole by investing in projects in Poland. Its business covers the office, residential and landbanking sectors, assuring the diversification of its portfolio of projects in function of commercial opportunities. Its vision of the market and its expertise allow it to design, promote and manage ambitious real estate projects that create long-term value while respecting the environment and integrating the major issues facing society.



Message from the Chairman and the Managing Director

In 2010, IMMOBEL continued to implement its operating strategy based on the development of large groups of real estate in the Office, Residential and Landbanking sectors.

During this year, IMMOBEL once again demonstrated its capacities and know-how in the development and management of big, complex projects.

The Belair project, for example, advanced significantly when 65,000 m² of it were let to the Federal Police on a long-term lease. This demonstrates the pertinence of the ambitious choice the Board of Directors made in 2008 when it increased its stake in one of the most important Office and Residential projects in Brussels.

Some projects, such as *Château-Rempart*, *South City (Broodthaers and Fonsny)*... have reached maturity, been leased and then sold. New town planning permits have also been obtained, which will contribute to IMMOBEL's future results; take for example *Bella Vita*, *Charmeriaie*, *Cour Saint-Hubert (Trianon)*, *Forum Phase II* and *Jardin des Sittelles*.

The Group has also acquired new real estate projects in Belgium and the Grand-Duchy of Luxemburg.

The financial structure of the Group was sound at 31st December 2010, with a weak net debt of approximately 31 %.

IMMOBEL ended 2010 with a net consolidated profit of 10.6 MEUR and an operating income of 13.2 MEUR, despite the fact that the economic environment was not very encouraging and the property market extremely difficult.

The Board of Directors has confirmed its support for a dividend distribution policy corresponding to the expectations of the market and geared to the net consolidated income. The pay-out ratio is around 40-50 %. The Board of Directors therefore considers it opportune to propose to the Annual General Meeting a gross dividend for 2010 of 1.25 EUR per share. In September 2010, the Eastbridge Group acquired a 25 % stake in IMMOBEL. Eastbridge is a quality shareholder that invests with long-term vision. Its know-how and in-depth knowledge of the real estate market in Central Europe and the United State of America (New York) will allow IMMOBEL to benefit from its experience.

Thanks to the trust it enjoys with its partners, this new reference shareholder opens up new prospects for the company to develop flagship real estate projects.

In the course of the second half of the year, the Board of Directors reviewed profitable growth opportunities in the European market.



Having been briefed by the Managing Director, the Board of Directors gave its agreement for important strategic development in Central Europe.

Based on the potential in the Central European market and the expertise IMMOBEL possesses, the strategic plan was implemented immediately following an in-depth analysis of the Polish market.

During this process Eastbridge was in a position to help us accelerate and facilitate the acquisition procedure for projects that were already under consideration.

In 2011 IMMOBEL will continue to pursue the strategic choices that drove its activity in 2010, taking into account the economic situation and the evolution of the markets as well as its investment capacity following the sale, purchase or lease of various assets.

Made strong by more than 145 years of experience in the development of its projects and supported by professional employees and 1st class partners, IMMOBEL will maintain its efforts to stay at the cutting edge of energy performance technology and sustainable development in the projects it develops. The achievement of BREEAM certificates will testify to this. Heedful of the issues preoccupying society, IMMOBEL is careful to situate its projects in the context of greater urban harmony.

We would like to thank our partners and our clients for their trust and the profitable cooperation that unites us.

We would also like to thank the Shareholders for the trust they demonstrate regarding IMMOBEL and its evolution.

Finally, since the results we have achieved are due to teamwork, we would like to thank all the employees of the Group for their keenness to carry out their work with passion and professionalism in the interests of your Company.



Gaëtan Piret SPRL
Managing Director

Baron Buysse CMG CBE
Chairman of the Board
of Directors

Key events

2010 was mainly marked by the following operations in the various projects:

Sales

Château-Rempart – Tournai

IMMOBEL sold the whole of the *Château-Rempart* office development in Tournai. This project comprises 3 phases with a total area of 13,642 m² of offices, all let to the Régie des Bâtiments on a long-term lease. The purchasers are a private investor and the Caisse d'Épargne Nord France Europe.

South City (10 % holding) – Brussels

The whole of the *Broodthaers* and *Fonsny* phases having been leased, the sale could be concluded in 2010. The *Broodthaers* wing was sold to the investor Allianz and the wing leased to SMALS – known as *Fonsny* – was sold to Intégrale.

The project *South City* develops an above-ground area of 30,723 m² in the immediate proximity of the Brussels South Station.





CHÂTEAU-REMPART (Tournai)
Yellowstone



SOUTH CITY OFFICE (Brussels / Saint-Gilles)
SM A.2R.C (Michel Verliefdien) and Jaspers, Eyers & Partners



GREEN HILL (Grand-Duchy of Luxembourg)
Christian Bauer & Associés

Acquisitions

Rue Montoyer and rue du Commerce – Brussels

IMMOBEL acquired the long-term lease rights for a term of 99 years for the building belonging to Euler Hermès situated at the corner of rue Montoyer and rue du Commerce. In the meantime IMMOBEL has applied for town planning permission with a view to developing an office building with a surface area of approximately 11,000 m² aimed at achieving an “Excellent” BREEAM certification rating.

Green Hill – Grand-Duchy of Luxembourg

IMMOBEL has also taken a 50 % holding in the *Green Hill* project, situated in Beggen in the Grand-Duchy of Luxembourg, with a view to developing 170 apartments there.

Leases

In the *Belair* project (formerly *Cité Administrative de l'Etat*), IMMOBEL and its partner have received a green light to conclude a lease with the Régie des Bâtiments. The Council of Ministers of the Federal Government of Belgium gave its approval on 15 December 2010 to lease 65,000 m² for use by the Federal Police for the centralisation of a considerable number of its services.

Landbanking

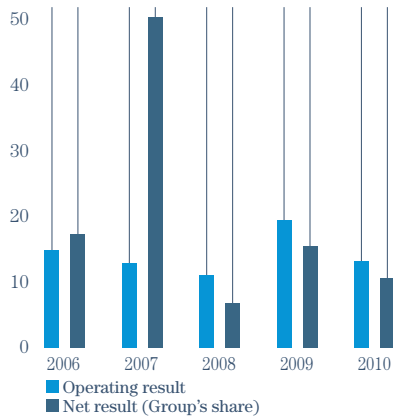
During 2010 development permits were granted for various development projects totalling over 18 ha.

Administrative procedures are currently underway aimed at obtaining development permits, town and country planning or urban planning permission for around 150 ha of land belonging to IMMOBEL or being under its control.

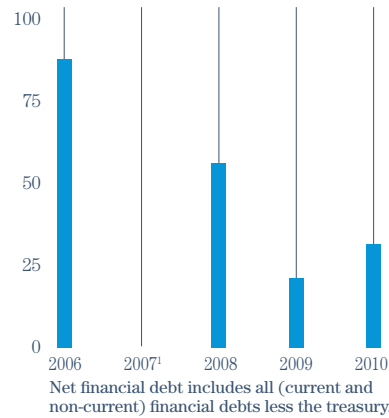
IMMOBEL has acquired a project in the Léopold district and intends to develop an office building of approximately 11,000 m² and to obtain a BREEAM certification “Excellent”.

Financial information and key figures

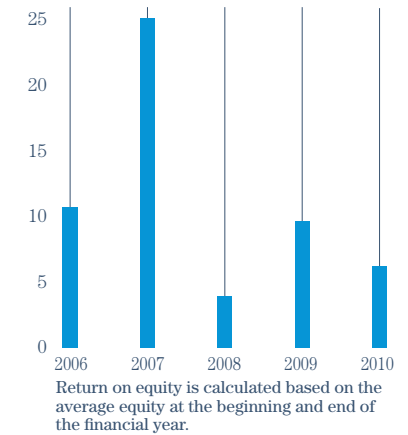
Consolidated operating result / Net result (MEUR)



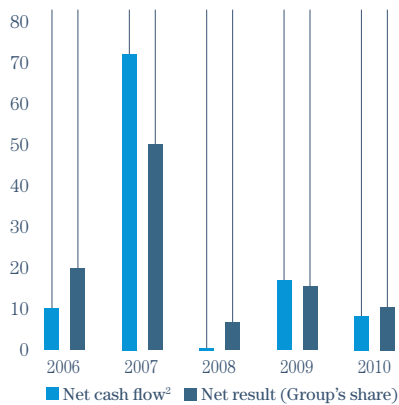
Net financial debt / Equity ratio (%)



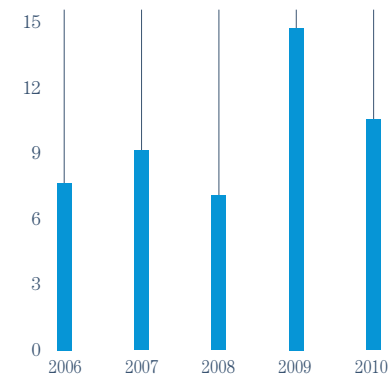
Return on equity (%)



Net cash flow / Net result (MEUR)



Net result from continuing operations (MEUR)



Net financial debt limited to
31 %

1. At 31st December 2007, the net treasury was positive.
2. Net result without the non cash expenses (amortisation, depreciation charges, provisions ...) and the non cash income (fair value ...).

10,6 MEUR
net consolidated profit

Summary of consolidated financial statements (MEUR)

Income statement	2006	2007	2008	2009	2010
Operating income	232.4	142.3	58.5	113.0	85.6
Operating expenses	-209.0	-129.4	-47.4	-93.5	-72.4
Operating result	23.4	12.9	11.1	19.4	13.2
Financial result	-11.8	-6.6	-4.3	-4.0	-4.9
Share in the results of associates	1.7	3.8	2.3	0.0	2.9
Result before taxes	13.2	10.1	9.1	15.4	11.2
Income taxes	-5.6	-1.0	-2.0	-0.7	-0.7
Result from continuing operations	7.6	9.1	7.1	14.7	10.5
Result from discontinued operations	12.6	41.1	-0.2	0.9	0.0
Result for the year	20.2	50.2	6.9	15.6	10.5
Share of IMMOBEL	20.2	50.2	6.9	15.6	10.6

Balance sheet	2006	2007	2008	2009	2010
Assets					
Non-current assets	90.7	27.3	15.9	13.2	11.4
Intangible assets and goodwill	0.1	0.0	0.0	0.0	0.0
Tangible assets and investment property	68.6	5.4	2.9	3.4	3.6
Financial assets	20.4	20.7	12.7	9.3	7.5
Other	1.7	1.2	0.3	0.6	0.3
Current assets	430.6	393.1	303.3	345.3	292.1
Inventories	302.3	224.6	262.0	260.3	240.8
Treasury	62.5	132.7	15.8	67.7	34.2
Derivative financial instruments	0.0	0.2	0.0	0.0	0.0
Other	65.8	35.6	25.5	17.3	17.1
Total assets	521.3	420.4	319.2	358.5	303.5

Equity and liabilities	2006	2007	2008	2009	2010
Equity	194.8	206.2	152.7	168.7	172.1
Non-current liabilities	105.0	49.7	86.6	69.3	71.9
Financial debts	98.0	29.5	71.2	58.8	65.6
Other	7.0	20.2	15.4	10.4	6.3
Current liabilities	221.5	164.5	79.9	120.5	59.4
Financial debts	135.9	91.8	30.5	44.9	22.5
Derivative financial instruments	0.0	0.0	1.5	2.2	1.8
Other	85.6	72.7	47.9	73.4	35.1
Total equity and liabilities	521.3	420.4	319.2	358.5	303.5

6,2 %

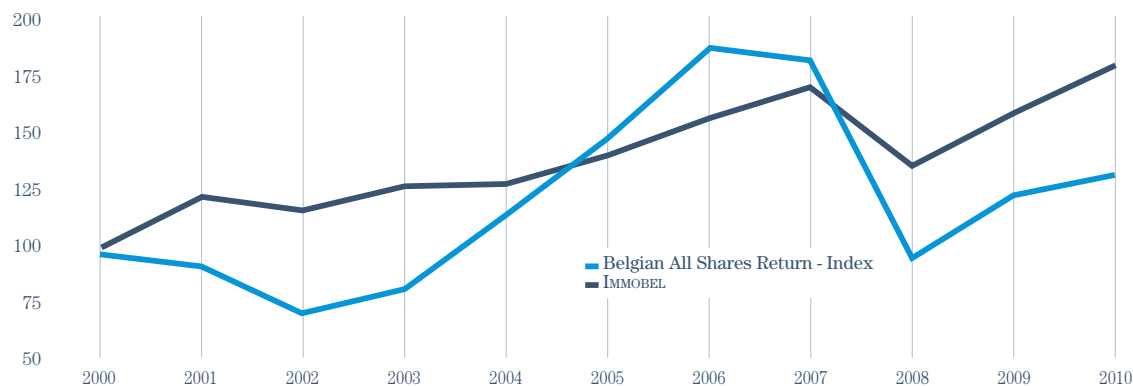
return on equity

IFRS	2006	2007	2008	2009	2010
Consolidated accounts (MEUR)					
Cash-flow	10.2	72.2	0.7	17.2	8.5
Net result, Group's share	20.2	50.2	6.9	15.6	10.6
Equity, Group's share	194.8	206.2	152.7	168.7	172.2
Market capitalization	182.4	178.1	61.8	101.8	130.2

Information per share (EUR)	2006	2007	2008	2009	2010
Number of shares (thousands) at year-end	4 122	4 122	4 122	4 122	4 122
Consolidated cash flow	2.5	17.5	0.2	4.2	2.1
Net consolidated result from continuing operations	1.9	2.2	1.7	3.6	2.6
Net consolidated result, Group's share	4.9	12.2	1.7	3.8	2.6
Value of consolidated equity	47.3	50.0	37.1	40.9	41.8
Net common dividend	1.5	9.0	0.0	1.5	0.94
Gross common dividend	2.0	12.0	0.0	2.0	1.25
Closing price	44.3	43.2	15.0	24.7	31.6
Maximum quotation	44.3	49.8	43.4	24.7	32.9
Minimum quotation	37.6	36.5	11.2	11.0	23.0

Belgian GAAP	2006	2007	2008	2009	2010
Company financial statements (MEUR)					
Cash-flow	-3.7	78.9	10.0	31.0	-3.1
Net earnings	10.2	56.8	12.6	31.8	-5.4
Allocated earnings	8.2	49.5	0.0	8.2	5.2
Equity	179.6	186.3	158.9	182.4	171.9

Comparison of IMMOBEL's return with the Belgian stock market over 10 years



Corporate governance statement

Adherence to the Belgian Code of Corporate Governance

IMMOBEL adheres to the principles of Corporate Governance contained in the Belgian Corporate Governance Code published on 12th March 2009 (hereafter "Code 2009"), which is available on the GUBERNA website: www.guberna.be.

IMMOBEL believes that its Corporate Governance Charter and the present Corporate Governance Statement reflect both the spirit and the rules of the Belgian Corporate Governance Code.

The Corporate Governance Charter describes in detail the structure of the Company's corporate governance and its policies and procedures in matters of governance. This Charter can be consulted on the Company's internet site: www.immobel.be.

This section of the Annual Financial Report contains information concerning the way IMMOBEL put the principles of governance into practice during the past year.

Management bodies (on 1st January 2011)

The Board of Directors

Members

Baron BUYASSE	Chairman of the Board	Independent
Gaëtan PIRET ¹	Managing Director	
Didier BELLENS ²	Director	Independent
Maciej DROZD	Director	
Maciej DYJAS	Director	
Marc GROSMAN	Director	
Luc LUYTEN	Director	Independent
Marek MODECKI	Director	Independent
Wilfried VERSTRAETE	Director	Independent
Laurent WASTEELS	Director	Independent



Baron BUYASSE (1), CMG CBE, 66. Following an international career in London, where he was an Executive Director of *BTR Ltd* and Chief Executive Officer of *Vickers Ltd*, he is currently Chairman of *Bekaert*, a Bel20 company. It was he who initiated the Buyasse Code on Corporate Governance for companies that are not listed on the stock market. He is the Chairman of the Board of Censors of the *National Bank of Belgium* and a Director or Chairman of other organisations.



Gaëtan PIRET (2), 52, holds a degree in Commercial Engineering from the ULB; he is PMD 1989 of the Harvard Business School and a Fellow Member of the Royal Institution of Chartered Surveyors (FRICS). He joined the *Compagnie Immobilière de Belgique* in 1992, and has been Managing Director since 29 June 2007. In addition, he is, amongst other things, an Independent Director of *SITQ Europe (Finances) SA (Société Immobilière Trans-Québec – Groupe Caisse de Dépôt et Placement du Québec)*.



Didier BELLENS (3), 55, has a degree in Economics and Business Administration from the ULB (Solvay Business School) and has been the Managing Director of *Belgacom* since March 2003. He is also a Director of *AXA Belgium* and a member of the International Committee of NYSE. He was previously the CEO of the *RTL Group* and Managing Director of *GBL (Groupe Bruxelles Lambert)*.



Maciej DROZD (4), 45, obtained degrees from the Faculty of Philosophy and Sociology and the Faculty of Management of Warsaw University. He also has an MBA from the University of Illinois in Urbana-Champaign. He joined *Eastbridge* in 1995. Since June 2009, he has been a Member of the Board of Directors and the CFO of *Eastbridge Group* and a Member of the Supervisory Board of *EM&F Group*. Since 2002, he has been a Member of the Board of Directors and CFO of the Commercial Real Estate department of the *Eastbridge Group*, which has operated since 2007 as *Centrum Development & Investments SA (CDI)*. Previously he worked as CFO in various companies in Poland.



Maciej DYJAS (5), has degrees in Information Technology and Business Administration from the Universities of Warsaw and Stuttgart. He joined *Eastbridge* in 1994. He currently holds the post of CEO of the *Eastbridge Group* and Chairman of the *EM&F Group*. He is in charge of the Group's global growth strategy, management of its operations in Europe and the United States, and relations with its business partners and investors. He has previously worked for consulting companies in Europe and the United States. He is a Member of the Polish Business Circle, the Polish-German Chamber of Commerce and the Association of Germans in Poland.



Marc GROSZMAN (6), 56, supplemented his Master at the ISG business school with an MBA from *Harvard Business School* in 1982. Since 1978, he has been the cofounder and CEO of *Celio*, the number 1 in Europe for men's ready-to-wear fashion, and, since 2006, majority shareholder of the women's ready-to-wear fashion label, *Jennyfer*. Together the two labels have 1,400 shops in 62 countries. M. Grosman is also Member of the Supervisory Board of *Eastbridge S.à r.l.* and Director of *Bata Shoes* and *Calvin Klein Industries NY*.



Luc LUYTEN (7), 57, got an MBA from the University of Chicago, as well as a Diploma in Civil Engineering and a Degree in Applied Economics from the University of Ghent and the Catholic University of Leuven respectively. He joined *Bain & Company* in London in 1986 and became a Partner in 1988. He is a Senior Partner of *Bain & Company* in the Benelux.



Marek MODECKI (8), 52, holds a Master in Law from the University of Warsaw. He also studied International Law at the *Max Planck Institute* and Law at the University of Hamburg. He is currently a partner at *Concordia* (since 1997), an investment firm located in Warsaw and Brussels specialised in M&A transactions and corporate finance in Poland and the European Union countries. Amongst other things, he led the negotiations for the sale of *Argos SA* to *Pernod Ricard*, the sale of *Warta Insurance* to *KBC*, and the acquisition of *Multivita* by *Coca-Cola Company*.

In 2006-2008 he worked as a Senior Banker for *Concordia Espirito Santo Investment*, a joint venture between *Concordia* and the Portuguese group *Espirito Santo Group*. In the past, Mr Modecki was a Member of the Supervisory Board of *Argos SA*, *Clif SA*, *Atlantis SA*, *Metalexport SA*, *Prokom Software SA* and *Concordia Espirito Santo Investment Ltd*. He is currently a Member of the Supervisory Board of *Pegas Nonwovens Ltd* (Czech Republic) and *Polnord Ltd* (Poland).



Wilfried VERSTRAETE (9), 52, studied Economics at the VUB (Brussels) and obtained a Master in Financial Management from VLEKHO in Brussels. He also completed the IE programme at INSEAD. He is currently Chairman of the Group Executive Committee of *Euler Hermes* and a Member of the *Allianz Group*, which he joined in 2007 as CFO of the *Allianz Global Corporate & Specialty Group*. He was Chairman of the Dutch credit insurance company *Atradius NV* from May 2004 to October 2006. From 1996 to 2004 Wilfried Verstraete was CFO successively of *Mobistar*, *Wanadoo* and *Orange*, all of which are part of the *France Télécom Group*.



Laurent WASTEELS (10), 55, obtained a Master in Economic and Social Sciences (FNDP Namur) in 1981. He also followed the "Entrepreneurial Management" programme at the University of Boston. He is presently the Chairman of the Board of Directors of *Wasteels Trains de Nuit* (via an EIG with *Compagnie des Wagons-Lits* for the exploitation of night trains), a Director of the *Compagnie Européenne de Constructions Immobilières SA* and Manager of *Antibes Investissements S.à r.l.* He also holds two public mandates in Monaco: he is Economic and Social Advisor to the Government of the Principality of Monaco and Honorary Consul of the Kingdom of Belgium in Monaco.

1. In carrying out the functions concerned in the present report, M. Gaëtan PIRET acts as the permanent representative of GAËTAN PIRET sprl.
2. In carrying out the functions concerned in the present report, M. Didier BELLENS acts as the permanent representative of ARSEMA sprl.



From left to right: Pierre DELHAISE, Joëlle MICHA, Philippe HELLEPUTTE, Gaëtan PIRET, Christian KARKAN, Philippe OPSOMER, Jean-Louis MAZY and Paul MUYLDERMANS

Activity Report

Pursuant to Article 18 of the Articles of Association, the Board shall be convened by the Chairman of the Board of Directors, the Managing Director or two Directors.

In principle the Board meets at least 3 times a year (in March, August and December). Additional meetings may be organised at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in August and the annual accounts in March, as well as the budgets in December. In 2010, the Board met on eight occasions.

The Committees of the Board of Directors

Members of the Audit & Finance Committee (hereafter AFC)

Wilfried VERSTRAETE, Chairman,
Didier BELLENS, and
Maciej DROZD, Members.

In 2010, the AFC met four times at the request of its Chairman.

Members of the Remuneration & Appointments Committee (hereafter RAC)

Didier BELLENS, Chairman,
Luc LUYTEN, and
Marek MODECKI, Members.

In 2010, the RAC met four times at the request of its Chairman.

Members of the Investment & Asset Management Committee (hereafter IAMC)

Gaëtan PIRET, Chairman,
Maciej DYJAS,
Marc GROSMAN, and
Wilfried VERSTRAETE, Members.

In 2010, the IAMC met seven times at the request of its Chairman.

Members of the Executive Committee

Gaëtan PIRET, Chairman,
Pierre DELHAISE¹,
Philippe HELLEPUTTE²,
Christian KARKAN³,
Jean-Louis MAZY⁴,
Joëlle MICHA⁵,
Paul MUYLDERMANS⁶, and
Philippe OPSOMER⁷, Members.

Members of the Management Committee

The Board of Directors, following a decision on 9th December 2010, has established a Management Committee, which comprises the following members:

Gaëtan PIRET, Chairman,
Philippe HELLEPUTTE,
Christian KARKAN,
Philippe OPSOMER, Members.

1. Head of Legal Services and Secretary of the Executive Committee.
2. Head of Landbanking.
3. Permanent representative of REALEYDE DEVELOPMENT sprl, Head of Development for IMMOBEL.
4. Permanent representative of JEAN-LOUIS MAZY sprl, Advisor.
5. Permanent representative of MINOS sprl, Head of Corporate Affairs and General Secretary of the Board of Directors and the Committees of IMMOBEL and its subsidiaries. She is also Compliance Officer at IMMOBEL.
6. Permanent representative of PAUL MUYLDERMANS bvba, Head of Project Management.
7. Permanent representative of ASAP CONSULTING sprl, Head of Finance.

Remuneration Report

Procedure for drawing up the remuneration policy

For the Directors:

In 2010, the Company implemented the remuneration policy for the Directors described in Appendix 2 to the regulation of the Board of Directors, and in point I.2.8. of the Charter of Corporate Governance available on the Company's website (www.immobel.be).

The Board of Directors of IMMOBEL respects the prerogatives of the Annual General Meeting in deciding the remuneration of its Directors.

The RAC makes detailed proposals to the Board of Directors concerning the remuneration of Non-Executive Directors.

The level and structure of their remuneration are determined on the basis of their general and specific responsibilities and market practice. Unless the Board of Directors decides otherwise, this remuneration includes a basic remuneration for membership of the Board and additional remuneration for participation in the meetings or for each Chairmanship or Vice-Chairmanship of a Committee or the Board. Non-Executive Directors receive no performance-related remuneration, nor any benefits in kind, nor benefits linked to pension plans, nor an annual bonus, nor share options, nor participation in retirement plans. They are not entitled to any kind of compensation when their mandate comes to an end.

Remuneration of the Non-Executive Directors also takes into account the time they devote to their functions. Non-Executive Directors may receive remuneration determined according to the legal provisions and the policy on Directors' remuneration.

The Executive Directors' mandates may likewise be remunerated. In this case the remuneration is taken into account in the global framework of remuneration paid to Executive Directors for the executive functions they hold within IMMOBEL

in accordance with the remuneration policy for Directors and for the Management Committee as well as for the Executive Committee.

No changes were made to the remuneration policy in 2010.

For the Members of the Management Committee:

For 2010, the remuneration policy implemented by the Company with regard to the Members of the Management Committee was as described in point III.4 of the Charter of Corporate Governance on the Company's Internet website (www.immobel.be).

The Board of Directors approves the appointment contracts of the Members of the Management Committee and decides on their remuneration based on the recommendations of the RAC, following a proposal by the Managing Director.

The level and structure of remuneration for the Members of the Management Committee at IMMOBEL are reviewed annually, and are such that they allow IMMOBEL to recruit, retain and motivate qualified and competent professionals taking into account the nature and the extent of their individual responsibilities on an ongoing basis.

A procedure exists for the evaluation of their performances. The Board of Directors analyses the competitiveness of IMMOBEL's remuneration structure on the initiative of the RAC.

Remuneration of the Members of the Executive Committee aims to:

- enable IMMOBEL to attract, motivate and retain first-rate, high-potential managers, bearing in mind the competitive environment in which it operates,
- encourage the achievement of ambitious performance targets by ensuring consistency between the interests of the managers and the Shareholders in the short, medium and long term,

- stimulate, recognise and compensate both significant individual contributions and strong collective performances.

As far as necessary, IMMOBEL reminds that the Management Committee has been created by decision of the Board of Directors dated 9th December 2010, and thus no change was made to the remuneration policy of the Members of the Management Committee for 2010 compared to 2009.

Procedure for determining individual remuneration

For Non-Executive Directors:

- At the meeting of 27th August 2008 the Board of Directors decided that as of 2008 the remuneration of the Directors (with the exception of the Chairman of the Board) would be determined as follows: attribution of fixed gross annual fee of 12,500 EUR per Director and per membership of a Committee (except for representatives of the reference shareholder). These fees are doubled for the Chairmanship of the Board or a Committee.
- The Chairman of the Board of Directors receives a sum of 200,000 EUR per year¹.
- A mandate as a Non-Executive Director does not include any entitlement to variable remuneration linked to the results or to any other performance criteria. It does not include entitlement to rights to stock options, nor to any corporate pension.
- The Company reimburses the Directors' travel and accommodation expenses for attendance at the meetings and the exercise of their functions in the Board of Directors and its Committees.

The Chairman of the Board of Directors is the only Non-Executive Director to have a permanent infrastructure (office and secretariat) at his disposal. The other Non-Executive Directors receive logistical support from the General Secretariat in function of their requirements.

Furthermore, the Company ensures it takes the usual insurance policies to cover the activities that the members of the Board of Directors carry out within the scope of their mandates.

- The amount of remuneration and other benefits accorded, directly or indirectly, to Non-Executive Directors by IMMOBEL or by an associated company.

The individual sums of remuneration given directly or indirectly to (Non-Executive) Directors in 2010 are shown in the table below. All of the amounts shown are gross, i.e. before the deduction of withholding tax.

Baron BUYSE		200 000.00 EUR
ARSEMA sprl ²		50 000.00 EUR
Chester BARNES	(resigned on 08-09-2010)	8 561.64 EUR
Maciej DROZD	(since 08-09-2010)	3 938.36 EUR
Maciej DYJAS	(since 08-09-2010)	3 938.36 EUR
Barden GALE	(resigned on 08-09-2010)	8 561.64 EUR
Marc GROSMAN	(since 08-09-2010)	3 938.36 EUR
Karim HABRA	(v 08-09-2010)	8 561.64 EUR
Luc LUYTEN		25 000.00 EUR
Marek MODECKI	(depuis le 08-09-2010)	7 876.71 EUR
Wilfried VERSTRAETE		50 000.00 EUR
Daniel WARD	(resigned on 08-09-2010)	8 561.64 EUR
Laurent WASTEELS	(since 08-09-2010)	7 876.71 EUR
Thomas WERNINK	(resigned on 08-09-2010)	25 684.93 EUR
Christopher ZEUNER	(resigned on 08-09-2010)	8 561.64 EUR
Total gross remuneration		421 061.64 EUR

For Members of the Management Committee:

The remuneration of the Chairman and the Members of the Management Committee is determined globally at gross rates. Consequently it does not only include the gross pro-rated remuneration from IMMOBEL, but also that for any contractual office or representative function in the companies in which IMMOBEL has holdings, be they majority or otherwise.

Individual remuneration is fixed by the Board of Directors, on the recommendations of the RAC, following a proposal by the Managing Director. Variable remuneration is foreseen for the Members of the Management Committee: their remuneration is linked to the results of the Company, taking into account the performance evaluation criteria relating to targets, the evaluation period and the method of evaluation.

1. Including a share in the cost of leasing a car.

2. Represented by its permanent representative Didier BELLENS.

Remuneration of the CEO and the other members of the Management Committee related to financial year 2010

The principles of remuneration and the link between remuneration and performance:

Remuneration of the Members of the Management Committee is divided into a fixed part and a variable part; the latter includes:

- a variable quantitative remuneration based on a series of criteria such as, in particular, the level of the acquisitions, the net profit and the management and control of the risks,
- a variable qualitative remuneration determined in function of the responsibilities, the mission and the targets achieved by the Members of the Management Committee.

The relative importance of the various components of remuneration:

In general, the Members of the Management Committee do benefit of a weighted remuneration, at 60 % for quantitative aspects, and at 40 % for qualitative aspects, compared to total variable remuneration.

Remuneration and other benefits accorded, directly or indirectly, to the CEO and other Members of the Management Committee (cf. members on page 12)

	CEO	Other Members
Basic remuneration	434 859.32 EUR	778 252.28 EUR
Variable remuneration	254 000.00 EUR	356 000.00 EUR
Individual Pension commitment	None	50 101.37 EUR
Company vehicle	24 000.00 EUR	22 696.87 EUR
Other benefits	None	None

The variable remuneration is assigned, upon proposal of the RAC, after the Board of Directors approving the Accounts per 31st December of the past year.

A Member of the Management Committee has an individual pension commitment type "defined contribution" paid by the Company which includes life insurance, death insurance, disability insurance and a waiver of premium.

Regarding professional expenses chargeable to the Company, the same rules apply to Members of the Management Committee, including the Chairman, as they apply to all the employees: professional expenses incurred must be the justified post by post. The Company is not responsible for private expenses.

Particulars concerning (options on) shares/warrants – "incentives":

As specified above, a mandate as a Member of the Management Committee does not entail entitlement to "stock options".

Information regarding remuneration policy for the next two fiscal years:

The Board of Directors does not expect any fundamental changes to its remuneration policy in the next two financial years.

Shares and share options

Remuneration of the Members of the Management Committee and of the Members of the Executive Committee entails no entitlement to shares and/or share options.

The most important terms of their contractual relationship with IMMOBEL and/or a related company, including the terms concerning remuneration in case of early departure

Appointment

The Members of the Management Committee fulfil their duties for the Company based on a service provision contract. These contracts are similar to those generally agreed to with Members of their Management Committee by other listed companies.

Departure

Any indemnity potentially due to a Member of the Management Committee by the IMMOBEL Group in the event of the termination of his service provision contract will vary in function of the terms and conditions of the contract concerned, as specified hereafter, increased, if appropriate, by part of the variable remuneration linked to IMMOBEL's results due a Member of the Management Committee.

The table below shows the indemnities that would be owed by the Group in case of the termination of contracts with the following Members of the Management Committee:

Gaëtan PIRET		24 months
Christian KARKAN		18 months
Philippe OPSOMER		9 months
Philippe HELLEPUTTE	termination before 31-12-2011	36 months
	termination between 01-01-2012 and 31-12-2013	24 months
	termination after 01-01-2014	18 months

Report on internal controls and risk management systems¹

The Belgian legislative framework for internal controls and risk management consists in the law of 17 December 2008 (in application of European Directive 2006/43 concerning corporate financial control), the Law of 6 April 2010 ("CG Law") and the *Belgian Code on Corporate Governance 2009*.

Nevertheless, the current Belgian legislative and normative framework specify neither the model of internal control to which the companies for which it is intended should conform, nor the modalities for implementing it (level of detail required). IMMOBEL uses a system of risk management and internal control that was drawn up internally based on the COSO model of internal control².

The COSO methodology is organised around five elements:

- the internal control environment,
- risk analysis,
- control activities,
- information and communication, as well as
- supervision and monitoring.

1. Art. 96, §2, par. 1, 3° Companies Code.

2. *Committee of Sponsoring Organizations of the Threadway Commission* is an international, private, non-governmental body recognised in matters of governance, internal control, risk management and financial reporting.

The internal control environment

The element "internal control environment" focuses on the following components:

Precise definition of the company's objectives:

"IMMOBEL is a leading Belgian listed company active in the real estate business and more specifically in the offices, residential and landbanking sectors as well as in function of retail/commercial opportunities. IMMOBEL's objective is to ensure a diversification of its project portfolio via these 3 sectors and to design, manage and promote real estate projects that create long-term value, while respecting the environment and integrating corporate social responsibility."

A definition of the roles of the management bodies:

IMMOBEL has a Board of Directors, an Investment & Asset Management Committee, an Audit & Finance Committee, a Remuneration & Appointments Committee, an Executive Committee and a Management Committee.

Responsibility for drawing up IMMOBEL's strategy and for controlling the way it does business belongs primarily to the Board of Directors.

The Investment and Asset Management Committee assists the Board of Directors in the strategic management of all of IMMOBEL's assets that are valued in excess of 5 MEUR. It also helps it identify and understand the strategic challenges posed by potential new real estate projects valued in excess of 5 MEUR.

The Audit and Finance Committee assists the Board of Directors mainly in the following matters:

- monitoring financial reports and financial information intended for shareholders and third parties,
- monitoring the quality of internal control and risk management,
- following up on the auditor's work, and
- monitoring the company's accounts department and finances.

The main mission of the Remuneration & Appointments Committee is to make proposals to the Board of Directors concerning remuneration (elements of the remuneration of the Directors, the members of the Executive and Management Committees, the managers and people in charge of day-to-day management; policy on employee share ownership, etc.) and concerning appointments (appointment or re-election of the members of the Committees etc.). In application of the Law on Corporate Governance of 6th April 2010, the Remuneration and

Appointments Committee draws up the Annual Remuneration Report which the Board includes in the Statement on Corporate Governance which will be discussed during the Annual General Meeting.

The main roles of the Management Committee are:

- to monitor the performance of the various departments of IMMOBEL in terms of the strategic goals, plans and budgets,
- to submit the financial statements to the Board of Directors,
- under the leadership of the Managing Director, to examine, define and prepare proposals and strategic choices, including financial ones, likely to contribute to the growth of IMMOBEL.

The main role of the Executive Committee is to introduce efficient systems of internal control and risk management as well as to ensure the day-to-day management of operations.

Risk culture:

IMMOBEL takes a prudent attitude, managing a portfolio of diversified projects that create long-term value through its three fields of activity.

Application of ethical standards and integrity:

IMMOBEL has a code of ethics and integrity that describes the principles of good conduct that apply to each of the Directors and the Members of the Management and Executive Committees as well as all the employees and external collaborators. This Code deals with aspects of conflict of interest, professional secrecy, the buying and selling of shares, corruption and misuse of corporate funds, business gifts and even human dignity. The position of Compliance Officer has been created.

Measures geared to ensuring the level of competence:

- Competence of the Directors – Given their experience, the Directors possess the competencies and qualifications necessary to assume their responsibilities, particularly in matters of finance, accounting, investment and remuneration policy.
- Competence of the Members of the Management Committee, the Members of the Executive Committee and other staff: a recruitment process geared to the profiles required, adequate training and a policy of remuneration and evaluation based on the achievement of realistic and measurable goals make it possible to ensure the competence of IMMOBEL's staff.

A procedure dealing with remuneration policy for the Directors and the Members of the Executive and Management Committees: IMMOBEL has introduced a remuneration procedure that complies with the requirements of the Law of 6th April 2010 on Corporate Governance.

Risk analysis

IMMOBEL regularly carries out risk identification and evaluation exercises. The risks are mapped out and formal action plans are drawn up to deal with those risks for which the level of control is deemed to be inadequate. The Audit and Finance Committee monitors the implementation of these action plans.

The principle risks to which IMMOBEL is exposed are set out in detail in section I.B of the Management Report.

Control activities

The control activities correspond to the regulations and procedures used to deal with the principle risks identified.

Amongst the main regulations and procedures established within IMMOBEL, we would like to mention the following:

- Feasibility studies are carried out systematically, allowing project margins to be monitored. The feasibility studies are then analysed by the project manager, the Head of Development and the Head of Finance. It should be noted that for all investment projects in excess of 5 MEUR, the feasibility study is also submitted to the Investment & Asset Management Committee.
- A review of the discrepancies between the budget and the actual financial situation is carried out at least twice a year by the Head of Finance. Any significant differences observed are submitted to the Management and/or the Executive Committee as well as the Audit & Finance Committee.
- The accounts department and future financial requirements are monitored and regular reports submitted to the Management bodies and the Audit & Finance Committee.
- The principle of multiple approvals exists at every phase of the engagement process: the double signature procedure applies to approval of all transactions and the signatories are specified in function of the sums involved in the transaction.

Information and communication

IMMOBEL uses the software programme Navision as its financial management information system, of which the maintenance and development are subcontracted to a partner.

Data continuity is also subcontracted to a partner who is contractually bound to follow a strict procedure to establish a reliable and secure information storage system.

For the large majority of entities in the IMMOBEL Group accounting is outsourced to a firm specialised in financial services. The accounts are kept in IMMOBEL's ERP, the integrated management software programme Navision. The finance department of IMMOBEL is always in charge of the closure process and drafting the annual report, the consolidated financial statements drawn up according to IFRS standards and the annual accounts. Communication with the personnel and the various employees of IMMOBEL is appropriate to the size of the business. It is based mainly on work sessions, verbal communications from the management to the personnel as a whole, or internal e-mail notes signed by the Managing Director.

In order to ensure rapid communication and equal treatment of all Shareholders, IMMOBEL publishes the agenda and the minutes of the Annual General Meetings, the half-yearly and annual financial results, press releases, the Articles of Association, the Charter of Corporate Governance and the Annual Report on its internet site. Certain information is also published in the press.

Supervision and Monitoring

The Audit & Finance Committee is responsible for supervising internal control.

Given the size and the activities of the Company and the Group, the Audit and Finance Committee does not consider it necessary to create the position of internal auditor to assist it in this mission.

In order to evaluate the control environment regularly, the Audit and Finance Committee entrusts the Auditor with certain specific missions involving more thorough examination of internal control, consisting of testing the existing controls and identifying possible weaknesses compared to best practice. The Audit and Finance Committee ensures that the recommendations are implemented if the need arises.

Should the nature and size of the Group's activities change, the Audit and Finance Committee would re-examine the need to get an internal auditor.

Other Governance matters

Transactions and other contractual relationships between the Company, including associated companies, with the Directors, the Members of the Management Committee, the Members of the Executive Committee and the other staff.

In 2010, the Directors had recourse to the procedure applicable in case of conflict of interest, as laid down in articles 523 and 524 of the Companies Code and described in the *Charter of Corporate Governance*, on one occasion. Apart from that there were no transactions between, on the one hand, the IMMOBEL Group and, on the other, the Members of the Management Committee, the Members of the Executive Committee and the other staff that was subject to the procedure mentioned above.

Comments on the measures taken by the Company in the context of the Directive on insider trading and manipulation of the market

In its *Code of Good Conduct* the *Charter on Corporate Governance* provides rules intended to prevent the abuse of the market, which are applicable to Directors, to De Facto Managers, and to any other person liable to possess privileged information because of his/her involvement in the preparations for a particular operation.

These rules have been supplemented by an internal note summarising the main legal obligations in this matter, particularly taking into account the Royal Decree of 5th March 2006 on abuse of the market, with a view to increasing an awareness of their obligations in those concerned.

The Compliance Officer is tasked with ensuring compliance with said rules in order to reduce the risk of abuse of the market by insider trading. The CO keeps lists of people who have or are liable to have privileged information and who know or cannot reasonably be unaware of the privileged nature of this information.

When these people consider carrying out operations involving financial instruments issued by IMMOBEL, they must give the Compliance Officer prior notice in writing or by email of their intention to carry out this operation. Within 5 working days of reception of this prior notice the Compliance Officer will inform the persons concerned whether there is any reason to think that the operation under consideration constitutes insider trading. Should that be the case, it would be inadvisable to carry out the operation. These persons must notify the CBFA (Belgian Banking, Finance and Insurance Commission) of any operations

carried out on their own behalf and involving Company shares within five working days of the operation concerned being performed, this notification can be deferred, however, in conformity with the law, as long as the sum total of the operations carried out during the calendar year in progress does not exceed the threshold of 5,000.00 EUR.

During these so-called 'closed' periods, it is forbidden for these people to carry out operations involving IMMOBEL's financial instruments.

During the past financial year the job of Compliance Officer at IMMOBEL was carried out by Mrs Joëlle Micha, Head of Corporate Affairs.

Application

Application of the rules cited above has not given rise to any difficulty.

Shareholding structure (on 7th September 2010)

In application of article 29 of the law of 2nd May 2007 on the disclosure of shareholding in issuers whose shares are admitted to trading on a regulated market, IMMOBEL has been informed by the following Shareholders that they hold the following shares:

Shareholders	Voting rights	% of total shares
CRESIDA INVESTMENT S.à r.l. Registered office at rue Ermesinde 67, L-1469 Luxembourg.	1 030 484	25.00 %
JER AUDREY S.à r.l. Registered office at rue Notre Dame 15, L-2240 Luxembourg.	228 081	5.53 %
CAPFI DELEN ASSET MANAGEMENT NV ¹ Registered office at Jan Van Rijswijcklaan 178, 2020 Antwerp.	208 516	5.06 %
KBC ASSURANCES NV ² Registered office at Prof. Roger Van Overstraetenplein 2, 3000 Leuven.	71 275	1.73 %
FIDEA NV ³ Registered office at Van Eycklei 14, 2018 Antwerp.	142 413	3.46 %

1. Joint investment group

2. Subsidiary of KBC GROUP NV.

3. Subsidiary of KBC ASSURANCES NV.

Real estate market trends

Office real estate market: trends 2010 and outlook 2011¹

I. Brussels

The office leasing market activity improved somewhat during 2010 as tenants are once more willing to make real estate decisions. The vacancy rate is high which continues to make the leasing market very competitive and is a break on rental growth. The development market became more prudent, and speculative future supply for the next two years is historically low at less than 50,000 m². This is likely to lead to a decrease in vacancy, especially in new buildings.

The investment volume for offices increased. The risk aversion of investors still exists but they are now prepared to look at other than low risk long term leased buildings, although the market for these remains by far the most liquid. The slightly healthier letting market combined with an improvement of the investment fundamentals leads us to believe that there will be a significant increase in activity in 2011.

Letting market

Key figures

	5 year average	2009	2010
Take-up (in m ²)	551 000	424 000	467 000
Stock (in million m ²)	12.2	12.7	13.0
Completions (in m ²)	335 000	357 000	268 000
Vacancy (in m ²)	1 235 000	1 422 000	1 463 000
Vacancy Rate (in %)	10.1	11.2	11.2
Prime Rent (in EUR/m ² /year)	284	265	310
Top Quartile Rent (in EUR/m ² /year)	207	217	219
Weighted Average Rent (in EUR/m ² /year)	166	168	172

Take-up

The total Brussels office letting market for 2010 reached 474,000 m². Despite the fact that the level is 14 % below the five year average, take-up improved by 11% on 2009.

Take-up by the Corporate sector improved slightly by 5 % on 2009, representing 63 % of the total take-up of 2010. Corporate transactions between 500 and 2500 m² increased by a third on 2009 which indicates that corporates are again taking real estate decisions with a close eye on costs. Their office take-up is predominately driven by repositioning, regrouping and rationalisation. The largest transaction was the letting by BNP Paribas Fortis (35,000 m²- North District).

Take-up by the Belgian Administrations including related activities saw a large increase (up 20 % on 2009) largely driven by the letting of the Federal Police of 54,500 m², public companies and two universities. Take-up by the European Institutions and

1. Source : Jones Lang LaSalle.



“The increase in the volume of properties leased this year is mainly due to the private sector. This trend will persist in 2011 which, combined with the major activity expected in the public sector, will enable Brussels to remain in the top 5 most important cities in Europe in terms of take-up.”

Antoine BRUSSELMANS,
Partner and Head of Office Agency – CUSHMAN & WAKEFIELD

European Agencies also improved (25,000 m²) and comprises mainly net absorption. Take-up by the International Administrations (21,000 m²) decreased slightly.

Vacancy & supply

The vacancy rate in our view reached its peak in the current cycle during the second quarter 2010 (11.5 %) and decreased since to 11.2 %, back to the same level as end 2009. The decrease in the vacancy rate is predominantly witnessed in the CBD where the supply of new buildings started to decrease, whereas vacancy outside CBD continued to increase with further completions of new buildings combined with second hand products coming back onto the market. The vacancy rate in the CBD decreased to 7.2 % (7.7 % in Q4 2009) and increased outside CBD to 18.2 % (17.5 % Q4 2009).

Rents

During 2010, face rents in the Pentagon increased by 7 % and in the Leopold District by 17 % to reach 230 EUR/m²/year and 310 EUR/m²/year respectively. This rental level proves that there is increased demand for high quality buildings at strategic locations near public transport. The face rents in other districts remained stable. Top quartile rent and weighted average rent remained relatively stable at 219 EUR/m²/year and 172 EUR/m²/year. An analysis of the transactions during last year shows an average delta between face rents and economic rents of around 15 %.

Outlook

Future completion is historically low: 113,000 m² in 2011 (of which 11 % speculative) and 84,000 m² in 2012 (of which 60 % speculative) compared to a five year average of 335,000 m². The low speculative pipeline for the two years to come is predominantly concentrated in the CBD and no projects are foreseen in the Periphery for this period.

The decrease of future supply should indicate a further decrease in vacancy for 2011 especially in new buildings. The level of rent free periods or other incentives should start to decrease as result of falling vacancy especially in the CBD.

The office market is driven by a new dynamic. The market seems to be adapting to meet the increasing need for residential units, retirement homes and educational facilities. The reconversion of offices to these uses is leading to more mixity in some areas.

Interest for station locations or locations near large transport nodes is obvious not only in Brussels but also in regional cities, and becomes more and more important in occupiers location decisions.

Investment market

Key figures

	5 year average	2009	2010
Investment volume BE (in BEUR)	3.3	1.49	1.41
Investment volume BE – Offices (in BEUR)	1.8	0.74	0.91
Investment volume BRUX – Offices (in BEUR)	1.3	0.57	0.69
Prime Yield (in %) for 6/9 year lease contract	6.00-6.35	6.20-6.50	6.00-6.50

Investment volume

The total investment volume in Belgium during 2010 saw a slight decrease during 2010 to reach 1.41 BEUR (-5 % compared to 2009), but the office sector increased during 2010 by 23 % from 0.57 BEUR to 0.69 BEUR, this is still below the 5 year average however.

Belgian purchasers (57 %) are still responsible for the lions share of this volume but international investors are more active than in 2009 including the German (25 %) and UK investors (12 %). Institutional investors were the most active investors taking 28 % of the total Brussels office investment volume followed by private investors (16 %) and the corporates (14 %), buying for their own occupation. Developers and property companies were the buyers of 14 % and third party fund managers 12 %. The developers are back, acquiring strategically to be ready when the next property cycle takes off.

Investors are finding it difficult to find core products (products with long term secured income), as a result we see that the market is again widening to near prime products including products with shorter lease terms.

Yield

Prime office yields for standard leases started already to harden in many cities in 2009 but only as of the second half 2010 in Brussels and this by 20bp from 6.20 to 6.00 %. Yields for buildings with longer terms leases decreased further and remain at or close to pre-crisis levels.

Outlook 2011

The investment volume in Europe increased by 40 % during 2010 and is expected to increase further by 25-35 % during 2011 to 130 BEUR backed by improving market fundamentals and a decreasing risk aversion. There will be more funds available worldwide to invest in 2011 and the capital allocation of many institutions into real estate is expected to increase.

We also expect an increasing investment volume in Belgium as more products will be available. We see more interest from investors for “core +” products. Developers will remain active looking for products with 1-4 year cash flow and clear development potential. An important factor is that banks are once more willing to provide loans also for higher amounts, although they are much more selective in terms of loan to value and borrower track record that they were in the years leading up to the crisis.

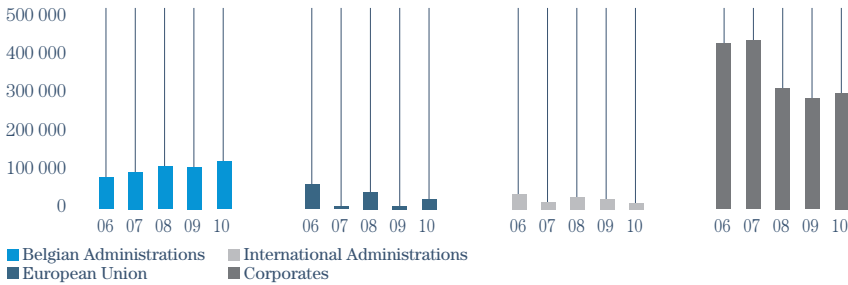
German Closed Ended funds have clearly found their way to Belgium and we expect this trend to be continued for 2011. Local insurance companies will remain active as they will also increase capital allocation into real estate. Belgian SICAFI's (REITS) are expected to grow further and some consolidation within this sector is possible.

II. Walloon Region

Liège, Charleroi and Namur are the three major real estate markets in terms of office space in Wallonia.

Take-up in the three cities was relatively modest in 2010 compared to 2009 and the five-year averages as there were no large transactions (> 5,000 m²) registered. In 2010, Namur and

Evolution of office take-up in Brussels by sector



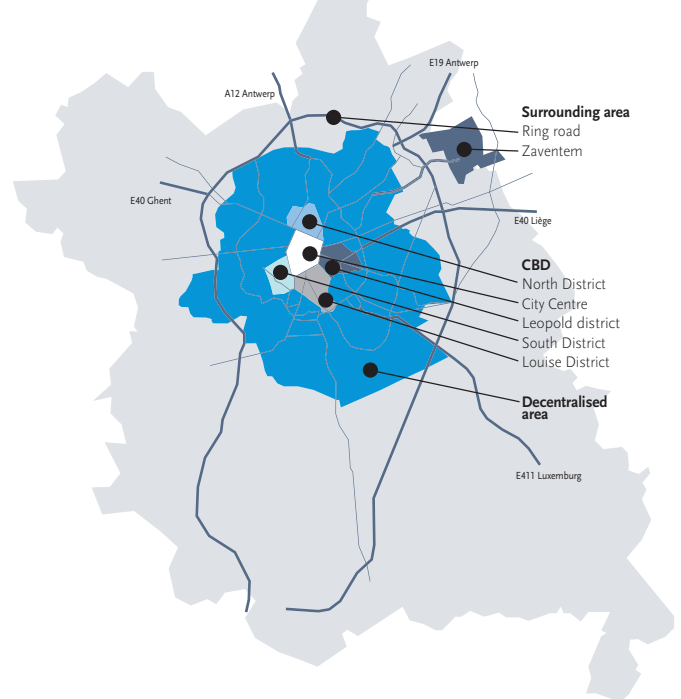
Liège saw the highest level of take-up of 9,900 m² and 9,100 m² respectively followed by Charleroi (3,900 m²). In Namur, the largest letting transactions were by the Administrations including the Walloon Region for the buildings at Chaussée de Liège (2,800 m²) and Avenue Prince de Liège (1,500 m²) and the Régie des Bâtiments took 2,450 m² in the building Celestines 25. The largest transactions in Liège include two letting transactions in Office Park Alleur 2,900m² by Arcelor Group and 975 m² by Deloitte. The largest transaction in Charleroi was the letting by Carnoy (1,600 m²) in the building Talon 55.

There were no office completions during 2010 in the three markets except for one office building in Liège; Office Park Alleur - a 8,000 m² office building which is almost 50 % let. This keeps the vacancy in the three markets very low, i.e. below 3 %. The future supply pipeline for 2011 remains very modest and includes only two projects in Namur including Namur Office Park 8 (4,200 m² - 75 % let) and the building at Chaussée de Marche (3,240 m² - 60 % let). There are no projects foreseen in Liège or Charleroi in 2011.

Prime annual face rents in Liège and Charleroi were revised upwards in 2010 to 130 EUR and 125 EUR respectively, up with 10 % and 9 % compared to 2009 and kept stable in Namur at 161 EUR /m²/year.

The total investment volume in Wallonia remained low in 2010 at 80 MEUR - comparable to the 2009 level - and was driven by one major office transaction; the sale of *Château-Rempart* (13,600 m² office at 34 MEUR) by IMMOBEL Group to the Caisse d'Épargne Nord France Europe and a private investor. The largest logistic transaction was the acquisition by the Belgian SICAFI (REIT) Montea of the Coca Cola Distribution Center in Heppignies including 13,000 m² of warehouse space at 9,3 MEUR.

Real estate market in Brussels



Real estate market in Brussels



“In the Grand-Duchy of Luxemburg, after economic stagnation during 2009, 2010 was a year of gradual recovery. The Office property market improved in 2010 with an office take-up of 125,000 m² for the whole of 2010 (+10 % compared to 2009) and 216 transactions (+30 %) with an average area of 580 m².”

Vincent BECHET,
Senior Partner, Managing Director – PROPERTY PARTNERS

III. Flemish Region

The main office market in Flanders includes Antwerp, Ghent, Leuven and Mechelen.

The overall take-up in Antwerp is up by 40 % on 2009 and up by 25 % compared to the five year average. The Corporate sector (90,000 m² - 2010) increased by 5 % driven by the letting transaction of Vivium (14,000 m²) in the former Mercator building. The take-up by the Administrations (30,000 m² - 2010) saw a boost due to letting by the VDAB Antwerpen of 15,600 m² in the building Copernicus. There were two transactions of 3,600 m² each by the Antwerpse Verkeerspolitie and the Vlaamse Verkeers- en Tunnelcentrum in the building Kievit located near the central station of Antwerp. Other notable transactions in Flanders include the take-up of 36,000 m² in Ghent (VAC) and 39,000 m² in Brugge (KAM Building) by the Flemish government which regrouped its services near the main train stations in the provincial capitals, a trend which also occurred in other provincial capitals in Flanders during the last two years.

The strong take-up and the low completion level (13,600 m²) in Antwerp could not prevent vacancy rate to increase further from 11.1 % to 12.8 % on an annual basis. This increase can be explained by some regroupments to locations outside Antwerp. The speculative pipeline for 2011 is only 6,000 m² which could halt the increase in vacancy. The prime rents in the City Center have decreased from 144 EUR/m²/year to 136 EUR/m²/year as result of increased competition which is the same level as at the Ring. The prime rent at the Port has revised upwards to EUR 130/m²/year with a top rack transaction at 135 EUR/m²/year. The prime rents at the Periphery are kept stable at 125 EUR/m²/year.

The total investment volume in Flanders (excluding the Brussels periphery) recorded 325 MEUR for 2010, down to almost 50 % compared to 2009. The investment volume for the office

sector saw an upswing of 10 % to reach 170 MEUR. The two largest transactions occurred in Ghent including the acquisition of Axxes Park by the Belgian closed ended fund called Axxes Certificates managed by Bank Degroof for 44.4 MEUR and the acquisition of 49 % of the VAC Ghent by the PMV (Participatie Maatschappij Vlaanderen) for 36 MEUR. The two largest transactions in Antwerp include the acquisition by Vabeld (private investor) of the retail warehouse at the Noorderlaan for a reported price of 23 MEUR from Cofinimmo and the acquisition by Intégrale of the office building Copernicus which is recently let to VDAB Antwerpen (18 year lease) from the Belgian developer IRET at a reported price of 22 MEUR.



The residential property and landbanking market in Belgium in 2010¹

I. Residential

2010 was marked by 2 periods:

- At the start of 2010, potential buyers regained a modicum of confidence regarding the events that took place at the end of 2008 and early 2009. It took prospective buyers a certain amount of time before they realised that property remains a safe investment. One should not forget that in the Brussels area only 40 % of occupants own their housing. Despite an easing of the conditions imposed by the financial bodies, it is difficult to obtain a 100 % loan. In order to improve access to housing, the Brussels Region has just set up a “young loan” at interest rates that are considerably lower than the lowest market rates. At the moment, the demand for mid-range housing is the highest, which confirms the trends underlined in 2008 and 2009.
- The end of 2010 was characterised by an acceleration of sales as buyers became aware of the advantages they could gain (viz. government subsidy on VAT, reductions in property registration fees – in the Brussels Region only). The approach of 31st December 2010 (change of regime for VAT and registration fees for new properties) provoked an acceleration of sales. Despite these changes, the reduction in the registration fees (up to 60,000 EUR and 75,000 EUR), still applies with certain provisos.
- The suburban property market is still, in general, attractive in terms of prices compared to those in the Brussels Region. As of 2011, the requirement to prove the energy savings imposed by the Regions will have to be taken into account, which will have direct implications for the cost of construction. Nevertheless, the financial repercussions may consti-

tute an advantage for future buyers in the long term, when their properties are valued.

II. Landbanking

In terms of building plots, the number of transactions has been in constant decline for several years. This can be partly explained by the rarity of available land. 2009 showed a drop of over 10 % in the number of transactions compared to 2008. For the first three quarters of 2010, the number of transactions increased by 6 % compared to the same three quarters in 2009. These figures would suggest that the number of transactions would be similar to those in 2008. Average prices increased by about 5 % in 2010.

New regulations have come into effect. In the Walloon Region the new provisions of the town planning permit (“permis d’urbanisation”) came into force on 1st September 2010, replacing the “development permit” (“permis de lotir”). The aim of this regulation is to increase the importance attached to the urbanization and architectural aspects of town and country planning.

In the Flemish Region, the Planning Code (VCRO) became effective on 1st September 2009. In the meantime, it has already undergone changes in landbanking in 2010. New regulations concerning the accessibility of buildings came into force on 1st March 2010.

1. With thanks to Mr. Serge Fraeijs de Veubeke (Consortium Immobilier Général).

Immobel and sustainable construction

IMMOBEL integrates the latest technological developments into its projects, thereby developing projects with high energy performance and top quality environmental characteristics. Indeed recent developments in design and in industrial techniques make it possible to construct buildings that meet the highest energy performance requirements. This also means that IMMOBEL actively participates in the renewal of the existing real estate park and the achievement of targets for the reduction of CO₂ emissions.

As a basic international reference system for the development of its office projects IMMOBEL has chosen the BRE Environmental Assessment Method (BREEAM), supplemented by the Brussels Institute for Environmental Management's (IBGE) "Green-BuildingBrussels" and the Flemish government Agency for Facility Management's (AFM) "Assessment of office buildings" (Waardering van kantoorgebouwen).

Via BREEAM a project is assessed in terms of both its energy and its environmental qualities. A project that meets only the legal and regulatory requirements does not get points. Depending on the extent to which a project surpasses these requirements it wins points on a scale of 5 "ratings":

- Pass: at least 30 points
- Good: at least 45 points
- Very Good: at least 55 points
- Excellent: at least 70 points
- Outstanding: at least 85 points

IMMOBEL also pays special attention to new developments in energy saving and sustainability in the residential sector. Here the principle reference system is the PEB calculation of buildings' energy performance according to regional regulations. Performance is expressed in terms of an E value for energy consumption and K for insulation. In the residential sector the notions of "passive" or "low energy" houses and apartments are very much in use too. These are houses and apartments whose consumption of heating does not exceed:

- 15 kWh/m² per year for "passive" houses and apartments, which is usually achieved with K 15 and K20 levels of insulation,
- 60 kWh/m² per year for "low energy" houses and apartments, which is usually achieved with insulation levels K30 and K35.

Large scale residential projects like *Bella Vita*, *Green Hill* and *Universalis Parc* are being developed as eco-districts. They are equipped with urban heating, storm drains, rain water seepage systems, etc.

Three examples:

The Forum project

The *Forum* project comprises several phases of which the first was delivered early in 2010. The second phase is under construction. The first phase underwent a BREEAM "Post Construction" assessment and was given a "VERY GOOD" rating. A BREEAM "Design Stage" assessment is underway on the second stage. Based on the pre-assessment, the "VERY GOOD" label will also be obtained for this second phase.

As far as energy performance goes, the values are E86 and K34 for the first phase, and E71 and K31 for the second phase, with an airtightness of 5 m³/h.m².

The gap between the E values of these two phases, which were constructed at an interval of only 3 years, is very significant. When the technical installations of the first phase were being developed no E value was imposed in Brussels and the reference value in Flanders was E100.

The main differences between the two phases concern the ventilation, secondary energy use, i.e. electricity consumption by ventilators and circulating pumps, and the performance of refrigeration installations. The second phase will be equipped with water-cooled refrigeration condensing units connected to the cooling towers. The insulation, which is already very effective in the first phase, has been boosted and the downlight-type lighting is equipped with LEDs.

The edict of 27th May 2010 on the energy performance of public buildings defines the energy classes of these buildings on a

“Having a nice home in the right place is essential for quality of life, especially if you can combine nature with an urban environment.”

Christian BAUER,
Founder – CHRISTIAN BAUER &
ASSOCIÉS ARCHITECTES



scale of A+ to G. The *Forum 1* building meets the criteria for class B- (with 153.4 kWh/m² per year, i.e. 0.4 kWh/m² per year above the class B limit) and the *Forum 2* building meets the criteria for class B (with 136.8 kWh/m² per year) in Category 1: Administrative and technical services.

The Bella Vita project in Waterloo

This project is being developed as a real eco-district. The project comprises particularly charming buildings and houses built between 1912 and 1926, which will be completely renovated with respect for the architecture and the new constructions. Besides the 54 units of accommodation planned in the renovated buildings and the 215 units of accommodation in the new buildings, the project also includes complementary functions such as a convalescent home, a convalescent and care home, a services and commercial pole in the vicinity, a care centre, a nursery, a community area, a swimming pool and a large park.

In terms of energy, the site is equipped with a heating installation based on centralised cogeneration using pellets (90 %) and gas (10 %). This installation will supply part of the electricity required and all of the heat required on the site. The urban heating network will provide heat for the heating system as well as for the hot water for the sanitary installations.

This installation enables significant primary energy savings and will contribute to a very substantial reduction in CO₂ emissions. All of the houses and apartments, both renovated and new, are also equipped with a ventilation system, dual flow with heat recuperation for the new buildings and single flow adjusted by humidity gauges for the renovated buildings. The new buildings are all “low energy” with a global inclusive insulation rating of between K26 and K35.

As far as water management is concerned, extensive studies have led to the design of a group of cisterns and seepage pits for the rainwater caught by the roofs and various storm drains and seepage ditches for the water running off the roads and surrounding areas.

The Green Hill project in the Grand-Duchy of Luxemburg

The *Green Hill* project consists of 170 apartments spread over 14 buildings situated in 4 ha of park. It is being developed in accordance with the strictest Luxemburg standards. These regulations provide for the verification of primary energy requirements, heat required for heating and CO₂ emissions. There are 9 performance ratings, from A to I. Three A codes correspond to the classification “passive construction”, while 3 B codes or higher correspond to the classification “low energy consumption”.

The very special care taken in the design and proportioning of the apartments has resulted in an A-B-A classification for each of them.

The whole *Green Hill* apartment project therefore meets the criteria for the classification “low energy consumption”.

This excellent performance comes, amongst other things, from the extremely careful thermal insulation of the building envelopes, which are partially equipped with triple-glazed windows, and the installation of dual flow ventilation with heat recuperation. This high level of performance is completed by the connection of the *Green Hill* buildings to an urban heating installation that uses wood pellets.

All of these measures together mean that the *Green Hill* site can save an estimated 240 tonnes of CO₂ emissions per year, or over 70% of the emissions that would be produced by heating with a fossil-based fuel such as, for example, natural gas.

At the ecological level, one study was specifically devoted to facilities that could be constructed to limit any negative impact on the environment, the creation of landscapes and the choice of plants and trees.

Green roofs, lagooning and water retention reservoirs, as well as the construction of a children’s playground, are also planned.



Offices

around

180,000 m²

Real estate
development



Residential
development

around

173,000 m²



Landbanking

nearly

290 ha

(+ 90 ha under option)

Offices

around

180,000 m²



FORUM (Brussels City)
Archi 2000

-
- Sale of *South City*

 - Sale of *Château-Rempart* in Tournai

 - Letting of 65.000 m² for *Belair*

 - Acquisition of the *Euler Hermes* project



Offices

Key events

- IMMOBEL sold the entire *Château-Rempart* project in Tournai.

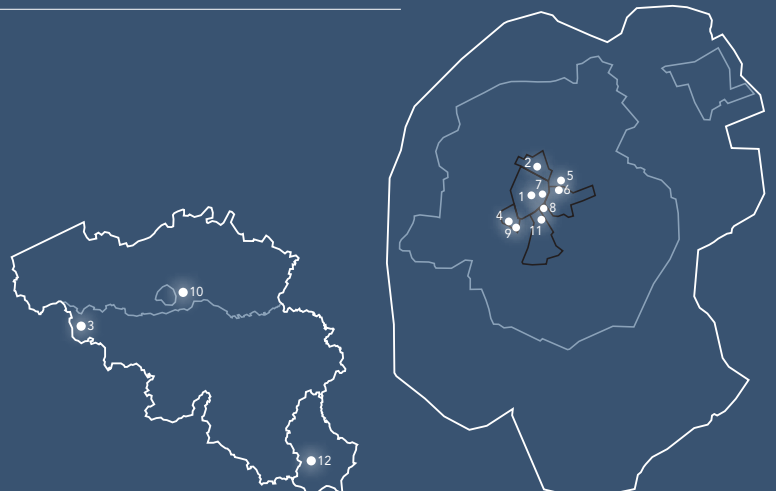
- It also sold the *Broodthaers* and *Fonsny* phases of the *South City* project (10 % holding).

- IMMOBEL concluded some important leases as well:
 - The *Belair* project in Brussels (40 % holding): the Council of Ministers gave its agreement for the conclusion of an 18 year lease to accommodate some of the Federal Police services in a surface area of about 65,000 m².
 - The *South City* and *Espace Midi* projects in Brussels: what remained of the projects has been leased.
 - In Tournai: phases 1B and 2 have been leased to the Régie des Bâtiments.
 - In the Grand-Duchy of Luxemburg, the *WestSide Village* project: several leases have been concluded. The tenants are mainly IBM, Magellan and C-Dev.

- IMMOBEL has acquired long-term lease rights on the *Euler Hermes* building located in the Léopold district on the corner of the rue Montoyer and rue du Commerce with a view to redeveloping a new office building of approximately 11,000 m².

Locations

Belair	> Brussels City	1
Brusselstower	> Brussels City	2
Château-Rempart	> Tournai	3
Espace Midi - Ilot D	> Brussels (Saint-Gilles)	4
Esplanade Émeraude	> Brussels (Schaerbeek)	5
Etterbeek Offices	> Brussels (Etterbeek)	6
Forum	> Brussels City	7
Montoyer Commerce	> Brussels City	8
South City - Broodthaers & Fonsny	> Brussels (Saint-Gilles)	9
Transpolis	> Zaventem	10
Universalis Park	> Brussels (Ixelles)	11
WestSide Village - Phase II	> Grand-Duchy of Luxemburg	12





BELAIR (Brussels City)
Studio Arne Quinze - Jaspers, Eyers & Partners - Archi 2000

Office projects where construction was started, in progress or completed in 2010.

Belair (formerly Cité Administrative de l'Etat) Brussels City

The *Belair* project is being jointly developed by Breevast (60 %) and IMMOBEL (40 %). It is a mixed development (offices, residential, retail, public areas...) of about 150,000 m². The Master Plan, which has been approved by Brussels Region as conforming to regional town planning regulations, was drawn up by Studio Arne Quinze.

The *Belair* building (formerly *Cité Administrative de l'Etat*) is located on the Boulevard Pacheco, very close to the centre of the city, which marks the border between the mainly residential part of the city and the business area. The site is highly visible and might be considered a flagship location.

Work to remove asbestos continued in 2010.

On 15th December 2010 IMMOBEL and its partner received a green light from the Federal Government to conclude a contract with the Régie des Bâtiments for a fixed term of 18 years on behalf of the Federal Police. This decision applies to a surface area of 65,000 m², i.e. the bulk of the office part of the project.

Major renovation work will start on buildings D, F and C in the second half of 2011.

Château-Rempart Phase 1B & Phase 2 Tournai

The "*Château-Rempart*" project is very well located.

The proximity of major road axes offers excellent access to Tournai's city centre and the surrounding area. An excellent network of public transport adds to the site's attraction: within 150 metres of it there are railway and bus stations. The centre of Tournai is just a few hundred metres from the project.

IMMOBEL continued and finished construction of phase 1B. It also started construction of phase 2. The whole development has been leased long term to the Régie des Bâtiments for use by the Ministries of Finance and Justice. The entire project has been sold to a private investor and the Caisse d'Epargne Nord France Europe.



SOUTH CITY OFFICE (Brussels / Saint-Gilles)
SM A.2R.C (Michel Verlieftden) and Jaspers, Eyers & Partners



WESTSIDE VILLAGE - Phase II (Grand-Duchy of Luxembourg)
Assar Architects

**Espace Midi
Block D**
Brussels (Saint-Gilles)

This project is located along avenue Fonsny, which fronts the Gare du Midi (Eurostar & Thalys). The location has the advantage of excellent access by public transport and is gradually confirming its position as a recognised sub-market for offices in Brussels. IMMOBEL continued construction of this building, a mixed development of offices (6,400 m²) and residential (2,830 m²). The offices were let to the SNCB on a 9 year fixed-term lease. There are negotiations to sell it to an investor.

Forum
Brussels City

This vast project of over 43,000 m² of offices is situated in the immediate vicinity of the Federal Parliament, in the area bordered by the rue du Parlement, rue de la Croix de Fer, rue de la Presse and rue de Louvain. It comprises 3 phases.

- A first new office building was made available during the first quarter of 2010.
- A second new building consisting of offices and quantities of shell, to be finished by the Chamber of Representatives itself, will be made available in the course of the first quarter of 2013.
- The two buildings will use the most modern high-performance technology, especially where sustainable development is concerned.
- The third phase involves asbestos removal and renovation of the building, located on rue de Louvain and rue du Parlement, as well as making it available for marketing. This is scheduled for mid-2011.

In 2010 construction work on phase I was completed and work on phase II was started.

South City Office
Brussels (Saint-Gilles)

The project is located along avenue Fonsny which fronts the Gare du Midi (Eurostar & Thalys). This location has the advantage of excellent access by public transport and is gradually confirming its position as a recognised sub-market for office in Brussels.

Broodthaers Phase

IMMOBEL (10 %) continued construction of this 17,662 m² office building, which has been let to SMALS and the SNCB as part of a long-term lease. The property was sold to the investor Allianz.

Fonsny Phase

IMMOBEL (10 %) continued construction of this 13,106 m² office building, which has likewise been let to SMALS in the framework of a long-term lease. The property was sold to the investor Intégrale.



“West Side Village is located in the pretty Luxemburg countryside. The objective is to create a commercial village by means of a plaza, some pavilions,... a soul.”

Eric YSEBRANT,
Partner architect – ASSAR-GROUP-ARCHITECTS SCRL

Westside Village Phase II Grand-Duchy of Luxemburg

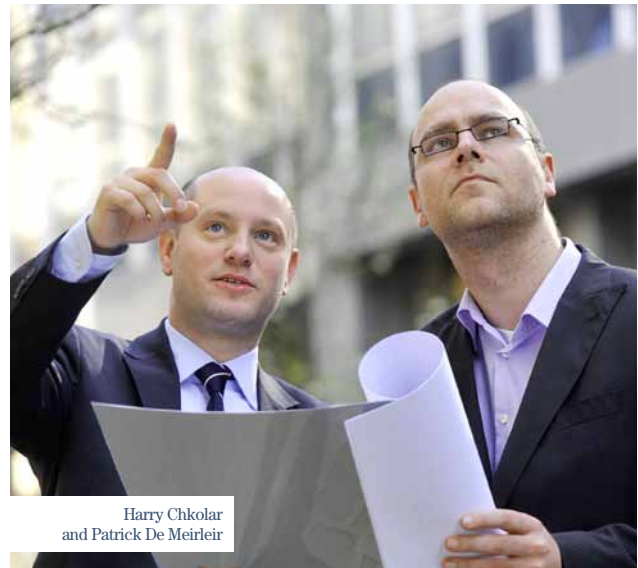
WestSide Village is located along the Luxemburg-Brussels motorway, less than 10 minutes by car from the city centre. It enjoys excellent visibility and access, which is an important asset. Construction started in June 2008 and was completed, according to plan, in February 2010. The project represents a surface area of 11,670 m² of offices. In 2010, IMMOBEL has let:

- 2,260 m² to IBM on a 9 year lease,
- 224 m² have been let to Magellan,
- 647 m² have been let to C – DEV,
- 443 m² have been let to “Crèche Pétronille”.

		Holding %	Area (m ² above ground)	IMMOBEL share (m ²)	Date available	Marketing situation (m ² above ground)
Office projects where construction was started, in progress or completed during 2010						
Belair	Brussels City	40 %	75 000	30 000	2013	Lease of 65 000 m ² approved by the Council of Ministers (Federal Police)
Château-Rempart, Phase 1B	Tournai	100 %	3 557	3 557	11/2010	Sold
Château-Rempart, Phase 2	Tournai	100 %	5 633	5 633	mid-2012	Sold
Forum	Brussels City	100 %	43 053	43 053	03/2010 Phase I 06/2013 Phase II 06/2011 Phase III	Sold
Espace Midi Block D	Brussels (Saint-Gilles)	20 %	6 418	1 284	02/2011	In progress 100 % of the offices have been let
South City Office - Broodthaers - Fonsny	Brussels (Saint-Gilles)	10 % 10 %	17 662 13 106	1 766 1 310	Completed Completed	Sold Sold
WestSide Village - Phase II (A, B, C)	Grand-Duchy of Luxemburg	100 %	11 667	11 667	01/2010	3 574 m ² leased rest in progress
Total			176 096	98 270		



MONTOYER COMMERCE (Brussels City)
Art & Build



Harry Chkolar
and Patrick De Meirleir

Projects under consideration

Brusselstower Brussels City

As part of a joint venture (50 %), IMMOBEL has obtained town planning permission allowing for the size of the building to be modified to accommodate 24 floors. The majority of the asbestos removal work was completed in 2008 and a new permit, which was applied for at the end of 2006, was granted in April 2009. The validity of the permit, which applies to an area of about 60,000 m² of offices, has been prolonged to April 2011. There are various contacts with potential occupants.

Etterbeek Offices Brussels (Etterbeek)

This office project, previously called *Juste Lipse II*, will be developed as part of a joint venture (50 %). A new implantation has been considered to enable the enlargement of the Chaussée d'Etterbeek.

A town planning permit for the construction of 10,000 m² of offices has been granted.

Montoyer Commerce Brussels City

IMMOBEL has acquired the long-term lease rights for 99 years on the Euler Hermes building situated in Brussels, at the corner of rue Montoyer and rue du Commerce.

The site is extremely well located in the Léopold district, which is the number one most dynamic office district in Brussels thanks to the European Institutions located in the vicinity of the Schuman Roundabout.

The "Arts-Loi" (lines 1, 2, 5 and 6) and "Trône" (lines 2 and 6) metro stations are located within short walking distance, providing access to the Gare du Midi railway station (Eurostar, Thalys, TGV and ICE terminal) in less than 10 minutes and the airport in approximately 30 minutes.

The building is easily accessible by car. Situated close to the rue de la Loi and the rue Belliard, access to the motorway system and the international airport is easy.

In the meantime IMMOBEL has applied for town planning permission with a view to developing a new office building there with a surface area in the order of 11,000 m² aimed at achieving a BREEAM certification "Excellent".

Universalis Park Brussels (Ixelles)

In December 2006, IMMOBEL acquired 2 parcels of land (85,000 m²) for a mixed office and residential development as part of a joint venture (50 %). The land previously belonged to the ULB and is situated on the Campus de la Plaine in Ixelles.

The Master Plan for the whole project, which was drawn up by the architecture firm Art & Build, was approved by Universalis Park in June 2008.



BRUSSELSTOWER (Brussels City)
Jaspers, Eyers & Partners



Jean-Louis Amandt, Griet Trekels
and Charles-Antoine Schobbens

Land holding

Esplanade Emeraude Brussels (Schaerbeek)

As part of a joint venture, IMMOBEL has presented a town planning project for the Reyers / Colonel Bourg site.

The plan is for a consolidation of the whole rue Colonel Bourg / Boulevard Reyers zone including: the construction of an esplanade at the end of the rue Colonel Bourg, a park-and-ride car park under the esplanade, new road access to the RTBF and the car parks of the adjoining buildings, a modification of the motorway exit, an extension of the existing Block B (MCM-Agoria) and the development of Block C. This last is to be built along the boulevard Reyers. Town planning certificates were granted in 2009.

Transpolis Zaventem

In association with Brussels Airport and Wilma Project Development, IMMOBEL is considering the possibility of building an office complex, to be called Transpolis, in the immediate vicinity of Brussels National Airport in Zaventem.

Residential development

around

173,000 m²



-
- Acquisition of a residential project allowing the development of 170 apartments in the Grand-Duchy of Luxembourg

 - Start of construction of *Résidence Saint-Hubert* in Liège

 - Begin of individual sales in *Vallée du Maelbeek*
-



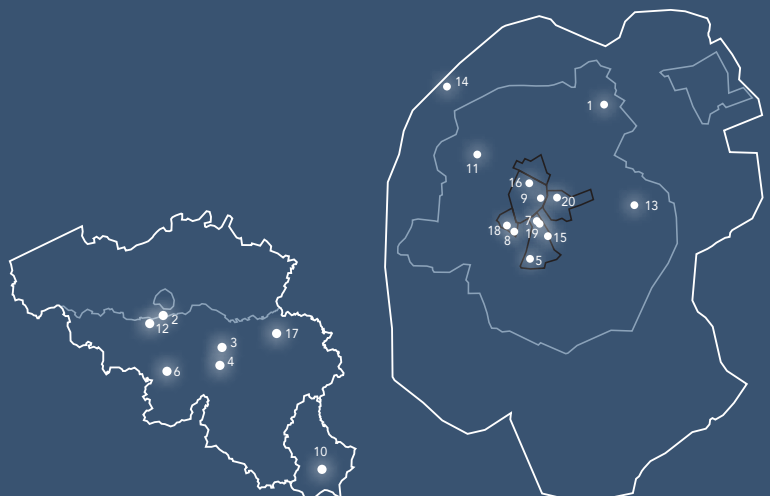
Residential development

Key events

- In 2010, IMMOBEL took a 50 % holding in the *Green Hill* project located in Beggen, in the Grand-Duchy of Luxemburg, with a view to developing 170 apartments there.
- The Group also started, continued and/or finalised a number of different housing developments including, in particular, *Bolinne*, *Crespel*, *Espace Midi*, *Jardin des Sittelles - phase 2*, *Place des Martyrs (Block 7)*, *Résidence Saint-Hubert* and *South City Hotel*.
- It should be noted that, in the framework of the development permit granted by the Commune of Uccle for the *Charmeraie* project, town planning permission to carry out road works was granted in the course of the year. The road works have started.
- During 2010, 61 apartments and 7 houses were sold.

Locations

Albatross Village	> Brussels (Haren)	1
Bella Vita	> Waterloo	2
Bolinne	> Eghezée	3
Boulevard Melot	> Namur	4
Charmeraie	> Brussels (Uccle)	5
Condorcet	> Charleroi	6
Crespel 40-42	> Brussels (Ixelles)	7
Espace Midi - Block D	> Brussels (Saint-Gilles)	8
Forum	> Brussels City	9
Green Hill	> Luxemburg (Beggen)	10
Hôpital Français	> Brussels (Berchem-Sainte-Agathe)	11
Ilot Saint-Roch	> Nivelles	12
Jardin des Sittelles - Phase 2	> Brussels (Woluwe-Saint-Lambert)	13
Jardins de Jette	> Brussels (Jette)	14
Mercelis	> Brussels (Ixelles)	15
Place des Martyrs - Block 7	> Brussels City	16
Résidence Saint-Hubert	> Liège	17
South City Hotel	> Brussels (Saint-Gilles)	18
Universalis Park	> Brussels (Ixelles)	19
Vallée du Maelbeek	> Brussels City	20





BOLINNE (Eghezée)
Benoît Hock

Residential projects on which construction was started, continued or finished during 2010

Bolinne Eghezée

The construction of 5 houses has been started. Two were sold in 2010.

Crespel 40-42 Brussels (Ixelles)

Rue Capitaine Crespel runs off Avenue de la Toison d'Or in close proximity to Avenue Louise. It is considered to be a trendy residential location with the advantage of numerous restaurants and shopping facilities.

The construction of 32 apartments as part of a joint venture (50 %) began in September 2008. The whole development was sold to a private investor in 2009. The work finished in April 2010.

Espace Midi – Block D Brussels (Saint-Gilles)

This project is located along Avenue Fonsny, which fronts the South Station (Eurostar & Thalys). This location has the advantage of excellent access by public transport and is gradually confirming its position as a recognised sub-market for offices in Brussels.

The work was carried out in 2010 and consisted of 22 residential units.

Jardin des Sittelles **Phase 2** Brussels (Woluwé-Saint-Lambert)

This project is located in a prime location on the border between Woluwé-Saint-Pierre and Woluwé-Saint-Lambert, in close proximity to Place Dumon and Blvd de la Woluwe.

The sale of the last houses was completed in 2010. In total the Group has already finished 66 single-family houses and 28 apartments on this 3.50 ha site.

During the second part of the year a new project comprising 32 apartments was started. 11 apartments were sold in three months.

One final building remains to be constructed comprising about 15 apartments.

Place des Martyrs **Block 7** Brussels City

Place des Martyrs is located in the historical centre of Brussels in the immediate vicinity of Rue Neuve, the pedestrian shopping street.

Construction work on a closed-shell development was continued and finished in 2010. Provisional delivery of the work has been agreed.



SOUTH CITY HOTEL (Brussels / Saint-Gilles)
SM A.2R.C (Michel Verliefdien) and Jaspers, Eyers & Partners



RÉSIDENCE SAINT-HUBERT (Liège)
Audex

Résidence Saint-Hubert Liège

This project consists of 2 phases, one comprising 25 apartments and a commercial property; the other is a hotel project situated along the Boulevard de la Sauvenière. Construction of the residential phase started in August 2010. It is situated in Rue Saint-Hubert, right in the centre of Liège. The 25 apartments and one commercial property are divided into 2 entities.

South City Hotel Brussels (Saint-Gilles)

This project is located along Avenue Fonsny which fronts the Gare du Midi (Eurostar & Thalys). The location has the advantage of excellent access by public transport and is gradually confirming its position as a recognised sub-market for offices in Brussels.

Construction of this 142 room hotel continued in 2010 and should be completed during the first half of 2011. A management contract has been signed with Rezidor.

		Holding %	Units
Main residential and/or commercial property and/or hotels on which construction was started, continued or finished during 2010 (7 projects)			
Bolinne	Eghezée	100 %	5 houses under construction, 2 of which were sold in 2010.
Crespel	Brussels (Ixelles)	50 %	32 apartments under construction. The whole development has been sold to an investor.
Espace Midi	Brussels (Saint-Gilles)	20 %	22 apartments under construction, 2 of which have been sold.
Jardin des Sittelles - Phase 2	Brussels (Woluwe-Saint-Lambert)	80 %	5 houses sold and 32 apartments under construction, 11 of which were sold in 2010.
Place des Martyrs - Block 7	Brussels City	100 %	Hotel with 46 rooms.
Résidence Saint-Hubert	Liège	50 %	25 apartments and one business under construction. 8 sales in 2010.
South City Hotel	Brussels (Saint-Gilles)	10 %	Hotel with 142 rooms under construction.



VALLÉE DU MAELBEEK (Brussels City)
BEAI-Jaspers, Eyers & Partners

Sales of residential projects ongoing in 2010

Jardins de Jette Brussels (Jette)

This is an extensive (about 1,000 accommodations) mixed-use partnership development (50 %). 25 apartments were sold in 2010.

Mercelis Brussels (Ixelles)

This project is located along rue Mercelis, which runs off Chaussée d'Ixelles a short distance on foot from the town hall of Ixelles. Work finished in October 2009. Besides the apartments already sold in 2008 (2) and 2009 (8), 2 apartments were sold in 2010. One remains to be sold.

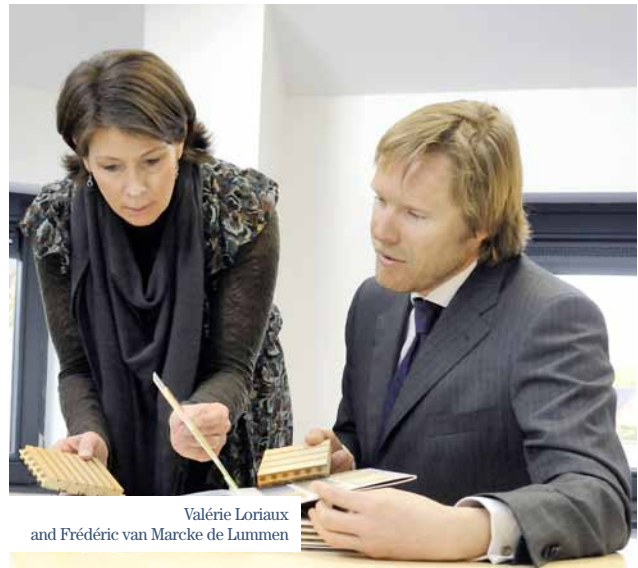
Vallée du Maelbeek Brussels City

This project is located in the heart of the Léopold district on the corner of Rue Belliard and Rue Froissart, nearby the European Parliament and Council of Ministers. Work on the site began in November 2009, but because of the failure of the initial purchaser, unit sales could only begin mid-2010. 13 residential units and 5 commercial units were sold in 2010.

		Holding %	Units
Sales of residential projects ongoing in 2010 (3 projects)			
Jardins de Jette	Brussels (Jette)	50 %	25 apartments sold in 2010.
Mercelis	Brussels (Ixelles)	100 %	13 residential units of which 2 were sold in 2010.
Vallée du Maelbeek	Brussels City	50 %	66 residential units and 7 commercial properties of which 18 (13 apartments and 5 retails) were sold in 2010.



BELLA VITA (Waterloo)
SM "FCM Architects - Baudouin Courtens & Associés" - © Picture Pixelab.be



Valérie Loriaux
and Frédéric van Marcke de Lummen

Projects under consideration

Bella Vita Waterloo

The "Bella Vita" project offers an exceptional location close to the centre and the railway station. Waterloo's lively centre, with its shops, services, pubs, restaurants, banks etc, is just a few hundred metres from the project.

This 14.9 ha site (50 % holding), a significant part of which is classified as an architectural ensemble, will be restored as a mixed, multi-generational centre oriented towards the 3rd and 4th ages. Amongst other things, it could include a medical or paramedical activity, a convalescent and care home, a service residence, a recreation centre, a residential development...

Studies were carried out on this 50,000 m² site in the course of the year. Town planning permission was granted in November 2010.

Boulevard Melot Namur

Early in 2007, IMMOBEL acquired the site for the development of a mixed project which is currently in study.

Boulevard Melot enjoys a very central location, a short distance on foot from the train station.

Charmerai Brussels (Uccle)

This project is situated at the corner of Avenue Dolez and the Rue Engeland in a first-rate residential area in Uccle.

Once the development permit and town planning permission for the road works have been granted, planning permission for the construction of houses and apartments will be studied. The project is on a site measuring over 3 ha and will comprise some 70 residential units. Sales will start in 2012.

Forum Brussels City

These premises are located very close to the Belgian Parliament in the so-called "secure area". The building is easy to reach by public transport. The Gare Centrale is within walking distance and there are metro and tram stops in the immediate vicinity of the building.

IMMOBEL acquired this ensemble of buildings situated in the "Block" formed by Rue du Parlement, Rue de la Presse, Rue de Louvain and Rue Croix de Fer in March 2006. This is a mixed project (offices/residential) being developed in several phases, one of which is residential.

Planning permission applying to the old buildings of the Institut National de Statistique and part of the more recent buildings of the Moniteur Belge was obtained in 2010. Work on the residential phase, which comprises 32 apartments, will start in 2011.



Green Hill Luxemburg (Beggen)

IMMOBEL took a 50 % holding in the *Green Hill* project, situated in Beggen in the Grand-Duchy of Luxemburg, with a view to developing 170 apartments there. The site is well oriented on a hill with a clear view, at the north of the city of Luxemburg, 3.5 km from the city centre and 1.5 km from the Kirchberg Plateau.

Construction work on the first phase of 50 residential units will start early in 2011. It should be noted that the project will apply for class "low energy" certification with urban biomass heating.

Hôpital Français Brussels (Berchem-Sainte-Agathe)

This project is located in Berchem Sint-Agathe, one of the 19 municipalities of Brussels, in the northern part of the city. Avenue Josse Goffin is a residential avenue.

The construction of the apartments, approximately half of which are intended to be government-subsidized housing is in study.

Ilot Saint-Roch Nivelles

This project is situated on a parcel of land bordered by Boulevard des Arbalétriers, Rue des Combattants and Rue du Faubourg Sainte-Anne.

First drafts of site plans have been submitted to the local authorities with a view to launching a mixed project comprising residential and commercial properties. The site has the advantage of being in the immediate vicinity of the centre of Nivelles.

Universalis Park Brussels (Ixelles)

In December 2006 IMMOBEL acquired 2 parcels of land (85,000 m²) for a mixed office and residential project as part of a joint venture (50 %). The land previously belonged to the ULB and is situated on the Campus de la Plaine in Ixelles.

The Master Plan for the whole project, which was drawn up by the architecture firm Art & Build, was approved by Universalis Park in June 2008.

The master plan for the n° 13 + ULB leverage zone is still being finalised. Despite this, Ixelles council has appointed a project author for the ULB + VUB special land use plan (PPAS). The use of this procedure should make it possible to define the new urbanisation purposes for which the site is to be used within a period of two years.

In the meantime, an application for town planning permission for a first phase of 130 homes will be submitted during the first half of 2011.



Land holding

Albatross Village Brussels (Haren)

The application for a permit for a residential development has been shelved as the Ministry of Justice has retained the site, via an expropriation procedure, for the construction of a new prison to replace the prisons located in Forest, Saint-Gilles and Berkendael.

Condorcet Charleroi (rue Tumelaire and rue du Parc)

The IMMOBEL Group has 80 % ownership of a piece of land situated between rue Tumelaire and rue du Parc. Town planning permission has been obtained in conformity with the Local Urban Plan. The development will comprise 54 apartments and offices for the liberal professions. Various development options are being considered.



JARDIN DES SITTELES - Phase 2 (Bruxelles / Woluwé-Saint-Lambert)
Bureau Trio

Landbanking

around

290 ha

(+ 90 ha under option)



DOLHAIN (Limbourg)

-
- More than 15 ha acquisitions in development zones

 - 174 sale transactions for a total surface of 17 ha

 - More than 18 ha planning permissions



Landbanking

Key events

- In 2010 acquisitions amounted to more than 15 ha of urban development zone. Acquisitions under conditions precedent, joint ventures or options covering approximately 4.5 ha were also completed.
- By the end of the year the company owned 260 ha in urban development zones and 29 ha in agricultural zones. It also controlled, under conditions precedent or options, 91 ha of land situated in urban development zones.
- In 2010, new development permits and/or building permits were granted in Achêne, Bolinne, Bredene, Burdinne, Enghien, Eupen, Forchies-la-Marche, Kettenis, Lontzen, Mons, Montzen, Neupré, Rhisnes, Soumagne, Uccle, Vilvorde, Waterloo, Waremme and Woluwé-Saint-Lambert.
- A planning and environmental report was approved for the exploitation of a vast designated development zone, of approximately 15.6 ha in Liège.
- Road works at the land development projects in Baillonville, Bredene, Chastre, Enghien, Eupen, Hannut, Soumagne, Walhain and Waterloo were carried out.
- During 2010 land sales represented 174 transactions, including the sale of two blocks of agricultural land in Ghent and in Alesberg totalling an area of 17 ha. Land sales from development projects amounted to 8.2 ha net (Group share). Expertises and mandates were also carried out on behalf of third parties.

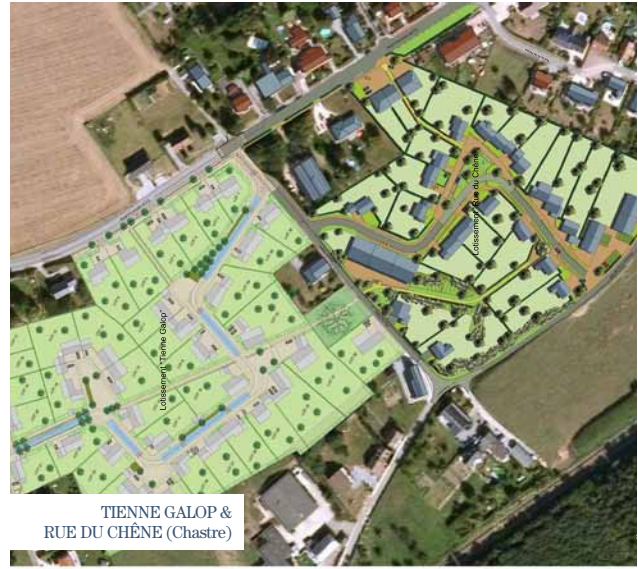
Implantations

Al Trappe	> Limbourg	1
Basse Levée	> Stavelot	2
Braibant	> Ciney	3
Breeweg	> Bredene	4
Caraute	> Waterloo	5
Chaussée d'Ath	> Enghien	6
Chaussée de Nivelles	> Temploux	7
Chemin Mahy	> Walhain	8
Deux Tilleuls	> Soumagne	9
Kettenis	> Eupen	10
Klosterstraße	> Lontzen	11
La Charmeriaie	> Uccle	12
Noreth	> Eupen	13
Parkbos	> Bredene	14
Rue du Bouny	> Fléron	15
Rue du Chêne	> Achêne	16
Rue Gustave Demoulin	> Montzen	17
Rue Jean Jaurès	> Soumagne	18
Ruelle Burton	> Gesves	19
Taille d'Harscamp	> Sart-Bernard	20
Tienne Galop	> Chastre	21





Jacques Lambotte, Nicolas Mommens and Wauthier Dumont de Chassart



TIENNE GALOP & RUE DU CHÊNE (Chastre)

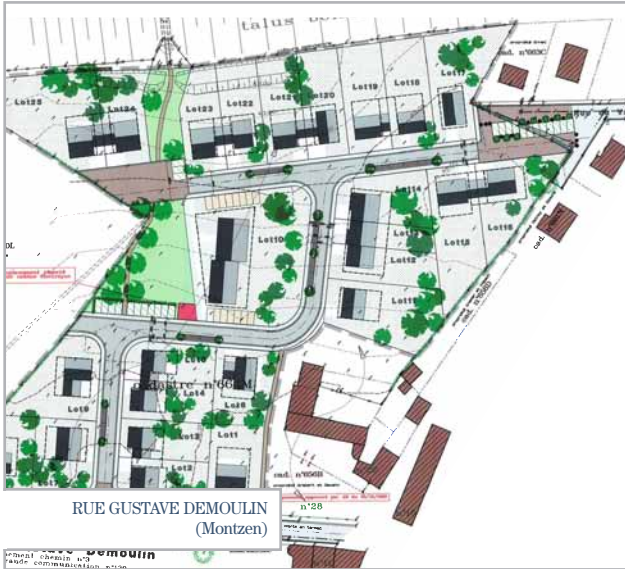
Main landbanking projects for sale at 31 december 2010

Al Trappe Limbourg	In this development of 74 plots, 8 of the 40 plots still available for sale were sold in the course of 2010.
Basse Levée Stavelot	In this development of 33 plots, 4 sales were completed in 2009; there are still 21 plots for sale.
Caraute Waterloo	The last 8 plots of this development were sold during the year.
Chaussée d'Ath Enghien	In this important development comprising 91 parcels, 12 sales were completed in 2010; 13 pieces of land are still for sale.
Chaussée de Nivelles Temploux	In this development 17 plots were started in 2010, 8 plots have been sold.
Deux Tilleuls Soumagne	Sales of plots have started in this development of 26 plots. Two sales contracts were signed in 2010.
Parkbos Bredene	Sales in this important project comprising 226 parcels for single-family houses and 6 for villa apartments are proceeding according to plan. 15 sales were completed in 2010; 121 plots are still for sale including 6 plots for villa apartments.
Rue de Bouny Fléron	5 plots were sold during the year; there are still 26 pieces of land for sale.
Rue Jean Jaurès Soumagne	In this development of 39 plots there is still 1 plot for sale; 3 plots were sold in 2010.
Taille d'Harscamp Sart-Bernard	In 2010, 7 plots were sold; there are still 22 plots for sale.
Tienne Galop Chastre	Marketing of this development of 36 plots started in 2010; 4 sales contracts were signed in 2010.



Landbanking projects to be put up for sale or started in 2011

- | | |
|--|---|
| <p>Braibant
Ciney</p> | Utility works were carried out on the land in 2009. The 15 plots will be put up for sale in 2011. |
| <p>Brewweg
Bredene</p> | After town planning permission had been granted for the roads, work started at the end of 2010; they will finish in 2011. |
| <p>Caraute
Waterloo</p> | Work on the roads and utilities for the third and fourth phases of this development project were started in 2010. Marketing of the plots will start in the second half of 2011. |
| <p>Chaussée d'Ath
Enghien</p> | Delivery will be taken of the road works for the last phase of this development, comprising 8 plots, in 2011. |
| <p>Chemin Mahy
Walhain</p> | Delivery was taken of the works in 2010. The 6 plots that make up this development will be put up for sale in 2011. |
| <p>Kettenis
Eupen</p> | The development permit for 37 plots and town planning permission for road works were granted in 2010. Work will begin in the first half of 2011. |
| <p>Klosterstraße
Lontzen</p> | Utility works for this important development comprising 53 plots will be started once the permit for the roads has been granted. |
| <p>La Charmeriaie
Uccle</p> | Town planning permission for the road works was granted in 2010. Work starts in January 2011. |
| <p>Noreth
Eupen</p> | Town planning permission for the road works was granted in 2010 and utility works for this development of 38 plots is underway. |
| <p>Rue du Chêne
Achêne</p> | As a development permit for 34 plots has been granted, road works will start in 2011. The project consists of 34 plots. |
| <p>Rue Gustave Demoulin
Montzen</p> | A development permit for 25 plots was granted in 2010 and the utility works will be carried out in 2011, once the permit for the road works has been granted. |
| <p>Ruelle Burton
Gesves</p> | Utility works for the development have finished. The 12 plots will be put up for sale as of 2011. |



Projects under consideration

Alleur, Andenne, Ans, Arlon, Beaufays, Belgrade, Berchem-Sainte-Agathe, Berloz, Bierset, Braine-L'Alleud, Bredene, Chastre, Clavier, Cortil-Noirmont, Eghezée, Etterbeek, Gembloux, Grivegnée, Hermée, Herstal, Lontzen, Maizeret, Montzen, Nandrin, Olné, Ottignies, Plombières, Soignies, Soumagne, Tinlot, Uccle, Vilvorde, Walhain, Waremmé, Waterloo, Wavre, Woluwé-Saint-Lambert. In these various localities impact studies, applications for town planning and development permits, and planning and environmental reports (RUE – rapports urbanistique et environnementaux - or RUP – ruimtelijke uitvoeringsplannen) are in progress and/or instructions have been given for them.

Inventory¹	2005	2006	2007	2008	2009	2010
Stock (in m²)						
Under Development	545 887	653 136	573 012	501 953	569 384	581 099
In Reserve	2 557 573	2 294 693	2 267 505	2 392 694	2 436 762	2 315 857
Total	3 103 460	2 947 829	2 840 517	2 894 647	3 006 146	2 896 956²
Net sales of plots (in m²)	115 596	184 316	132 582	215 824	97 178	253 340
Number of transactions	222	232	141	150	159	174

1. Group share.

2. To be increased with 91 ha acquired under conditions precedent.

Directors' report



Directors' report

Dear Madam, Dear Sir,

We have great pleasure in presenting you our report on the activities of the IMMOBEL Group during 2010.

Despite the ongoing difficult economic situation and an extremely unfavourable property market, IMMOBEL ended 2010 with an operating income of 13.2 MEUR, compared to 19.4 MEUR in 2009. This income generated a net consolidated profit of 10.6 MEUR, compared to 15.6 MEUR the previous year.

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

IMMOBEL Group business

Sales for the year ended came to 81.85 MEUR compared to 106.68 MEUR in 2009.

In 2010, IMMOBEL pursued its Development Plan in its three spheres of activity: Offices, Residential and Landbanking. It has carried out several important operations including acquisitions, sales and leases in these spheres, in line with its objectives.

a) Office Development

– Office Development:

- Brussels: IMMOBEL acquired the leasing rights for a period of 99 years for the building belonging to Euler Hermes, located in Brussels on the corner of the rue Montoyer and the rue du Commerce. In the meantime IMMOBEL has applied for town planning permission with a view to developing an office building with a surface area in the order of 11,000 m², aimed to achieve a BREEAM certification rating "Excellent".

– Lease of the following projects:

- Brussels:
 - the *Belair* project (40% holding): the Council of Ministers has agreed to conclude a lease for 18 years to accommodate some of the Federal Police services in a surface area of around 65,000 m²,
 - the *Crystal (Block D)* project at Espace Midi (20 % holding): the entire project has been leased to the SNCB, the Belgian railway company,
 - the *South City "Broodthaers"* (10 % holding) project: 13,662 m² have been leased to the SNCB and the remaining 4,000 m² have been leased to SMALS.
- Grand-Duchy of Luxembourg: the *WestSide Village* project in the Grand-Duchy of Luxembourg: several leases and agreements have been concluded with tenants such as

IBM and Fujitsu. At the start of 2011, 40 % of the office complex (11,667 m²) had been let.

- Tournai: in Tournai: the last two phases (9,190 m²) of the *Château-Rempart* project have been leased to the Régie des Bâtiments (Belgian public buildings administration) for use by the Ministries of Finances and Justice.

– Project transfers:

- Brussels: All of the *Broodthaers* and *Fonsny* phases having been leased, they could be sold in 2010. The *Broodthaers* wing (17,662 m²) was sold to the investor Allianz, while the wing leased to SMALS (13,106 m²) – referred to as "*Fonsny*" – was sold to Integrale and OGEO Fund.
- Tournai: IMMOBEL sold the entire *Château-Rempart* office project located in Tournai. This project comprises 3 phases representing a total of 13,642 m² of offices, all of which have been let to the Régie des Bâtiments on long-term leases. The buyers are a partnership comprising a private investor and the Caisse d'Épargne Nord France Europe.

– Town planning permission obtained:

- IMMOBEL obtained planning permission for phase II of the Forum project, making it possible to carry out the entire project.

IMMOBEL started, continued and/or finished the following building projects – *Château-Rempart* in Tournai (phases IB and II), *Forum I and II*, *WestSide Village* (A, B and C) and, in partnership, the projects *Belair*, *Espace Midi (Block D)* and *South City Office (Broodthaers and Fonsny)*.

Following the project transfers and leases mentioned above, sales for the Office business for the year ended came to 58.67 MEUR compared to 82.06 MEUR in 2009. Operating income was 10.96 MEUR in 2010 compared to 16.84 MEUR in 2009.

b) Residential Development

– Acquisition of the following projects:

- Grand-Duchy of Luxembourg: IMMOBEL has also taken a 50 % holding in the *Green Hill* project, located in Beggen (City of Luxembourg), with a view to developing 170 apartments.

– Town planning permission obtained:

- for the construction of 26 units in the *Résidence Saint-Hubert (Espace Trianon)* building in Liège,
- for 32 apartments in the *Jardin des Sittelles* in Woluwé-Saint-Lambert,
- for road works for the *Charmeriaie* project in Uccle and these road works have started.

– IMMOBEL sold 61 apartments and 7 houses (compared to 62 and 8 in 2009).

– IMMOBEL started, continued or completed the development and construction of residential projects such as: *Bolinne, Crepsel, Espace Midi, Espace Trianon (Résidence Saint-Hubert building), Jardin des Sittelles, Place des Martyrs (Block 7) and South City Hotel.*

The town planning permission and environmental permits for the *Bella Vita* project in Waterloo, which were delivered in 2010, are currently being appealed at the Council of State (the supreme administrative court of Belgium).

Residential sales for the year ended came to 12.03 MEUR, compared to 13.51 MEUR the previous year.

Operating income earned was 0.38 MEUR in 2010, compared to -1.33 MEUR in 2009.

c) Landbanking

– For the Landbanking business, acquisitions in 2010 involved over 15 hectares of urbanization zone. Acquisitions under conditions precedent, partnership or option agreements involving around 4.5 ha were also finalised.

– Land sales represented 174 transactions in 2010, including the sales of two blocks of agricultural land in Ghent and in Alsemberg, covering an area of 17 ha. Plot sales came to 82 ha net (Group share). Expertises and mandates for third parties were also carried out. In 2009 there were 159 transactions.

– Development permits were delivered for various landbanking projects totalling over 18 ha.

Sales for the business were 11.15 MEUR for the year ended compared to 11.11 MEUR in 2009.

Operational profit earned was 1.88 MEUR in 2010 compared to 3.92 MEUR in 2009.

Comments on the annual accounts

1. Consolidated Accounts

Consolidated figures (MEUR)	31/12/2009	31/12/2010
Operating result	19.43	13.22
Financial result	- 4.04	-4.88
Shares in the income of entities accounted for by the equity method	0.01	2.86
Pre-tax result	15.40	11.20
Taxes	- 0.69	-0.67
Income from ongoing business	14.71	10.53
Income from business abandoned	0.90	-
Income for the year	15.61	10.53
Group share of income	15.61	10.55

2. Company results of IMMOBEL NV/SA

Income statement

The operational result amounts upto -4.86 MEUR for the closed financial year compared to 25.70 MEUR for the financial year closed at 31st December 2009, which was a.o. influenced by the transfer of the Forum project to the Belgian Chamber of Representatives (Chambre des Représentants de Belgique).

The financial result amounts to 3.44 MEUR compared to 6.03 MEUR in 2009.

The exceptional result, influenced by the write-downs on financial participations, amounts to -3.93 MEUR.

The financial year of IMMOBEL ended with a net profit of 5.35 MEUR, compared to a net profit of 31.78 MEUR at 31st December 2009.

Balance sheet

The Balance sheet total amounts to 215.96 MEUR compared to 265.82 MEUR for the financial year closed per 31st December 2009.

The equity amounts 171.94 MEUR per 31st December 2010. In 2009 it amounted 182.44 MEUR.

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the year, amounts to 106.71 MEUR.

The Board of Directors proposes to the Ordinary General Meeting of 26th May 2011 to distribute a gross dividend in respect of the 2010 financial year of 1.25 EUR per share.

The profit will therefore be allocated as follows:

– Dividend for the year: 5.15 MEUR

– Profit carried forward: 101.56 MEUR

The dividend will be made available for payment on 6th June 2011 upon presentation of coupon n° 22.

Main risks and uncertainties

The IMMOBEL Group faces the risks and uncertainties inherent to the property development sector. Without the list being exhaustive, we would like to mention the following in particular:

Market risks

The Group is susceptible to developments in the office property market (mainly in Brussels and in the Grand-Duchy of Luxembourg) and the residential property market (mainly in Brussels and Wallonia). Its portfolio of projects under development or to be developed is spread both in terms of timing and in the nature of the allocation, so as to ensure that the impact of a deteriora-

tion in the property market is limited. The Group is also affected by supply and demand in these markets, where both sales and leases are concerned, as well as by rent levels and property values. The evolution of the main macro-economic indicators influences these factors, possibly affecting the level of Group business and its development prospects.

Risks linked to the development business

Before acquiring any project the Group carries out studies into its feasibility in terms of urbanization, technology, the environment and finance, usually with the aid of specialised external consultants. Despite all the precautions taken, unexpected problems linked to external factors (delays in decisions by the administrative authorities, new regulations, particularly in matters of ground pollution or energy performance, interventions by pressure groups during public consultation procedures, protection of the environment, etc.) and unforeseeable risks may arise in projects developed by the Group causing delays in delivery and overspending on budgets. The complexity of the projects, application of the regulations, the multiplicity of participants, the need to look for and find tenants and, finally, investor buyers constitute the many activities and risks facing property developers. To deal with the specific risks associated with its activities, the Group has teams experienced in office development, residential development and landbanking, as well as management tools and ad hoc risk control.

Liquidity and financing risks

The Group is exposed to a liquidity risk which might result from a lack of funds in the event of non-renewal or cancellation of its financing contracts, including the existing credit lines. The Group does not initiate the development of a project if the financing for it is not assured for its estimated duration, by internal as well as external sources. The Group is financed by several prominent Belgian banking partners with which it has longstanding and strong relationships based on mutual trust. In 2010 this enabled the Group – alone or with its partners – to renew or renegotiate credit lines for about 280 MEUR (100% stake). The amount of financing to be renewed in 2011 represents about 60% of the credit lines available at the end of 2010.

Risks associated with the interest rate

Given its current and future indebtedness, which is required for the development of its projects, the Group may be affected by any significant short or long-term change in interest rates, as well as by the credit margins taken by the banks and by financing

options (conditions, term, price, etc.). The Group's financing is assured on the basis of short-term interest rates (based on Euribor rates for 1 to 12 months). The feasibility studies for each project are based on ranges of predicted rates over the long term. In the context of a global programme of risk management coverage, the Group has set up a "hedging" policy aimed to provide adequate cover against the risk of interest rates on its debt with financial instruments.

Administrative risks

Any development is subject to planning and environmental permission being granted. Nonetheless in view of the permission already granted, the Company is confident that it can or will be in a position to develop the projects it currently has in its portfolio.

Counterparty risks

The Group pays great attention, through appropriate studies, to the choice of its partners, investors and candidates for project acquisitions; nevertheless, the risk of default by these counterparties does exist and could affect the Group's results, should it arise.

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

With the exception of the acquisition of the two projects in Poland, Cedet in the heart of Warsaw (about 20,000 m²) and Okraglak in the very centre of Poznan (about 7,600 m²), by a subsidiary of the Group, the Compagnie Immobilière Luxembourgeoise, no important events have taken place since the end of the year.

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

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

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

For as much as necessary, the Board of Directors reiterates that, given the nature of its business, the Group did not engage in any Research and Development activities during the year which has just ended.

V. Use of financial instruments (art. 96 §1, 8° and 119, 5° Companies Act)

The Board of Directors confirms that the Group used financial instruments intended to cover any rise in interest rates. The market value of these financial instruments was -1.82 MEUR as at 31st December 2010.

VI. Evidence of the independance and competence of at least one member of the Auditing & Financial Committee (art. 96 §1, 9° and 119, 6° Companies Act)

At the Extraordinary General Meeting on 29th August 2007, the shareholders appointed Mr. Wilfried Verstraete and Arsema sprl, represented by Didier Bellens, as Directors as proposed by the Board of Directors.

Both of these Directors meet all of the criteria of independence mentioned in Articles 524 and 526 ter of the Companies Act and sit on the Board of Directors and the Audit & Finance Committee of IMMOBEL as independent Directors.

Both of these Directors hold university degrees in Economics or Business Administration (MBA) and have held or continue to hold the roles of Chief Executive Officer in international groups. Mr. Maciej Drozd, the present CFO of Eastbridge Group, also has the necessary competence in accounting and audit.

VII. Description of internal control systems and risk management (art. 119, 7° Companies Code)

See in this purpose the "Report on the internal control and risk management" on page 16 of the present Annual Report.

VIII. Additional information

For as far as necessary, the Board of Directors reiterates:

– that IMMOBEL has not set up any branches (art. 96 §1, 5° Companies Act, and

– that, given the results of the Company, there has been no reason to justify the application of continuity accounting rules (art. 96 §1, 6° Companies Act).

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

– that no capital was raised that needs to be reported pursuant to article 608 of the Companies Code during the year under review,

– that neither IMMOBEL, nor any direct subsidiary, nor any other person acting in his own name but on behalf of IMMOBEL or a direct subsidiary has bought or sold shares in IMMOBEL (art. 624 Companies Act).

IX. Information to be inserted pursuant to articles 523 and 524 of the companies act

The Board of Directors reports that it has used the procedure provided for in articles 523 and 524 of the Companies Act while decisions were being taken regarding the possible acquisition of two projects in Poland, owned by companies linked to our reference shareholder, Cresida Investment S.à.r.l., by a subsidiary of the Company, Compagnie Immobilière Luxembourgeoise.

The Committee of Independent Directors, dated 9th December, 2010, issued an opinion on the acquisition of two projects in Poland (*cf. Appendix 1*)

Based on the report of the Committee of Independent Directors and on feasibility studies, the Board of Directors has decided on 9th December to approve two new investment based on a total price of 40.2 million (standard base case) and carry out such transactions. He commissioned Baron Buysse and / or Gaëtan Piret, acting together and / or separately, to go ahead and finalize negotiations with CDI, and sign the various documents for this purpose.

The Statutory Auditor made an assessment as to the accuracy of information contained in the opinion of the Committee and the minutes of the Board of Directors (*cf. Appendix 2*).

X. Déclaration de gouvernance d'entreprise (art. 96 §2 C. Soc.), comprenant le Rapport de Rémunération (art. 96 §3 C. Soc.)

See in this purpose the "Corporate Government Statement" on pages 10 and subsequent of the present Annual Report, as well as pages 13 and subsequent for the "Remuneration Report".

XI. Takeover bid

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

- 1° the capital stock is 60,302,107.83 EUR represented by 4,121,934 shares, without any mention of par value, each representing an equal share of the capital stock (art.4 of the Articles of Association),
- 2° the Board of Directors is authorised to increase the Company's capital by a maximum amount of 50,000,000 EUR (art. 13 of the Articles of Association), bearing in mind that the exercise of this power is limited in the case of a takeover bid by article 607 of the Companies Code,
- 3° – an Extraordinary General Meeting has been called to decide whether to authorise the Board of Directors, for a term of 3 years dating from said Extraordinary General Meeting, to purchase or dispose of shares in the company when this purchase or disposal is necessary to prevent any serious imminent harm,
 - concerning the nomination and replacement of the members of the Board of Directors, the Articles of Association specify that the Board of Directors should be composed of at least five members, appointed by the Ordinary General Meeting at the proposal of the Remuneration & Appointments Committee for a maximum of 4 years,
 - for the modification of the Articles of Association there are no regulations other than those established by the Company's Code.

XII. Management and control of the company

At the Annual General Meeting to be held next May 26, you will be asked to express an opinion on the renewal of the directorships of companies ARSEMA sprl, represented by **Mr. Didier BELLENS**, and GAËTAN PIRET sprl, represented by **Mr. Gaëtan PIRET** and **Misters Luc LUYTEN, Marek MODECKI, Wilfried VERSTRAETE** and **Laurent WASTEELS** for a period of 4 years expiring at the Annual General Meeting to be held in 2015.

Moreover, during this same General Meeting, you will also have to express an opinion on the reappointment of the Statutory Auditor, civil society under form of a SCRL DELOITTE REVISEURS D'ENTREPRISES. It is proposed to renew his mandate as Statutory Auditor for a period of 3 years ending after the Annual General Meeting to be held in 2014 for a fee of 40,000.00 EUR (excluding fees and disbursements) per year, indexed annually. The Statutory Auditor will be represented by **Mr. Laurent BOXUS** as lead partner.

As stated in the Corporate Governance Statement, the Directors have, at the Board of Directors held on 9th December 2010, formed a Management Committee composed of four members.

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

Agreed at the Meeting of the Board of Directors on 24th March 2011.

GAËTAN PIRET sprl
Managing Director

Baron BUYASSE
Chairman of the Board of Directors

Appendix 1

Committee of Independent Directors

Report to the Board of Directors Advice on the proposed acquisition of projects in Poland

Brussels, 9th December 2010

In accordance with the procedure provided for in article 524 of the Companies Code, we have analysed the foreseen operations. As described in the IAMC file sent before the meeting, these operations concern the acquisition of two development projects (Offices/Retail) in Poland (Warsaw and Poznan). The first operation consists of the demolition/reconstruction of an office/commercial property with an area in the order of 20 to 22,000 m² in the centre of Warsaw, considered to be a prime location.

The second opportunity consists of the thorough renovation of an office/retail property with an area in the order of 8,000 m² located in the centre of Poznan, likewise considered to be a prime location.

The investments required to realise these 2 operations are in the order of 40.2 MEUR + construction and renovation costs, as well as the various soft costs and financial costs.

The purchase price will evolve in function of the number of m² of Offices/Retail for leasing obtained in Warsaw; the base price being 37 MEUR for 19,900 m² in Warsaw and, in function of the margin obtained, 3.2 MEUR for Poznan.

Furthermore, provisions have been made for the cancellation of the transaction in Warsaw if permission to develop a certain threshold of m² is not obtained, as neither zoning nor planning permits have been granted for Warsaw yet. In Poznan, on the other hand, a renovation permit has been granted.

In this case, as is customary in Belgium and in Poland, the two companies that hold the respective assets will be purchased.

We have asked DTZ Poland to review the assumptions used in the feasibility study. Based on the expert's report, we consider that the profitability estimated for these 2 projects, as included in the feasibility studies, is similar to the profitability of recent acquisitions made by the IMMOBEL Group.

The financial consequences for the company are an initial investment in stock in the order of 40.2 MEUR (variable in function of the number of m² to be developed); the intention is to finance this with a corporate credit line. The feasibility study as it was submitted to the expert from DTZ Poland indicates positive profitability.

The Committee of Independent Directors (CID) esteems that the transactions under consideration are not liable to cause harm to the company and correspond to the usual promotional risks taken by IMMOBEL in the context of its development projects with much sought after benefits and profitability in return.

Appendix 2

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

To the board of directors

In the frame of transactions with Centrum Development & Investments SA, a related party of Cresida Investment Sàrl, reference shareholder of Compagnie Immobilière de Belgique SA, our assessment is required in accordance with the requirements of article 524 of the Companies Code with respect to the faithfulness of the data included in the opinion dated 9 December 2010 of the committee of the independent directors, and in the minutes of the board of directors of 9 December 2010. This assessment will be attached to the minutes of the board of directors and will be included in the directors' report.

The proposed transactions aim at acquiring two development projects (office/retail) in Poland.

In the frame of our mission, our procedures were the following :

- a) we have obtained the opinion dated 9 December 2010 of the committee of independent directors and have compared the data included with the report dated 7 December 2010 of the independent expert DTZ Polska SP. Z.o.o.;
- b) we have obtained the minutes of the board of directors dated 9 December 2010 and have compared the conclusion with the conclusion of the committee of the independent directors.

Based on our procedures, our findings are the following :

- with respect to item a) here above, we have found that the financial data included in the advice of the committee of the independent directors dated 9 December 2010 corresponds to the report dated 7 December 2010 of the independent expert DTZ Polska SP. Z.o.o.;
- with respect to item b) here above, we have found the conclusion included in the minutes of the board of directors dated 9 December 2010 corresponds to the conclusion of the committee of the independent directors
- and that therefore the financial data included in the opinion of the committee of the independent directors and in the minutes of the board of directors are faithful. This does not entail that we would have assessed the value of the transaction nor the opportunity of the opinion of the committee or of the decision of the board of directors.

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

Diegem, 23 March 2011

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Pierre-Hugues Bonnefoy

Consolidated accounts and condensed company accounts



Contents

Consolidated accounts	65
Consolidated income statement	65
Consolidated statement of comprehensive income	65
Consolidated balance sheet	66
Consolidated cash flow statement	67
Consolidated statement of changes in equity	68
Accounting Principles and Methods	69
Notes to the consolidated financial statements	75
1. Information by segment - financial information by business segment	75
2. Turnover	77
3. Other operating income	77
4. Purchases - change in inventory	78
5. Personnel expenses	78
6. Amortisation, depreciation and impairment of assets	79
7. Other operating expenses	79
8. Financial result	80
9. Share in the result of investments in associates	81
10. Income taxes	81
11. Earnings per share	81
12. Property, plant and equipment	82
13. Investment property	82
14. Investments in associates	83
15. Investments available for sale	83
16. Deferred tax assets and liabilities	84
17. Inventories	85
18. Trade receivables	86
19. Other current assets	86
20. Net treasury	87
21. Equity	90
22. Pensions and similar obligations	91
23. Provisions	92
24. Trade payables	93
25. Other current liabilities	93
26. Change in working capital	94
27. Acquisitions of investments	94
28. Disposal of investments	94
29. Repayment of capital and dividends collected	95
30. Main contingent assets and liabilities	95
31. Information on related parties	96
32. Events subsequent to reporting date	96
33. Joint ventures	97
34. Subsidiaries, joint ventures and associates	97
Statement from the responsible persons	99
Statutory auditor's report	100
Condensed company accounts	101
Condensed balance sheet	101
Condensed income statement	102
Appropriation account	102
Summary of accounting policies	103
General information	104

Consolidated accounts (in thousands of EUR)

Consolidated income statement

	NOTES	31-12-2010	31-12-2009
OPERATING INCOME		85 616	112 952
Turnover	2	81 850	106 681
Other operating income	3	3 766	6 271
OPERATING EXPENSES		-72 399	-93 521
Purchases	4	-30 477	-70 677
Change in inventory	4	-26 272	-850
Personnel expenses	5	-6 363	-9 001
Amortisation, depreciation and impairment of assets	6	-349	-2 076
Change in the fair value of investment property	13	309	-806
Other operating expenses	7	-9 247	-10 111
OPERATING RESULT		13 217	19 431
Interest income		423	1 479
Interest expense		-4 771	-5 028
Other financial income		22	97
Other financial expenses		-554	-590
FINANCIAL RESULT	8	-4 880	-4 042
Share in the result of investments in associates	9	2 859	7
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		11 196	15 396
Income taxes	10	-670	-687
RESULT FROM CONTINUING OPERATIONS		10 526	14 709
RESULT FROM DISCONTINUED OPERATIONS			898
RESULT FOR THE YEAR		10 526	15 607
Share of non-controlling interests		-24	0
SHARE OF IMMOBEL		10 550	15 607
BASIC EARNINGS AND DILUTED EARNINGS PER SHARE (IN EUR)	11		
- Result of the continuing operations		2.55	3.57
- Result of the year		2.56	3.79

Consolidated statement of comprehensive income

	NOTES	31-12-2010	31-12-2009
Result for the year		10 526	15 607
Other comprehensive income			
Cash flow hedges	20	1 114	-562
Actuarial gains and losses (-) on defined-benefit plans	22	53	910
Other comprehensive income		1 167	348
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11 693	15 955
Share of non-controlling interests		-24	0
SHARE OF IMMOBEL		11 717	15 955

Consolidated balance sheet

ASSETS	NOTES	31-12-2010	31-12-2009
NON-CURRENT ASSETS		11 415	13 187
Intangible assets		12	21
Property, plant and equipment	12	1 278	1 380
Investment property	13	2 280	1 971
Investments in associates	14	7 445	9 194
Investments available for sale	15	77	70
Deferred tax assets	16	74	281
Other non-current assets		249	270
CURRENT ASSETS		292 093	345 298
Inventories	17	240 769	260 250
Trade receivables	18	9 881	5 155
Tax receivables		546	885
Other current assets	19	6 358	10 895
Cash and cash equivalents	20	34 239	67 736
Non-current assets classified as held for sale		300	377
TOTAL ASSETS		303 508	358 485
EQUITY AND LIABILITIES	NOTES	31-12-2010	31-12-2009
EQUITY	21	172 129	168 680
EQUITY SHARE OF IMMOBEL		172 152	168 679
Share capital		60 302	60 302
Retained reserves		111 485	109 179
Other reserves		365	-802
NON-CONTROLLING INTERESTS		-23	1
NON-CURRENT LIABILITIES		71 949	69 265
Employee benefit obligations	22	346	786
Provisions	23	3 003	3 067
Deferred tax liabilities	16	335	3 952
Financial debts	20	65 640	58 835
Trade payables	24	2 625	2 625
CURRENT LIABILITIES		59 430	120 540
Provisions	23	2 357	4 108
Financial debts	20	22 540	44 940
Trade payables	24	13 342	22 583
Tax liabilities		232	215
Derivative financial instruments	20	1 824	2 172
Other current liabilities	25	19 135	46 522
TOTAL EQUITY AND LIABILITIES		303 508	358 485

Consolidated cash flow statement

	NOTES	31-12-2010	31-12-2009
Operating result		13 217	19 431
Amortisation, depreciation and impairment of assets		349	1 844
Change in the fair value of investment property		-309	806
Change in provisions		-2 202	-469
Disposal of investments		-49	-2 102
CASH FLOW FROM OPERATIONS BEFORE CHANGES OF WORKING CAPITAL, PAID INTERESTS AND PAID TAXES		11 006	19 510
Change in working capital	26	-8 495	25 226
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		2 511	44 736
Paid interests		-4 652	-4 847
Paid taxes		-134	-1 559
CASH FROM OPERATING ACTIVITIES		-2 275	38 330
Acquisitions of investments	27	-7 979	-
Disposal of investments	28	228	5 304
Repayment of capital and dividends collected from associates	29	4 443	3 356
Acquisitions of fixed assets		-111	-856
Disposals of fixed assets		10	-
Change in investments available for sale and other non-current assets		30	-195
CASH FROM INVESTING ACTIVITIES		-3 379	7 609
Increase in borrowings		15 300	79 798
Repayment of borrowings		-35 098	-77 717
Interest received		423	1 294
Other financing cash flows		-224	-33
Gross dividend paid		-8 244	-
CASH FROM FINANCING ACTIVITIES		-27 843	3 342
CASH FROM CONTINUING OPERATIONS		-33 497	49 281
CASH FROM DISCONTINUED OPERATIONS			2 663
NET INCREASE OR DECREASE IN CASH AND CASH EQUIVALENTS		-33 497	51 944
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20	67 736	15 792
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	34 239	67 736

Consolidated statement of changes in equity

	CAPITAL	RETAINED EARNINGS	RESERVE FOR CASH FLOW HEDGES	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON-CONTROLLING INTERESTS	TOTAL EQUITY
2009							
BALANCE AS AT 01-01-2009	60 302	93 572	-552	-598	152 724	1	152 725
Total comprehensive income for the period		15 607	-562	910	15 955		15 955
CHANGES IN THE YEAR		15 607	-562	910	15 955		15 955
BALANCE AS AT 31-12-2009	60 302	109 179	-1 114	312	168 679	1	168 680
2010							
BALANCE AS AT 01-01-2010	60 302	109 179	-1 114	312	168 679	1	168 680
Total comprehensive income for the period		10 550	1 114	53	11 717	-24	11 693
Dividends		-8 244			-8 244		-8 244
CHANGES IN THE YEAR		2 306	1 114	53	3 473	-24	3 449
BALANCE AS AT 31-12-2010	60 302	111 485	-	365	172 152	-23	172 129

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

A dividend of 5,152 KEUR, corresponding to 1.25 EUR gross per share, was proposed by the Board of Directors of 24 March 2011 and will be submitted to the shareholder's approval at General Assembly of Shareholders of May 26, 2011.

The appropriation of the result has not been accounted for in the financial statements as per December 31, 2010.

Accounting Principles and Methods

1. General information

IMMOBEL (hereafter named the "Company") is a limited company incorporated in Belgium. The address of its registered office is Rue de la Régence 58 at 1000 Brussels.

2. Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. The Board of Directors settled the consolidated financial statements and approved their publication on 24th March 2011.

Standards and interpretations applicable for the annual period beginning on 1 January 2010:

- IFRS 3 *Business Combinations* (applicable to business combinations for which the acquisition date is or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS 3 *Business Combinations* as issued in 2004.
- Improvements to IFRS (2008-2009) (normally applicable for annual periods beginning on or after 1 January 2010).
- Amendment to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* (applicable for annual periods beginning on or after 1 January 2010).
- Amendment to IAS 27 *Consolidated and Separate Financial Statements* (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 *Consolidated and Separate Financial Statements* (revised 2003).
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (applicable for annual periods beginning on or after 1 July 2009).
- IFRIC 12 *Service Concession Arrangements* (applicable for annual periods beginning on or after 1 April 2009).
- IFRIC 15 *Agreements for the construction of real estate* (applicable for annual periods beginning on or after 1 January 2010).
- IFRIC 16 *Hedges of a net investment in a foreign operation* (applicable for accounting years beginning on or after 1 July 2009).
- IFRIC 17 *Distributions of Non-cash Assets to Owners* (applicable for annual periods beginning on or after 1 November 2009).
- IFRIC 18 *Transfers of Assets from Customers* (applicable for annual periods beginning on or after 1 November 2009).

The application of these new standards had no material impact for the Group, except for the application of the interpretation of IFRIC15, recognition of the result on delivery for some assets sold.

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

- IFRS 9 *Financial Instruments* (applicable for annual periods beginning on or after 1 January 2013).
- Improvements to IFRS (2009-2010) (normally applicable for annual periods beginning on or after 1 January 2011).
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Derecognition* (applicable for annual periods beginning on or after 1 July 2011).
- Amendment to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2012).
- Amendment to IAS 24 *Related Party Disclosures* (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 *Related Party Disclosures* as issued in 2003.
- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (applicable for annual periods beginning on or after 1 February 2010).
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (applicable for annual periods beginning on or after 1 July 2010).
- Amendment to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (applicable for annual periods beginning on or after 1 January 2011).

The evaluation of the impact of these new standards is in progress – except IFRS9, the Group does not expect the adoption of those standards and interpretations to have a material impact on the financial statements.

3. Preparation and presentation of the financial statements

The consolidated financial statements are presented in thousands of euros.

They are prepared on the historical cost basis, except for investment property, securities held for trading, available-for-sale securities and derivative financial instruments which are measured at fair value.

4. Consolidation rules

The consolidated financial statements include the financial statements of the Company and its subsidiaries, as well as interests in joint ventures consolidated using the proportionate method and in associated companies accounted for using the equity method. All intragroup balances, transactions, revenue and expenses are eliminated.

Subsidiaries

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

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

Interests in joint ventures

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

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

Interests in associates

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

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

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

Different reporting dates

The financial statements of subsidiaries, joint ventures and associates with reporting dates other than 31st December (reporting date of the Company) are adjusted so as to take into account the effect of significant transactions and events that occurred between the reporting date of the subsidiary, joint venture or associate and 31st December. The difference between 31st December and the reporting date of the subsidiary, joint venture or associate never exceeds 3 months.

Business combinations and goodwill

Goodwill

Goodwill represents the excess of the price of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the

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

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

On disposal of a subsidiary, a joint venture or an associate, the book value of the goodwill is included so as to determine the profit or loss on the disposal.

Negative goodwill

Negative goodwill represents the excess of the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, a joint entity or an associate over the price of business combination at the date of acquisition. To the extent that a surplus subsists after review and re-evaluation of the values, the negative goodwill is immediately recognised in profit and loss.

5. Foreign currencies

Translation of financial statements of foreign entities

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

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

Transactions in foreign currencies in Group companies

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

6. Intangible assets

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

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

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

7. Tangible assets

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

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

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

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

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

8. Investment property

Investment property is measured in accordance with the fair value model of IAS 40 - *Investment property*. It represents real property (land and/or buildings under construction or available) held by the Group so as to earn rent and/or create value for property rather than use or sell it. Investment property (under construction) is initially measured at cost and subsequently carried at fair value. Any change in fair value is directly recognised in the income statement.

9. Leases

The Group distinguishes finance leases and operating leases by determining if objective criteria indicate that the major part of the value of the asset will be used by the group:

- because the present value of the lease payments approximates the majority of the fair value of assets,
- because the lease period covers the major part of the useful life of the asset,
- because the Group has a purchase option for a price lower than the estimated value of the asset at the exercise date,
- based on other indicators.

Finance lease

Assets held by the Group under finance lease are initially recognised at their fair value or at the present value of the minimum lease payments, whichever is lower. The corresponding obligation to the lessor regarding this asset is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between financial expenses and the decrease in lease obligation at a constant interest rate with respect to the remaining debt balance. Financial expenses are directly recognised in profit and loss. Assets held under finance leases are depreciated on a straight-line basis over their expected useful lives or the lease term, whichever is shorter.

Operating lease

Lease payments under an operating lease are recognised as expenses in the income statement on a straight-line basis over the lease term.

10. Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

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

Cash and cash equivalents

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

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

Shareholders' equity

Issue costs that may be directly allocated to an equity transaction are recorded as a deduction from equity. As a consequence, capital increases are recorded at the proceeds received, net of issue costs. Similarly, equity transactions on own participation are recognised directly under shareholders' equity.

Bank borrowings and overdrafts

Interest-bearing bank borrowings and overdrafts are recorded at the cash amount, less any transaction costs. After the initial recording they are measured at amortised cost. Any difference between the received consideration and the expected exit value

is recognised under income over the term of the borrowing using the effective interest rate.

Trade payables

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

Derivative financial instruments and hedging transactions

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

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

11. Construction contracts – Real Estate Development

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

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

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

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

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

12. Inventories

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

The acquisition cost of purchased goods includes acquisition cost and incidental expenses. For finished goods and work in progress, the cost price takes into account direct expenses and a portion of production overhead without including administrative and financial expenses. Interests during construction are capitalised, for the projects started after 1 January 2009.

When specific identification is not possible, cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale. The impairment in value or loss on inventories to bring them to their net realisable value is recognised as an expense in the year when the impairment in value or loss occurs.

13. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is likely that an outflow of resources will be necessary to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation if necessary.

Warranties

A provision for warranties is made when underlying products or services are sold. The measurement of the provision is based on historical data and by weighing all possible outcomes to which probabilities are associated (expected value method).

Contingent Liabilities and Contingent Assets

Contingent liabilities, which occurrence is not probably, are not recognised as a provision and are mentioned in the notes to the financial statements, provided that the risk is significant.

Contingent assets are not recognised in the financial statements.

14. Post-employment benefits

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

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

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

Actuarial gains and losses are directly recorded in the other elements of comprehensive income and are presented in the statement of comprehensive income.

15. Grants related to assets or Investment Subsidies

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

16. Revenue

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

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

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

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

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

With respect to operating leases, rent is recognised under income on a straight-line basis over the term of the lease, even if payments are not made on this basis. Lease incentives granted by the Group in negotiating or renewing an operating lease are recognised as a reduction of the lease income on a straight-line basis over the term of the lease.

17. Expenses

Impairment in value of assets

The carrying amount of non-current assets (other than financial assets in the scope of IAS 39, deferred taxes and non-current assets held for sale) is reviewed at the end of each reporting period in order to determine if an indication exists that an asset has impaired. If such indication exists, the recoverable amount is then determined. Regarding intangible assets with indefinite useful lives and goodwill, the recoverable amount is estimated at the end of each reporting period. An impairment loss is recognised if the carrying amount of the asset or the cash-

generating unit exceeds its recoverable amount. Impairment losses are presented in the income statement.

When the recoverable amount cannot be individually determined for an asset, including goodwill, it is measured at the level of the cash generating unit to which the asset belongs.

The recoverable amount of receivables and investments of the company held to maturity is the present value of the future cash flows, discounted at the original effective interest rate inherent to those assets.

The recoverable amount of other assets or cash-generating unit is its fair value less selling costs or its use value, whichever is higher. The latter is the present value of expected future cash flows from the asset or the respective cash generating unit.

In order to determine the value in use, the future cash flows are discounted using a pre-tax discount rate which reflects both the current market rate and the specific risks of the asset.

A reversal of impairment loss is recognised under income if the recoverable amount exceeds the net book value. However, the reversal may not lead to a higher book value than the value that would have been determined if no impairment loss had been initially recorded on this asset (cash-generating unit). No reversal of impairment loss is recognised on goodwill.

18. Borrowing costs

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

19. Taxes

Income tax for the year includes current and deferred tax. Current and deferred income taxes are recognised in profit and loss only if they relate to items recognised directly under shareholders' equity, in which case they are also recognised under shareholders' equity.

Current tax is the amount of income taxes payable (or recoverable) on the profit (or loss) in a financial year and the adjustments to tax charges of previous years.

Deferred tax is recognised using the liability method of tax allocation, based on timing differences between the book value of assets and liabilities in the consolidated accounts and their tax basis.

Deferred tax liabilities are recognised for all taxable timing differences.

Deferred tax assets are only recognised for deductible timing differences if it is likely that in the future they may be charged against taxable income. This criterion is re-evaluated at each reporting date.

20. Discontinued operations

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

21. Main sources of 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 live are straight line depreciated based on the estimation of the live time of these fixed assets.

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

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

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

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

22. Temporary joint ventures

The accounts of the temporary joint venture are accounted for in the financial statements using the proportionate consolidation method, each heading of the balance sheet and of the income statement is included in proportion to the share held by the partner in the temporary joint venture.

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

1. Information by segment - financial information by business segment

The core business of the Group, Real Estate Development, includes the activities of "Offices", "Residential Development" and "Land Development". Projects are allocated to sectors based on their trust in office buildings, residential buildings or parcelled or to parcel land.

The Group's activity is carried out mainly in Belgium and in the Grand-Duchy of Luxemburg.

Profit and loss

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2010				
Turnover	58 671	12 032	11 147	81 850
OPERATING RESULT	10 956	384	1 877	13 217
Financial result				-4 880
Share in the results of associates	2 859			2 859
Taxes				-670
RESULT FROM CONTINUING OPERATIONS				10 526
Result from discontinued operations				-
NET RESULT				10 526
2009				
Turnover	82 061	13 509	11 111	106 681
OPERATING RESULT	16 840	-1 328	3 919	19 431
Financial result				-4 042
Share in the results of associates	7			7
Taxes				-687
RESULT FROM CONTINUING OPERATIONS				14 709
Result from discontinued operations				898
NET RESULT				15 607

		BELGIUM	ABROAD	TOTAL
Turnover of the continuing operations:	at 31-12-2010	81 819	31	81 850
	at 31-12-2009	106 681	-	106 681

Cash and cash equivalent items

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLI-DATED
2010				
Operating result	10 956	384	1 877	13 217
Amortisation, depreciation and impairment	175	78	96	349
Change in fair value	-309			-309
Change in provisions	-1 407	-381	-414	-2 202
Disposal of investments		-49		-49
Change in working capital	-15 007	10 052	-3 540	-8 495
OPERATING CASH FLOW BEFORE TAXES	-5 592	10 084	-1 981	2 511
INVESTMENT CASH FLOW	3 526	-6 881	-24	-3 379
2009				
Operating result	16 840	-1 328	3 919	19 431
Amortisation, depreciation and impairment	1 863	-35	16	1 844
Change in fair value	806			806
Change in provisions	-249	-140	-80	-469
Disposal of investments	-2 102			-2 102
Change in working capital	39 752	-10 311	-4 215	25 226
OPERATING CASH FLOW BEFORE TAXES	56 910	-11 814	-360	44 736
INVESTMENT CASH FLOW	8 079	-281	-189	7 609

Balance sheet items

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLI-DATED
2010				
Segment assets	124 070	78 123	58 685	260 878
Unallocated items ¹				42 630
TOTAL ASSETS				303 508
Segment liabilities	23 927	12 178	6 527	42 632
Unallocated items ¹				88 747
TOTAL LIABILITIES				131 379
2009				
Segment assets	166 714	62 183	51 154	280 051
Unallocated items ¹				78 434
TOTAL ASSETS				358 485
Segment liabilities	66 119	13 082	2 662	81 863
Unallocated items ¹				107 942
TOTAL LIABILITIES				189 805

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

	BELGIUM	ABROAD	TOTAL
Segment assets 31-12-2010	214 313	46 565	260 878
Segment assets 31-12-2009	244 349	35 702	280 051

2. Turnover

The components of the turnover are as follows:

	31-12-2010	31-12-2009
Asset sales	81 570	106 337
Services fees	280	344
TOTAL TURNOVER	81 850	106 681

Turnover is allocated as follows per segment:

	31-12-2010	31-12-2009
Offices	58 671	82 061
Residential Development	12 032	13 509
Land Development	11 147	11 111
TOTAL TURNOVER	81 850	106 681

The main products sold by the group are office buildings, residential buildings and parcelled land.

The "Offices" turnover is mainly influenced by the sale of the buildings of the first phase of the *Forum* project in Brussels City and by the sale of the first 2 phases of the project *Château-Rempart* located in Tournai.

The promotions *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Jardins de Jette* in Brussels (Jette), *Mercelis* and *Crespel* in Brussels (Ixelles) and *Vallée du Maelbeek* in Brussels City contribute in particular to the "Residential Development" turnover.

The principals land developments contributing to the turnover were those of *Bredene*, *Enghien*, *Ganshoren*, *La Calamine*, *Limbourg*, and *Waterloo*. Turnover also includes proceeds from the sale of agricultural land in Ghent and Alsemberg.

The Group has completed over 10 % of its turnover with clients of the projects *Forum* and *Château-Rempart* above.

3. Other operating income

This heading mainly consists of:

	31-12-2010	31-12-2009
Gain on disposal of subsidiaries	49	2 102
Other operating income	2 967	2 789
Grants and allowances	750	1 380
TOTAL OTHER OPERATING INCOME	3 766	6 271

Other revenues are primarily recoveries of taxes and withholdings.

Other operating income is allocated by segment as follows:

	31-12-2010	31-12-2009
Offices	2 293	5 983
Residential Development	1 337	25
Land Development	136	263
TOTAL OTHER OPERATING INCOME	3 766	6 271

4. Purchases - change in inventory

The purchases and the changes in inventory of the financial year 2010 break down as follows by segment:

	PURCHASES	CHANGE IN INVENTORY	NET COSTS
Offices	-14 746	-25 738	-40 484
Residential Development	-7 555	-2 217	-9 772
Land Development	-8 176	1 683	-6 493
TOTAL	-30 477	-26 272	-56 749

Purchases include all purchases related to the Group's projects, mostly taken in inventories (see details of changes in inventories in note 17). The change in inventories includes also all projects sold during the year (see details of changes in inventories in note 17). In total, the net costs of inventories are primarily related to projects sold and are to be related to the turnover as mentioned in note 2 above.

The net costs of the segment "Offices" are mainly related to the sales of the buildings of the phase I of the *Forum* project in Brussels City and the first 2 phases of the project *Château-Rempart* located in Tournai and to the continuation of the works *Forum* in Brussels City, *Espace Midi Block D* in Brussels (Saint-Gilles), *Château-Rempart* in Tournai and *WestSide Village* in the Grand-Duchy of Luxemburg.

The net costs of the segment "Residential" are related to the promotions *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Jardins de Jette* in Brussels (Jette), *Mercelis* and *Crespel* in Brussels (Ixelles) and *Vallée du Maelbeek* in Brussels City.

The purchases and the changes in inventory of the financial year 2009 break down as follows by segment:

	PURCHASES	CHANGE IN INVENTORY	NET COSTS
Offices	-47 244	-6 616	-53 860
Residential Development	-15 649	2 642	-13 007
Land Development	-7 784	3 124	-4 660
TOTAL	-70 677	-850	-71 527

5. Personnel expenses

This heading includes salaries and fees of personnel, members of the executive management team and non-executive directors. They break down as follows:

	31-12-2010	31-12-2009
Salaries and fees of personnel and members of the executive management	-5 176	-7 313
Salaries of the non-executive directors	-421	-425
Social security charges	-582	-789
Pension costs - defined contribution plan	-146	-346
Other	-38	-128
PERSONNEL EXPENSES	-6 363	-9 001

The number of full time equivalents for the personnel on 31 December, 2010 amount 26 as opposed to 31 in 2009. There are no claims against directors and no remuneration was paid during the year to former directors.

6. Amortisation, depreciation and impairment of assets

Break down as follows:

	31-12-2010	31-12-2009
Amortisation of intangible assets and depreciation of tangible assets	-213	-161
Impairment loss on assets classified as held for sale	-36	-
Impairment gain on investments available for sale	17	-
Write down on inventory	-14	-2 063
Write down on trade receivables	-104	-2
Reversal of write down on trade receivables	1	150
AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	-349	-2 076

7. Other operating expenses

Break down as follows:

	31-12-2010	31-12-2009
Services and other goods	-8 760	-9 840
Provisions	1 021	1 145
Other expenses	-1 508	-1 416
OTHER OPERATING EXPENSES	-9 247	-10 111

Main components of services and other goods:

	31-12-2010	31-12-2009
Rent and service charges, including mainly rent and service charges for the registered office, current and older (to link with the use of provision for evaluation and organisation of the Group - see the main components of provisions below)	-1 448	-1 521
Third party payment, including in particular the fees paid to third parties and related to the turnover	-6 423	-7 579
Other services and other goods, including company supplies, advertising, maintenance and repair expenses, etc.	- 889	- 740
TOTAL SERVICES AND OTHER GOODS	-8 760	-9 840

Operating lease obligations:

Total amount of payments recognised under expenses for the year	452	382
Total minimum payments to be made:		
- within one year	416	439
- after one year but within 5 years	1 467	1 518

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

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

	31-12-2010	31-12-2009
Statutory audit fees within the Group	180	175
Fees for extraordinary services and special missions accomplished within the Group ¹ :	265	70
- Tax consulting missions	40	50
- Other missions outside the audit mission	225	20

Main components of provisions:

	31-12-2010	31-12-2009
Provisions related to the sales	-4	-79
Provisions for evaluation & organisation of the Group	1 095	1 225
Other provisions	-70	-1
TOTAL PROVISIONS	1 021	1 145
Increase	-356	-476
Decrease and use	1 377	1 621

The other expenses of -1,508 KEUR mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

8. Financial result

The financial result breaks down as follows:

	31-12-2010	31-12-2009
- "Project Financing" interest expense	-2 303	-2 610
- "Project Financing" interest income	166	1 090
- "Project Financing" other income and expenses	-3	-15
"Project Financing" net treasury costs	-2 140	-1 535
- "Corporate" interest expense	-493	-1 274
- "Corporate" interest income	256	242
- "Corporate" other income and expenses	-224	-240
"Corporate" net treasury costs	-461	-1 272
Dividends and interests of other fixed assets	-	185
Cash flow hedges	-2 279	-1 420
FINANCIAL RESULT	-4 880	-4 042

The financial charge before cost of cash flow hedges amounts -2,601 KEUR as opposed 2,622 KEUR in 2009. It is the result of an average debt of 86 MEUR and an average interest rate of 3.1 %.

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

The increasing costs of hedging cash flows resulting from the reclassification of amounts previously recognised in equity relating to financial instruments that no more qualify hedging instruments (see note 20).

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

9. Share in the result of associates

The result of associates, 2,859 KEUR, concerns the "Offices" activity. This result is favourably influenced by the sale of the *South City Office project (Fonsny and Broodthaers)*, holding IMMOBEL 10 %.

10. Income taxes

Income taxes are as follows:

	31-12-2010	31-12-2009
Current income taxes for the current year	-445	-637
Current income taxes for the previous financial years	-45	-27
Deferred taxes	-180	-23
TOTAL INCOME TAXES CHARGES	-670	-687

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

	31-12-2010	31-12-2009
Result before taxes	11 196	15 396
Result of the associates	-2 859	-7
RESULT BEFORE TAXES AND RESULT OF THE ASSOCIATES	8 337	15 389
AVERAGE TAXATION RATE OF 33.99 %	-2 834	-5 231
Tax impact:		
- non-taxable income	20	714
- non-deductible expenses	-135	-231
- tax losses and temporary differences	2 495	4 088
Adjustment to current income taxes for the previous financial years	-45	-27
Deferred taxes for the previous financial years	-172	-
INCOME TAX EXPENSE RECOGNISED	-670	-687

The low tax costs are the result of using of previously non recognised losses.

11. Earnings per share

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

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

	31-12-2010	31-12-2009
Average number of shares considered for basic earnings and diluted earnings	4 121 934	4 121 934
Net result from continuing operations	10 526	14 709
Group's share in the net result for the year	10 550	15 607
Net per share (in EUR):		
Result of the continuing operations	2.55	3.57
Result of the year	2.56	3.79
Result from discontinued operations	-	898
Basic earnings / Diluted earnings per share (in EUR) of the discontinued operations	-	0.22

12. Property, plant and equipment

Property, plant and equipment evolves as follows:

	31-12-2010	31-12-2009
BOOK VALUE ON 1ST JANUARY	1 380	113
Acquisitions	99	1 124
Disposals and retirements	-10	-
Depreciation charges	-191	-127
Transfers from "Inventories"	-	270
BOOK VALUE ON 31ST DECEMBER	1 278	1 380

Tangible assets consist primarily of development costs of the headquarters.

13. Investment property

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

Investment property evolves as follows:

	31-12-2010	31-12-2009
FAIR VALUE ON 1ST JANUARY	1 971	2 777
Change in the fair value recognised in the income statement	309	-806
FAIR VALUE ON 31ST DECEMBER	2 280	1 971

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

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

Key assumptions used to determine fair value:

	31-12-2010	31-12-2009
Rental price (EUR) per m ² of offices	175	175
Discount rate	8.50 %	8.80 %

14. Investments in associates

Investments in associates refer to the "Offices Development" activity and are as follows:

	31-12-2010	31-12-2009
VALUE AS AT 1ST JANUARY	9 194	12 543
Share in result	2 859	7
Acquisitions and transfers from accounts	14	-
Disposals & retirements	-179	-
Dividends paid by the companies	-	-3 356
Repayment of capital by the companies	-4 443	-
CHANGES FOR THE YEAR	-1 749	-3 349
VALUE AS AT 31ST DECEMBER	7 445	9 194

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

	31-12-2010	31-12-2009
Total assets	9 809	12 156
Total liabilities	2 646	3 371
Net assets	7 163	8 785
Turnover	704	306
Total net result	2 859	7
Guarantees obtained from third parties	1 514	2 089
Guarantees constituted by third parties on behalf of the companies	-	1 862

The associates are listed under note 34.

15. Investments available for sale

The participating interests available for sale moved as follows:

	31-12-2010	31-12-2009
VALUE AS AT 1ST JANUARY	70	117
Disposals / Reverse	-10	-47
Impairment gain on participating interests	17	-
CHANGES FOR THE YEAR	7	-47
VALUE AS AT 31ST DECEMBER	77	70

The book value as at 31st December 2010 of the investments 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	
	31-12-2010	31-12-2009	31-12-2010	31-12-2009
Employee benefit obligations		172		
Tax losses	74	109		
Inventories			335	3 952
TOTAL	74	281	335	3 952

	ASSETS	LIABILITIES	TOTAL
ON 1ST JANUARY 2010	281	-3 952	-3 671
Deferred tax expense and income recorded in profit and loss	- 207	27	- 180
Deferred tax transferred to "Inventories"		3 590	3 590
CHANGES FOR THE YEAR	-207	3 617	3 410
ON 31ST DECEMBER 2010	74	-335	-261

Deferred tax liabilities initially recognised in return for stocks, which are no longer to be at the closing date, were also derecognised through the "Inventories".

	31-12-2010	31-12-2009
TAX LOSS AMOUNTS FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	45 893	34 280
Expiring at the end of 2013	92	116
Expiring at the end of 2014	377	771
Expiring at the end of 2015	1 236	1 442
Expiring at the end of 2016	1 579	1 607
Expiring at the end of 2017	4 043	-
Not time-limited	38 566	30 344

17. Inventories

Inventories consist of buildings and land acquired for development and resale.

Allocation of this position by segment is as follows:

	31-12-2010	31-12-2009
Offices	113 916	140 993
Residential Development	72 249	70 235
Land Development	54 604	49 022
TOTAL INVENTORIES	240 769	260 250

The book value of inventories is as follows:

	31-12-2010	31-12-2009
INVENTORY AS AT 1ST JANUARY	260 250	261 961
Purchases for the year	41 275	74 140
Disposals of the year	-57 152	-73 142
Transfers from accounts	-3 590	-646
Write down	-14	-2 063
MOVEMENTS DURING THE YEAR	-19 481	-1 711
INVENTORY AS AT 31ST DECEMBER	240 769	260 250
Book value of inventories which are pledged for bank loan securities	166 379	177 341

Break down of the movements of the year per segment:

	PURCHASES	DISPOSALS	SUBTOTAL	TRANSFERS	WRITE DOWN	NET
Offices	15 038	-40 776	-25 738	-1 328	-11	-27 077
Residential Development	17 843	-9 665	8 178	-6 161	-3	2 014
Land Development	8 394	-6 711	1 683	3 899	-	5 582
TOTAL INVENTORIES	41 275	-57 152	-15 877	-3 590	-14	-19 481

The purchases of the "Offices Development" segment are mainly influenced by the projects *Belair*, *Château-Rempart*, *Espace Midi*, *Forum* and *WestSide Village*; the disposals include the buildings of the first phase of the *Forum* project and the first 2 phases of the project *Château-Rempart*. The purchases and the sales of the "Residential Development" mainly relate to the projects *Crespel*, *Jardin des Sittelles*, *Jardins de Jette*, *Mercelis*, *Place des Martyrs* and *Vallée du Maelbeek*. Purchases also include the acquisition of the *Green Hill* site located in the Grand-Duchy of Luxembourg.

The change in inventory resumed above, minus the purchase of the company *Château de Beggen*, is to link with the amounts reported in change in inventory in the income statement, see note 4.

Market risks and uncertainties

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

18. Trade receivables¹

Trade receivables refer to the following segments:

	31-12-2010	31-12-2009
Offices	5 029	1 480
Residential Development	1 902	2 532
Land Development	2 950	1 143
TOTAL TRADE RECEIVABLES	9 881	5 155

Credit risk

The credit risk is related to the possible failing of the customers in respecting their commitments towards the Group.

Due to the nature of the customers, being mainly known investors, public clients or equivalent, the Group does not use instruments covering the customer credit risk.

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

At 31st December 2010 there was no concentration of credit risk with a sole third party.

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

The recorded impairments of trade receivables is as follows:

	31-12-2010	31-12-2009
SITUATION ON 1ST JANUARY	523	530
Additions	31	2
Reversals	-1	-9
MOVEMENTS OF THE YEAR	30	-7
SITUATION ON 31ST DECEMBER	553	523

19. Other current assets¹

The components of this account are:

	31-12-2010	31-12-2009
Other receivables	5 402	10 002
from which: advances to joint ventures, associates and on projects in participation	2 651	2 636
taxes (other than income taxes) and VAT receivable	786	3 245
grants and allowances receivable	1 358	2 408
other	607	1 713
Deferred charges and accrued income	956	893
TOTAL OTHER CURRENT ASSETS	6 358	10 895

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

And are related to the following segments:

	31-12-2010	31-12-2009
Offices	2 350	5 341
Residential Development	3 364	4 743
Land Development	644	811
TOTAL OTHER CURRENT ASSETS	6 358	10 895

20. Net treasury¹

The Group's net treasury is the balance between the available cash and the financial debts (short term and long term). It is -53,941 KEUR as at 31st December 2010 compared to -36,039 KEUR as at 31st December 2009.

	31-12-2010	31-12-2009
Cash and cash equivalents (+)	34 239	67 736
Long-term financial debts (-)	65 640	58 835
Short-term financial debts (-)	22 540	44 940
NET TREASURY	-53 941	-36 039

The relationship between the Group's net debt and its shareholders' equity is 31 % as at 31st December 2010.

Available cash and cash equivalents

Cash deposits and cash at bank and in hand amount to 34,239 KEUR compared to 67,736 KEUR at the end of 2009, representing a decrease of 33,497 KEUR.

The available cash moved as follows:

	31-12-2010	31-12-2009
Term deposits	2 975	50 399
Cash at bank and in hand	31 264	17 337
AVAILABLE CASH AND CASH EQUIVALENTS	34 239	67 736

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

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

Financial debts

Financial debts decrease with 15,595 KEUR, from 103,775 KEUR at 31st December 2009 to 88,180 KEUR at 31st December 2010. The components of financial debts are as follows:

	31-12-2010	31-12-2009
Debts toward credit institutions	65 640	58 835
LONG-TERM FINANCIAL DEBTS	65 640	58 835
Debts toward credit institutions	22 506	44 906
Other debts	34	34
SHORT-TERM FINANCIAL DEBTS	22 540	44 940
TOTAL FINANCIAL DEBTS	88 180	103 775

Financial debts evolve as follows:

LONG-TERM FINANCIAL DEBTS AS AT 1ST JANUARY	58 835	71 213
Contracted debts	7 246	49 590
Repaid debts	-25 000	-61 968
Debts transferred from short term	24 559	-
LONG-TERM FINANCIAL DEBTS AS AT 31ST DECEMBER	65 640	58 835
SHORT-TERM FINANCIAL DEBTS AS AT 1ST JANUARY	44 940	30 481
Contracted debts	12 257	30 209
Repaid debts	-10 098	-15 750
Debts transferred to long term	-24 559	-
SHORT-TERM FINANCIAL DEBTS AS AT 31ST DECEMBER	22 540	44 940

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

IMMOBEL disposes at 31st December 2010 of 60 MEUR credit facility (Corporate credit signed in May 2008), which 5 MEUR used at end of December 2010, due in June 2011.

It is used to specific financing for the development of certain projects.

All the financial debts are in EUR. These credits are:

Corporate credit	5 000	25 000
Project Financing credits (specific to projects)	83 180	78 775
TOTAL FINANCIAL DEBTS	88 180	103 775
AMOUNT OF DEBTS COVERED WITH REAL SECURITIES	83 146	78 741
Corporate credit	60 000	60 000
Project Financing credits (specific to projects)	90 365	104 415
AMOUNT OF CREDIT LINES GRANTED	150 365	164 415
Corporate credit	5 000	25 000
Project Financing credits (specific to projects)	83 146	78 741
AMOUNT OF CREDIT LINES USED	88 146	103 741

The financial debt schedule is summarised as follows:

DUE IN	2011	2012	2013	TOTAL
Total amount of debts	22 540	40 640	25 000	88 180

On the basis of the situation as per 31st December 2010, each change in interest rate of 1 % involves an annual increase or decrease of the interest charge on debts at variable rate of 881 KEUR.

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 31st December 2010, the derivative financial instruments have been concluded as to hedge future risks and are the following:

	PERIOD	OPTIONS	STRIKE	NOTIONAL AMOUNTS
	12/2007 - 09/2011	CAP bought	5.00 %	14 150
	05 & 08/2008 - 05/2011	CAP bought	4.85 %	40 000
	06/2009 - 06/2012	CAP bought	3.50 %	16 250
	03/2010 - 03/2014	IRS bought	3.02 %	10 000
	03/2010 - 03/2014	IRS bought	3.07 %	8 000
	03/2010 - 03/2014	IRS bought	2.99 %	7 000
	06/2010 - 06/2013	IRS bought	2.88 %	20 000
TOTAL				115 400

The fair value of derivatives is determined based on valuation models and interest rate futures ("level 3"). The change in fair value of financial instruments is recognised through the income statement.

	31-12-2010	31-12-2009
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Cash flow hedges:		
- Bought CAP Options	3	70
- Bought IRS Options	-1 827	-
- Bought COLLAR Options	-	-2 242
TOTAL	-1 824	-2 172

	EFFICTIVE PART	NON EFFECTIVE PART	TOTAL
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS			
SITUATION AT 1ST JANUARY 2009	-552	-887	-1 439
Changes during the period	-562	-171	-733
SITUATION AT 31ST DECEMBER 2009	-1 114	-1 058	-2 172
Changes during the period	1 114	-766	348
SITUATION AT 31ST DECEMBER 2010	0	-1 824	-1 824

Financial instruments that have been documented as hedges in the past (collars) were stopped during the year.

The purpose of the hedge, debt on corporate level, no longer subject of drawings, the entire amounts previously recorded in reserves (1,114 MEUR) was recycled in the income statement. No instrument has been documented as hedge accounting at 31st December 2010.

Cash risk

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

Financial commitments

The Group is, for the majority of the mentioned financial debts, subject to a number of financial commitments.

These commitments include in particular ratios of coverage, solvency and charges. At 31st December 2010, 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 31st December 2010 in Belgium, does not resort to any exchange rate hedging. couverture de taux de change.

21. Equity

The equity is 172,129 KEUR compared to 168,680 KEUR as at 31st December 2009, representing an increase of 3,449 KEUR. The explanation of the change in equity is given in the consolidated statement of changes in shareholders' equity.

Risk management related to the capital

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

22. Pensions and similar obligations

The pensions and similar obligations cover the obligations of the Group 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 past service cost.

	31-12-2010	31-12-2009
AMOUNTS RECORDED IN THE BALANCE SHEET		
Present value of funded defined benefit obligations	2 222	2 540
Fair value of plan assets at the end of the period	-1 876	-1 754
LIABILITIES RECOGNISED IN THE BALANCE SHEET	346	786
MOVEMENTS OF THE NET OBLIGATIONS IN THE BALANCE SHEET		
OBLIGATIONS AS AT 1ST JANUARY	786	1 665
Total expense breaks down as follows:	-7	261
- Cost of services rendered during the year	114	147
- Financial cost	114	210
- Expected return on plan's assets	-74	-96
- Recognition of past service cost	-161	-
Group contributions	-380	-230
Amount recognised in Statement of comprehensive income	-53	-910
OBLIGATIONS AS AT 31ST DECEMBER	346	786
PRESENT VALUE OF THE OBLIGATIONS AS AT 1ST JANUARY	2 540	3 831
Cost of services rendered during the period	114	147
Employee contributions	41	63
Interest cost	114	210
New vested past service cost	-161	-
Loss (gain) arising from the actuarial assumptions	-104	-993
Paid benefits	-322	-718
PRESENT VALUE OF THE OBLIGATIONS AS AT 31ST DECEMBER	2 222	2 540
FAIR VALUE OF THE PLAN ASSETS AS AT 1ST JANUARY	1 754	2 166
Expected return on plan's assets	74	96
Company contribution	380	230
Employee contributions	41	63
Gain (loss) arising from the actuarial assumptions	-51	-83
Paid benefits	-322	-718
FAIR VALUE OF THE PLAN ASSETS AS AT 31ST DECEMBER	1 876	1 754
Contribution of the employer expected for 2011 / 2010	129	186
ACTUAL RETURN ON THE PLAN ASSETS	22	13
ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS		
Discount rate	4.50 %	4.70 %
Expected rate of return on plan's assets	3.94 %	4.20 %
Expected salary growth rate	3.50 %	3.50 %
Average inflation rate	2.00 %	2.00 %

The pension plans are funded through a group insurance. The underlying assets of the insurance contracts are primarily invested in bonds. The expected rate of return on the plan assets reflects the guaranteed interest rate by the insurance company and the expected insurance dividends.

The amount recognised in the statement of other comprehensive income equals 53 KEUR.

The accumulated amount of actuarial gains and losses recognised in other comprehensive income equals 365 KEUR.

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

	2010	2009	2008	2007
Present value of defined benefit obligations	2 222	2 540	3 831	4 308
Fair value of plan assets at the end of the period	1 876	1 754	2 166	2 736
Deficit of financed plans	346	786	1 665	1 572
Experience adjustments on:				
- plan assets	136	1 168	-88	-98
- plan liabilities	-51	-83	-64	-53

23. Provisions

The components of provisions are as follows:

					31-12-2010	31-12-2009
Provisions related to the sales					2 140	2 134
Provisions for litigations					2 980	2 980
Provisions for evaluation and organisation of the Group					-	1 866
Other provisions					240	195
TOTAL PROVISIONS	RELATED TO THE SALES	LITIGATIONS	EVALUATION & ORGANISATION	OTHER	5 360	7 175
PROVISIONS AS AT 1ST JANUARY	2 134	2 980	1 866	195	7 175	8 572
Additionally recognised	286			70	356	1 218
Utilisations			-1 839		-1 839	-1 469
Release	-280			-52	-332	-1 146
Transfers			-27	27		
CHANGES FOR THE YEAR	6		-1 866	45	-1 815	-1 397
PROVISIONS AS AT 31ST DECEMBER	2 140	2 980		240	5 360	7 175
From which short-term provisions					2 357	4 108

Allocation of this position by segment is as follows:

	31-12-2010	31-12-2009
Offices	3 869	5 072
Residential Development	1 065	1 497
Land Development	426	606
TOTAL	5 360	7 175

Provisions are recorded for their maximum risk. The Group has no indication on the final amount of disbursement or the timing of the disbursement, it depends on court decisions.

The provisions are made up based in the risks related to the sales and to the litigations, in particular when the recognition conditions of those liabilities are met.

The provisions related to the sales mainly consist of rental guarantees, good end of execution...

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

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

24. Trade payables¹

This account is allocated by segment as follows :

	31-12-2010	31-12-2009
Offices	8 829	17 342
Residential Development	5 599	6 812
Land Development	1 539	1 054
TOTAL TRADE PAYABLES	15 967	25 208

Schedule of the long-term trade payables:

due in 2012	2 625	
TOTAL	2 625	

Except commercial debt, net of KEUR 2 625, resulting from the acquisition in 2007 of land belonging to ULB and located on the "Campus de la Plaine" in Brussels (Ixelles), virtually all commercial debts are payable within 3 months.

25. Other current liabilities¹

The components of this account are:

	31-12-2010	31-12-2009
Personnel debts	861	632
Taxes (other than income taxes) and VAT payable	2 909	5 753
Advance on sales	4 341	29 672
Advances from joint ventures and associates	3 757	1 073
Accrued charges and deferred income	858	1 997
Operating grants	2 263	2 263
Other	4 146	5 132
TOTAL	19 135	46 522

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

The advance on sales are mainly related to residential projects in Wavre and Jette, while advances in joint ventures and associates are to link with the project Espace Midi. Other liabilities include mainly participation debts and option prices received on landbanking.

Other current liabilities are related to the following segments:

Offices	9 773	40 793
Residential Development	5 113	4 774
Land Development	4 249	955
TOTAL OTHER CURRENT LIABILITIES	19 135	46 522

26. Change in working capital

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

	31-12-2010	31-12-2009
Inventories	26 515	-1 037
Trade receivables	-4 829	1 993
Trade payables	-9 476	-8 022
Advances on sales	-24 891	29 245
Other current assets and liabilities	4 186	3 047
CHANGE IN WORKING CAPITAL	-8 495	25 226

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

27. Acquisitions of investments

The acquisitions of investments relate to the acquisition of 50 % of the shares of the luxemburg company Château de Beggen, owner of the site *Green Hill*, allowing the development of around 170 apartments.

Fair values of assets and liabilities of acquired company are:

Inventories	10 637	
Other assets	1 930	
Debts	4 588	
PAID PRICE	7 979	

The Group believes that this acquisition is not a business combination and consequently, the assets and liabilities acquired are recognised at their acquisition value, as described above.

28. Disposal of investments

The disposal of investments relate to the 10.24 % participating interest in the company La Meute s.a.

Net assets disposed of	179	
Income generated by disposals	49	
RECEIVED PRICE	228	

29. Repayment of capital and dividends collected

Repayment of capital concerns the companies Promotion Léopold and Espace Midi.

30. Main contingent assets and liabilities

	31-12-2010	31-12-2009
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	47 014	28 926
- construction contracts	215	215
- other assets	329	329
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	47 558	29 470
These guarantees consist of:		
- guarantees "Real estate trader"	13 201	13 269
- guarantees "Law Breyne"	11 521	4 012
- guarantees "Good end of execution"	11 576	11 586
- guarantees "Payment" and "Other"	11 260	603
TOTAL	47 558	29 470
Mortgage power - Amount of inscription	29 036	29 096
Book value of Group's assets pledged for debt securities related to:		
- property and inventory as a whole	168 659	179 312
BOOK VALUE OF PLEDGED GROUP'S ASSETS	168 659	179 312
Amount of debts guaranteed by above securities		
- long-term debts	65 640	33 835
- short-term debts	17 506	44 906
TOTAL	83 146	78 741
Commitments for the acquisition of inventories	38 618	4 860
Commitments for the disposal of inventories	13 521	44 093
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 ² to construct...), are not included.		

31. Information on related parties

The list of subsidiaries, joint ventures and associates is included under note 34.

The transactions between IMMOBEL, subsidiaries and joint ventures are eliminated in consolidation.

The relationships with associates consist mainly of loans or advances, whose amounts are recorded in the balance sheet in the following accounts:

	31-12-2010	31-12-2009
Other current assets	541	1 331
Other current liabilities	3 088	540

Relationships with shareholders - Main shareholders

	31-12-2010	31-12-2009
Cresida Investment S.à.r.l.	25.00 %	-
JER Audrey S.à.r.l.	5.53 %	30.53 %
Capfi Delen Asset Management n.v.	5.06 %	5.06 %
KBC Assurances n.v.	1.73 %	1.73 %
Fidea n.v.	3.46 %	3.46 %
Other	59.22 %	59.22 %
Number of representative capital shares	4 121 934	4 121 934

Relationships with senior executives

These are the salaries of members of the executive management and non-executive directors.

	31-12-2010	31-12-2009
Salaries	3 234	3 527
Post-employment benefits	86	128
Other Benefits	9	13
TOTAL	3 329	3 668

32. Events subsequent to reporting date

IMMOBEL has acquired on 2nd February two emblematic offices projects to be developed in Poland:

- a mixed project of offices and retail located in the heart of Warsaw (+/- 20,000 m²) and,
- a mixed project in the very Center of Poznan, of offices and retail (+/- 7,600 m²).

Except these acquisitions, no significant event that may change the financial statements occurred from the reporting date on 31st December 2010 up to 24th March 2011 when the financial statements were closed by the Board of Directors.

33. Joint ventures

The companies jointly controlled are listed under note 34. 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:

	31-12-2010	31-12-2009
Total non-current assets	5	109
Total current assets	84 934	81 100
Total non-current liabilities	18 518	21 074
Total current liabilities	23 278	20 645
Total income	3 885	1 992
Total charges	2 950	2 734

34. Subsidiaries, joint ventures and associates

Companies forming part of the Group as at 31st December 2010:

Subsidiaries

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST ¹
Compagnie Immobilière de Lotissements (Lotinvest)	0451 565 088	Brussels	100.00
Compagnie Immobilière de Participations Financières (CIPAF)	0454 107 082	Brussels	100.00
Compagnie Immobilière de Wallonie (CIW)	0401 541 990	Wavre	100.00
Compagnie Immobilière Luxembourgeoise	-	Luxemburg	100.00
Demetex	0435 431 218	Wavre	100.00
Duwol	0439 983 486	Wavre	100.00
Entreprise et Gestion Immobilières (Egimo)	0403 360 741	Brussels	100.00
Espace Nivelles	0472 279 241	Brussels	100.00
Foncière Jennifer	0464 582 884	Brussels	100.00
Foncière Montoyer	0826 862 642	Brussels	100.00
Harmonia	0444 218 131	Brussels	100.00
Immobiëlen Vennootschap van Vlaanderen (Investimmo)	0403 342 826	Brussels	100.00
Immobilière Deka	0417 100 196	Brussels	100.00
Les Jardins du Nord	0444 857 737	Brussels	76.00
Progex	0462 629 325	Brussels	100.00
Société Financière de Participations Industrielles (Sofipari)	0449 032 596	Brussels	100.00
The Green Corner	0443 551 997	Brussels	100.00
Veldimmo	0430 622 986	Brussels	100.00
Westside	-	Luxemburg	100.00

1. The % interest corresponds with the voting rights.

Joint ventures

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST ¹
Bella Vita	0890 019 738	Brussels	50.00
Château de Beggen	-	Luxemburg	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
RAC 1	0819 582 791	Antwerp	40.00
RAC 2	0819 585 959	Antwerp	40.00
RAC 3	0819 588 830	Antwerp	40.00
RAC 4	0819 593 481	Antwerp	40.00
Société Espace Léopold	0435 890 977	Brussels	50.00
Universalis Park	0891 775 438	Brussels	50.00
Vilpro	0437 858 295	Brussels	50.00

Associates

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

CHANGES IN SCOPE OF CONSOLIDATION - NUMBER OF ENTITIES	31-12-2010	31-12-2009
Subsidiaries - Global method of consolidation	19	18
Joint ventures - Proportionate method of consolidation	14	13
Associates - Equity method	4	5
TOTAL	37	36

Changes in 2010

Acquisition - incoming companies

- Château de Beggen - acquisition of 50 % of the shares of the company.
- Foncière Montoyer - subscription to 100 % of the shares of the company.

Disposals - outgoing companies

- Sale of the participating interests in the company La Meute (10.24 % holding).

1. The % interest corresponds with the voting rights.

Statement from the responsible persons

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

- the consolidated financial statements of NV IMMOBEL SA and its subsidiaries as of 31 December 2010 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation; and
- the annual report on the financial year ended at 31st December 2010 gives a fair overview of the development and the results of the business and of the position of the whole of the companies included in the consolidation, as well as a description of the principal risks and uncertainties faced by them.

On behalf of the Board of Directors:



Gaëtan Piret SPRL
Chief Executive Officer



Baron Buysse CMG CBE
Chairman of the Board of Directors

Statutory auditor's report

on the consolidated financial statements for the year ended 31 December 2010

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, en abrégé ImmoBel SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 303,508 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 10,550 (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 Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, 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 2010, 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, 24 March 2011

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Pierre-Hugues Bonnefoy

Condensed company accounts

(in thousand EUR)

The financial statements of the parent company, IMMOBEL SA, are presented below in a condensed form.

In accordance with Belgian company law, the directors' report and financial statements of the parent company, IMMOBEL SA, together with the statutory auditor's report, have been deposited at the National Bank of Belgium.

They are available on request from:

IMMOBEL SA
Rue de la Régence 58
BE-1000 Brussels
Belgium
www.immobel.be

The statutory auditor issued an unqualified report on the financial statements of IMMOBEL SA.

Condensed balance sheet

	31-12-2010	31-12-2009
ASSETS		
FIXED ASSETS	114 561	113 082
Intangible fixed assets	12	21
Tangible fixed assets	1 014	1 076
Financial fixed assets	113 535	111 985
CURRENT ASSETS	101 403	152 738
Stocks and contracts in progress	37 306	47 045
Amounts receivable within one year	37 278	46 658
Short term investments	212	45 253
Cash balance	26 125	13 286
Deferred charges and accrued income	482	496
TOTAL ASSETS	215 964	265 820
LIABILITIES		
SHAREHOLDERS' EQUITY	171 936	182 438
Capital	60 302	60 302
Reserves	10 075	10 075
Accumulated profits	101 559	112 061
PROVISIONS AND DEFERRED TAXES	3 022	4 651
Provisions for liabilities and charges	3 022	4 651
DEBTS	41 006	78 731
Amounts payable after one year	-	25 000
Amounts payable within one year	40 944	52 433
Accrued charges and deferred income	62	1 298
TOTAL LIABILITIES	215 964	265 820

Condensed income statement

	31-12-2010	31-12-2009
Operating income	5 188	36 719
Operating charges	-10 045	-11 023
OPERATING PROFIT	-4 857	25 696
Financial income	5 088	8 866
Financial charges	-1 648	-2 840
FINANCIAL RESULT	3 440	6 026
OPERATING PROFIT BEFORE TAXES	-1 417	31 722
Extraordinary income	671	4 783
Extraordinary charges	-4 604	-4 722
EXTRAORDINARY RESULT	-3 933	61
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	-5 350	31 783
Profit of the financial year	-5 350	31 783
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	-5 350	31 783

Appropriation account

	31-12-2010	31-12-2009
PROFIT TO BE APPROPRIATED	106 711	120 305
Profit for the financial year available for appropriation	-5 350	31 783
Profit carried forward	112 061	88 522
RESULT TO BE CARRIED FORWARD	101 559	112 061
Profit to be carried forward	101 559	112 061
PROFIT AVAILABLE FOR DISTRIBUTION	5 152	8 244
Dividends	5 152	8 244

Summary of accounting policies

Tangible assets are recorded as assets net of accumulated depreciation, at either their cost price or contribution value (value at which they were brought into the business), including ancillary costs and non-deductible VAT. Depreciation is calculated by the straight line method.

The main depreciation rates are the following:

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

Financial Fixed Assets are entered either at their purchase price, after taking into account any amounts still not paid up and any write-offs made. They are written down if they suffer a capital loss or a justifiable long-term loss in value.

Amounts Receivable within one year and those receivable after one year are recorded at their nominal value. Write-downs are applied in case of permanent impairment or if the repayment value at the closing date is less than the book value.

Stocks are recorded at their purchase price or contribution value, including, in addition to the purchase price, the ancillary costs, duties and taxes relating to them. The infrastructure costs are recorded at their cost price. Realisation of stocks is recorded at the weighted average price. **Work in progress** is valued at

cost price. Profits are, in principle, recorded on the basis of the percentage of completion of the work. Write-downs are applied as appropriate, according to the selling price or the market value. The sales and the purchases of properties are recorded at the signature of the notarial act in so far as the eventual conditions precedents are lifted and a clause of deferred property transfer is foreseen in the compromise under private signature.

Short term investments are recorded as assets at their purchase price (ancillary costs excluded) or contribution value. Their values are adjusted, provided that the depreciation is lasting.

Cash at bank and in hand are recorded at their nominal value. Values are adjusted if the estimated value at the end of the financial year is lower than the book value.

At the close of each financial year, the Board of Directors, acting with prudence, sincerity and in good faith, examines the **provisions** to be set aside to cover the major repairs or major maintenance and the risks arising from completion of orders placed or received, advances made, technical guarantees after sale or delivery and current litigations.

Amounts Payable are recorded at their nominal value.

General information

Company name

IMMOBEL

Registered office

Rue de la Régence, 58
1000 Brussels - Belgium
RPM/RPR (Legal Entities Register) VAT BE 0405.966.675

Form of the company

Belgian registered joint stock company, constituted on 9th July 1863, authorised by the Royal Decree of 23rd July 1863.

Term

Indefinite

Crossing statutory thresholds

(Art. 12 of the Articles of Association – excerpts)

Any person (...) acquiring Company shares, (...) that confer voting rights, must declare to the Company and to the Banking, Finance and Insurance Commission the number of shares it holds, when the voting rights associated with these shares reach a level of three per cent or more of total existing voting rights.

The same declaration must be made in the event of acquisition of additional shares referred to in the first indent when, following this acquisition, the voting rights associated with the shares owned reach a level of five, ten or fifteen percent, and so forth, by tranches of five points, of the total of existing voting rights.

The same declaration must be made in the event of disposal of shares when, as a result of this disposal, voting rights fall below one of the thresholds referred to in the first and second indent.

When a person or legal entity acquires or disposes of direct or indirect control, in law or in fact, of a company that owns at least three percent of the total voting rights of the Company, it must declare this fact to the Banking, Financial, and Insurance Commission.

Financial services

- BNP Paribas Fortis
- KBC Bank
- ING België
- Banque Degroof

Investor relations

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

Financial calendar

Publication of annual accounts 2010 : 24th March 2011
Ordinary General Meeting 2010 : 25th May 2011
Publication of 2010 half-year results : 31th August 2011
Publication of 2010 annual accounts : March 2012
Ordinary General Meeting 2012 : 24th May 2012

Chief editor

Joëlle Micha
Tel.: 32(0)2/422.53.57 - Fax: 32(0)2/422.53.02
joelle.micha@immobel.be

Website

www.immobel.be

Main translations

Lindsay Edwards – Christine Leroy

Printing

Snel

Design & production

www.chriscom.eu

Main photographs

© Georges De Kinder (Projects)
© Laurent van Steensel (Portraits)

Other photographs and computer-generated pictures ©

Archi 2000 – Art & Build – Conix Architects –
© Image Pixelab.be – © www.laurentphotoaerial.be
(Alexandre Laurent) – Studio Arne Quinze – SM “FCM
Architects-Baudouin Courtens & Associés” –
V.D.H. Ch. Sateur – Yellowstone – CBA – Christian Bauer
& Associés Architectes + Digital Studio

IMMOBEL does its utmost to respect the Legal prescriptions related to copyrights. It kindly invites any person whose rights may have been infringed to contact the Company.

Dit verslag is beschikbaar in het Nederlands, in het Frans en in het Engels.
Ce rapport est disponible en français, en néerlandais et en anglais.
This report is available in English, in Dutch and in French.

De oorspronkelijke tekst van dit verslag is in het Frans.
Le texte original de ce rapport est en français.
The original text of this report is in French.



IMMOBEL
since 1863

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