



# NEW OPPORTUNITIES



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IMMOBEL  
*since 1863*

IMMOBEL has been a major player in property development in Belgium for over 145 years. It is also active in the Grand Duchy of Luxembourg and is currently developing a new growth pole in Central Europe, in particular in Poland. Its business covers the office, residential and landbanking sectors, as well as, when the opportunity arises, retail, ensuring the diversification of its portfolio of projects. Its vision of the market and its expertise enable 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.

► BLACK PEARL  
Brussels City – Art&Build

Building the future,





adding value.

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# Diversification in Central Europe: a major turning point in IMMOBEL's development

The residential and landbanking sectors generated very good results, with a record year for landbanking.

## 72 MEUR

invested in the acquisition of new projects



*“Apart from its deployment on the Polish market, IMMOBEL continued the development of its portfolio which, in addition to 375 ha of landbanking plots, currently includes close to 208,000 m<sup>2</sup> of offices and 179,000 m<sup>2</sup> of residential.” – Gaëtan Piret –*

### In the difficult economic context of a year marked by many uncertainties, how did IMMOBEL do financially in 2011?

**Baron Buysse** – Despite the difficult office market in Brussels, IMMOBEL reaped significantly better results in 2011 than in 2010. They reflect the importance of the diversification of our business lines (embarked on 5 years ago), the profits of which can fluctuate substantially from one year to another. When one sector performs less well the others usually take over, which was clearly the case in 2011.

**Gaëtan Piret** – The residential and landbanking sectors generated very good results, with a record year for landbanking. In the face of a more difficult office sector these two business lines enabled us to rebalance our figures. Our geographic coverage is also an asset in terms of better risk spreading. The investments and developments in Poland and in Luxembourg will bring the Group success in the future. Both countries will contribute to maintaining good figures.

### Has IMMOBEL's strategy changed noticeably in this sluggish economic situation?

**B.B.** – We have implemented an ambitious strategic plan: initiation of a broad spectrum of real estate projects allowing us to optimise the diversification of risks; management of remarkable development projects thanks to the strengthening of our competences; optimal preparation for the marketing of these projects; and the development

of our presence in the Grand Duchy of Luxembourg and in Poland, which we regard as our second market, as well as analysis of the European growth markets. The Board of Directors has given its full backing to strategic development in Central Europe.

**G.P.** – We started to implement this strategy of diversification in Central Europe in a very concrete manner in February 2011. It was a major turning point in IMMOBEL's development. We acquired two office development projects in Poland. The first is a mixed office and retail project located in the centre of Warsaw (20,000 m<sup>2</sup>); the second, on which reconstruction work has already started, is located in the economic and commercial heart of Poznan (7,600 m<sup>2</sup> of offices and retail). The other projects concern the acquisition, in partnership, of 7 pieces of land, mainly in Warsaw.

In the wake of these acquisitions, “IMMOBEL Poland” was created, a development and management centre.

### What major events does IMMOBEL have to its credit in 2011?

**G.P.** – Apart from its deployment on the Polish market, IMMOBEL continued the development of its portfolio which, in addition to 375 ha of landbanking plots, currently includes close to 208,000 m<sup>2</sup> of offices and 179,000 m<sup>2</sup> of residential (IMMOBEL Group share). The different projects are at various stages of development and for some of them, as permits have been obtained, commercialization has started. Nearly 72 MEUR have been invested in the acquisition of new projects - a considerable sum.

### How do you see the future? Are you confident about IMMOBEL's development?

**B.B.** – IMMOBEL's financial structure is sound and under control. The strategy

IMMOBEL has developed is bearing fruit. The diversification of our portfolio and the increase in our geographic sphere of activity are proof of a better diversification of risks. Poland's economic growth potential looks particularly high - higher than Belgium's. Our shareholders' confidence encourages us to continue down this path. We would like to thank them for the trust they have shown in IMMOBEL for a number of years. Therefore, having analysed the results and reviewed the projects for this year, the Board of Directors will propose to the General Meeting that the dividend be raised from 1.25 to 1.75 EUR, which is an increase of 40 %.

**G.P.** – The long-term plans that we have initiated in IMMOBEL's various spheres of activity in previous years should take definite shape in the years to come. For example, building work will start on the residential project *Bella Vita* in 2012. We have also obtained the relevant permits for the *Black Pearl* office project, on which construction will start in the 2<sup>nd</sup> half of 2012. The first phase of building on another (residential) project, *Charmeraie*, will begin in 2012, too. To illustrate the importance of the residential department, it is useful to stress that IMMOBEL is currently involved in the development of 2,100 housing units.

We also devote significant human and financial resources to ensure that our new projects are BREEAM<sup>2</sup> certified and we have already had some excellent successes, in particular the *Forum* project. We will have more in the future, like the *Black Pearl* and *Bella Vita* projects, where the environmental standards are high.

We are confident about our three business lines and continue to invest in the future.



**B.B.** – Every day our partners, the Executive Committee and our employees do extraordinary work. We would like to thank them for that. We thank our clients, too, who demonstrate their trust in us day after day. And, finally, we thank our shareholders for the support they have given to the strategy we are implementing and the confidence they demonstrate in IMMOBEL's development and prospects.



*“The Board of Directors will propose to the General Meeting that the dividend be raised from 1.25 to 1.75 EUR, which is an increase of 40 %.”*

– Baron Buysse –

1. In carrying out the functions concerned in the present report, Mr Gaëtan PIRET acts as the permanent representative of the company GAËTAN PIRET sprl.  
2. BREEAM: Building Research Establishment Environmental Assessment Method. BREEAM sets the standard for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a building's environmental performance.

# [ Key events ]

2011 was marked mainly by the following events in:

## Belgium

### Sales

- **Sale of a commercial project to the Decathlon group - Wavre:** On 25 May 2011, on a piece of land measuring 6 ha 26 a, *Decathlon* opened a new 4,400 m<sup>2</sup> sales space, complete with a car park with 400 spaces. IMMOBEL was charged with the construction of the closed structure of the building, as well as the car park and the approaches to the place. The first stone was laid on 15 December 2010.
- **Sale of the South Crystal building to Ethias - Brussels (Saint-Gilles):** A partnership comprising IMMOBEL, Soficom Development, CFE and Besix RED concluded the sale to Ethias, on 29 June, of the building known as *South Crystal*, situated at 13-18 Avenue Fonsny, in Saint-Gilles, for the sum of approximately 30 MEUR inclusive of tax.

### Acquisition

- **Acquisition Papeblok – Tervuren:** IMMOBEL acquired the company that owns the *Papeblok* site in Tervuren, where construction of 4 residential buildings is planned and the development of approximately 60 apartments.

### Leases

- **Signature of the Belair lease with the Régie des Bâtiments (for use by the Federal Police) - Brussels:** A lease was signed with the Régie des Bâtiments, for use by the Federal Police, for 65,000 m<sup>2</sup> of the *Belair* project (formerly *Cité Administrative de l'Etat*), following a decision of the Council of Ministers in December 2010.

### Provisional reception

- The IMMOBEL Group also delivered phase 3 of the *Forum* project to the Chamber of Representatives, on schedule and in compliance with the pre-sale agreement signed in 2009.

## Landbanking

- Important acquisitions of land intended for urbanization (50 ha) were also carried out.

## Financing

- IMMOBEL negotiated the renewal of its corporate credit line with its banks for a total of 85 MEUR for a period of 3 years.
- During 2011 the Group – alone or with its partners – renewed or negotiated credit lines for around 288 MEUR (100 % share).
- IMMOBEL successfully carried out the placement of 5-year bonds. This means it raised 30 MEUR at 7 % in the space of a day (supplemented by 10 MEUR on 13 February 2012). This bond issue enabled IMMOBEL to increase its financial means in order to support its strategy of growth and diversification, in particular by acquisitions both in Central Europe and in the Belux.



◀ SOUTH CRYSTAL  
Brussels (Saint-Gilles) – A.2R.C (Michel Verliefden)



▼ DECATHLON  
Wavre – Pierre Sauveur



◀ PAPEBLOK  
Tervuren – Jaspers, Eysers & Partners – A.-concept

## Grand Duchy of Luxembourg

### Transfers

- Work having started on the *Green Hill* project (Château de Beggen), 51 apartments were sold in 2011 and 73 in total since the start of the development (in partnership).

### Leases

- IMMOBEL leased office space (1,229 m<sup>2</sup>) to Fujitsu Technology Solutions, in the *WestSide Village* project.



◀ OKRAGLAK  
Poznan – RKW Rhode  
Kellermann Wawrowsky

▼ GREEN HILL  
Dommeldange  
Christian Bauer & Associés



## Poland

Following the creation of a second “home market” in Poland, IMMOBEL set up a new company, “IMMOBEL Poland”, to supervise the management of the Polish projects.

### Acquisitions

- As part of this, IMMOBEL acquired two mixed office and retail projects in February 2011, one in the heart of Warsaw (approximately 20,000 m<sup>2</sup>) and the other right in the centre of Poznan (approximately 7,600 m<sup>2</sup>).
- IMMOBEL then started major reconstruction/renovation work on its mixed office and retail project located in the centre of Poznan,

having already pre-leased approximately 24 % to reputable tenants.

- IMMOBEL also obtained “zoning confirmation” for its mixed office and retail project in the heart of Warsaw and is currently preparing an application for urban planning permission.
- On 10 November 2011, IMMOBEL acquired (in 50 % partnership) 7 pieces of land in Poland belonging to Ruch. This land offers a development potential of over 150,000 m<sup>2</sup> of offices/retail and residential. This was one of the most important acquisitions on the Polish real estate market in 2011. Five plots are located in Warsaw (Wronia/ Prosta Str., Jana Kazimierza Str., Kier-

bedzia Str., Krakowska Str., Duracza Str.), one plot is located at Gdansk (Kopernika Str.) and the last is in Cracow (Pokoju Av.).

85 % of the portfolio acquired is therefore situated in Warsaw.

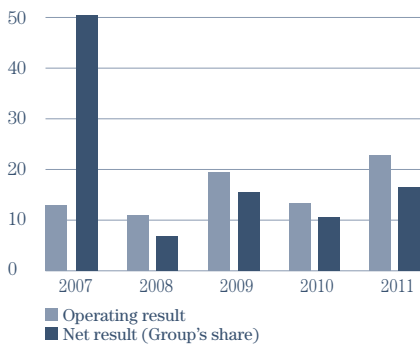
### Financing

- IMMOBEL also obtained 10 MEUR for a period of 2 years as “project financing” for the development of the *Okraglak* project in Poznan.

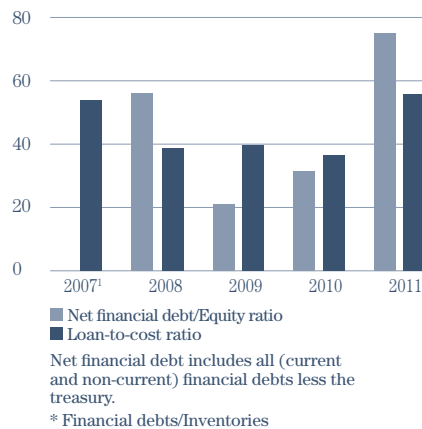


# Financial information and key figures

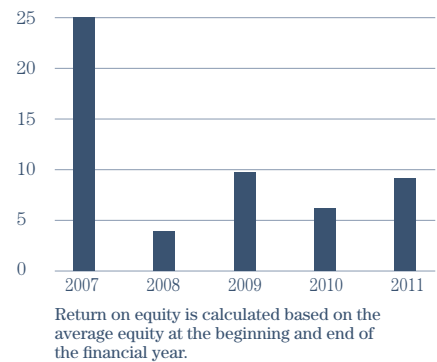
**OPERATING RESULT/  
NET RESULT (MEUR)**



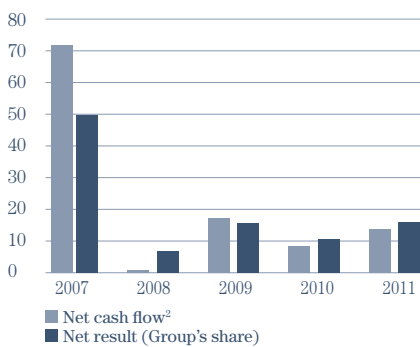
**NET FINANCIAL DEBT/EQUITY RATIO  
AND LOAN-TO-COST RATIO\* (%)**



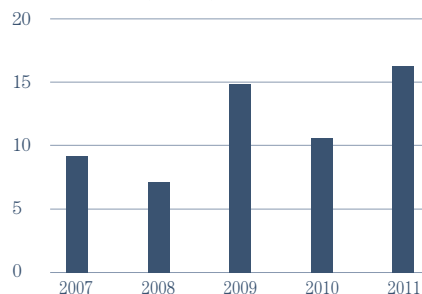
**RETURN ON EQUITY (%)**



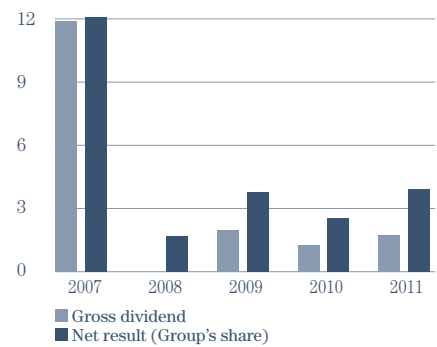
**NET CASH FLOW/  
NET RESULT (MEUR)**



**NET RESULT FROM CONTINUING  
OPERATIONS (MEUR)**



**NET RESULTS AND GROSS DIVIDEND  
PER SHARE (EUR)**



**16.2** MEUR  
net consolidated profit

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

## Summary of consolidated financial statements (MEUR)

<b>Income statement</b>	2007	2008	2009	2010	2011
Operating income	142.3	58.5	113.0	85.6	81.1
Operating expenses	-129.4	-47.4	-93.5	-72.4	-58.6
<b>Operating result</b>	<b>12.9</b>	<b>11.1</b>	<b>19.4</b>	<b>13.2</b>	<b>22.6</b>
Financial result	-6.6	-4.3	-4.0	-4.9	-5.4
Share in the results of associates	3.8	2.3	0.0	2.9	0.3
<b>Result before taxes</b>	<b>10.1</b>	<b>9.1</b>	<b>15.4</b>	<b>11.2</b>	<b>17.5</b>
Income taxes	-1.0	-2.0	-0.7	-0.7	-1.3
<b>Result from continuing operations</b>	<b>9.1</b>	<b>7.1</b>	<b>14.7</b>	<b>10.5</b>	<b>16.2</b>
Result from discontinued operations	41.1	-0.2	0.9	0.0	0.0
<b>Result for the year</b>	<b>50.2</b>	<b>6.9</b>	<b>15.6</b>	<b>10.5</b>	<b>16.2</b>
<b>Share of IMMOBEL</b>	<b>50.2</b>	<b>6.9</b>	<b>15.6</b>	<b>10.6</b>	<b>16.2</b>

<b>Balance sheet</b>	2007	2008	2009	2010	2011
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>27.3</b>	<b>15.9</b>	<b>13.2</b>	<b>11.4</b>	<b>5.8</b>
Intangible assets and goodwill	0.0	0.0	0.0	0.0	0.0
Tangible assets and investment property	5.4	2.9	3.4	3.6	2.5
Financial assets	20.7	12.7	9.3	7.5	1.3
Other	1.2	0.3	0.6	0.3	1.0
<b>Current assets</b>	<b>393.1</b>	<b>303.3</b>	<b>345.3</b>	<b>292.1</b>	<b>401.0</b>
Inventories	224.6	262.0	260.3	240.8	327.9
Treasury	132.7	15.8	67.7	34.2	47.0
Derivative financial instruments	0.2	0.0	0.0	0.0	0.0
Other	35.6	25.5	17.3	17.1	26.1
<b>Total assets</b>	<b>420.4</b>	<b>319.2</b>	<b>358.5</b>	<b>303.5</b>	<b>406.8</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>206.2</b>	<b>152.7</b>	<b>168.7</b>	<b>172.1</b>	<b>182.8</b>
<b>Non-current liabilities</b>	<b>49.7</b>	<b>86.6</b>	<b>69.3</b>	<b>71.9</b>	<b>112.6</b>
Financial debts	29.5	71.2	58.8	65.6	109.3
Other	20.2	15.4	10.4	6.3	3.3
<b>Current liabilities</b>	<b>164.5</b>	<b>79.9</b>	<b>120.5</b>	<b>59.4</b>	<b>111.4</b>
Financial debts	91.8	30.5	44.9	22.5	74.3
Derivative financial instruments	0.0	1.5	2.2	1.8	1.8
Other	72.7	47.9	73.4	35.1	35.2
<b>Total equity and liabilities</b>	<b>420.4</b>	<b>319.2</b>	<b>358.5</b>	<b>303.5</b>	<b>406.8</b>

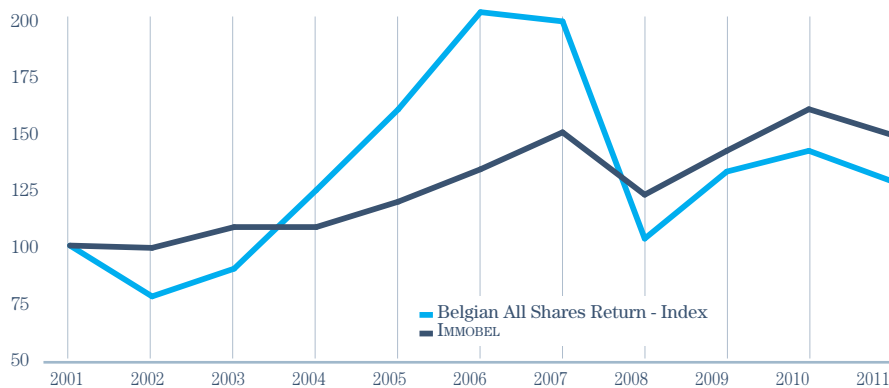
## Key consolidated figures

<b>Key figures IMMOBEL Group (MEUR)</b>	2007	2008	2009	2010	2011
Cash-flow <sup>1</sup>	72.2	0.7	17.2	8.5	<b>14.0</b>
Net result, Group's share	50.2	6.9	15.6	10.6	<b>16.2</b>
Equity, Group's share	206.2	152.7	168.7	172.2	<b>182.8</b>
Market capitalization	178.1	61.8	101.8	130.2	<b>101.8</b>

<b>Figures per share (EUR)</b>	2007	2008	2009	2010	2011
Number of shares at year-end	4 122	4 122	4 122	4 122	<b>4 122</b>
Cash-flow	17.5	0.2	4.2	2.1	<b>3.4</b>
Net result from continuing operations	2.2	1.7	3.6	2.6	<b>3.9</b>
Net result, Group's share	12.2	1.7	3.8	2.6	<b>3.9</b>
Value of equity	50.0	37.1	40.9	41.8	<b>44.4</b>
Gross ordinary dividend	12.0	0.0	2.0	1.25	<b>1.75</b>
Net ordinary dividend	9.0	0.0	1.5	0.94	<b>1.3125</b>

<b>Stock market ratios</b>	2007	2008	2009	2010	2011
List price on 31 December (EUR)	43.2	15.0	24.7	31.6	<b>24.7</b>
Maximum quotation (EUR)	49.8	43.4	24.7	32.9	<b>34.0</b>
Minimum quotation (EUR)	36.5	11.2	11.0	23.0	<b>23.4</b>
List price/book value	0.9	0.4	0.6	0.8	<b>0.6</b>
Gross return for 1 year <sup>2</sup>	18.4 %	-31.7 %	64.8 %	36.0 %	<b>-17.8 %</b>
Gross ordinary dividend/last list price	27.8 %	0.0 %	8.1 %	4.0 %	<b>7.1 %</b>
Net ordinary dividend/last list price	20.8 %	0.0 %	6.1 %	3.0 %	<b>5.3 %</b>

### EVOLUTION OF IMMOBEL'S RETURN WITH THE BELGIAN STOCK MARKET OVER 10 YEARS



**328** MEUR  
of project stock

**9.1 %**  
return on equity

1. Net result without the non cash expenses (amortisation, depreciation charges, provisions ...) and the non cash income (fair value ...)

2. Gross return for 1 year: (last closing price + dividends and capital repayments paid during the last 12 months - first list price for the period) / first list price for the period

# [ Corporate Governance statement ]



IMMOBEL adheres to the principles of corporate governance contained in the Belgian Corporate Governance Code published on 12 March 2009 (hereafter Code 2009), which is available on the GUBERNA website: [www.guberna.be](http://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 governance and its policies and procedures in matters of governance.

This Charter can be consulted on the Company's internet site: [www.immobel.be](http://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.

## Decision-making bodies

### The Board of Directors

The “curriculum vitae” of each Director (or of its permanent representative) can be summarised as follows:



**Baron BUYSSE (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 Buysse 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 Director or Chairman of other organisations.



**Gaëtan PIRET (2)**, 53, holds a Master's degree in Business 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)**, 56, 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 member of the International Committee of NYSE. He was previously the CEO of the RTL Group and Managing Director of GBL (Groupe Bruxelles Lambert).

### COMPOSITION OF THE BOARD OF DIRECTORS

Name	Function	Date first appointment	End mandate	Professional address
Baron BUYSSE	Chairman of the Board (Independent)	13 November 2007	2012	c/o Bekaert SA, Diamant Building, Boulevard Auguste Reyers 80 1030 Bruxelles
Gaëtan PIRET <sup>1</sup>	Managing Director	10 May 1995	2015	Rue de la Régence, 58 1000 Bruxelles
Didier BELLENS <sup>2</sup>	Director (Independent)	29 August 2007	2015	c/o Belgacom SA Boulevard du Roi Albert II 27 1030 Bruxelles
Maciej DROZD	Director	8 September 2010	2013	c/o Eastbridge Group Sp. z o.o. 104/122 rue Marszalkowska PL-00-017 Warsaw (Poland)
Maciej DYJAS	Director	8 September 2010	2014	c/o Eastbridge Group Sp. z o.o. 104/122 rue Marszalkowska PL-00-017 Warsaw (Poland)
Marc GROSMAN	Director	8 September 2010	2014	c/o Celio International SA, South Center Titanium Place Marcel Broodthaers 8b2 1060 Bruxelles
Luc LUYTEN	Director (Independent)	19 November 2007	2015	c/o Bain & Company Belgium Inc., Blue Tower Avenue Louise 326 (24 <sup>ème</sup> étage) 1050 Bruxelles
Marek MODECKI	Director (Independent)	8 September 2010	2015	c/o Concordia Sp. z o.o. Aleje Jerzolimskie 65/79 PL-00-697 Warsaw (Poland)
Wilfried VERSTRAETE	Director (Independent)	29 August 2007	2015	c/o Euler Hermes SA 1 rue Euler F-75008 Paris (France)
Laurent WASTEELS	Director (Independent)	8 September 2010	2015	c/o Wasteels S.à r.l. 5 allée Guillaume Apollinaire MC-98000 Monaco

1. In carrying out the functions concerned in the present report, Mr Gaëtan PIRET acts as the permanent representative of the company GAËTAN PIRET sprl.

2. In carrying out the functions concerned in the present report, Mr Didier BELLENS acts as the permanent representative of the company ARSEMA sprl.



**Maciej DROZD (4)**, 47, 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)**, 48, 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 GROSMAN (6)**, 57, 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, which has 1,600 shops in 65 countries. Since 2006, he has been a majority shareholder of the women's ready-to-wear fashion label, Jennyfer. He is also Member of the Supervisory Board of Eastbridge S.à r.l. and Director of Bata Shoes.



**Luc LUYTEN (7)**, 58, got an MBA from the University of Chicago, as well as a Degree in Civil Engineering and a Master's 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)**, 53, 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, he 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).



**Wilfried VERSTRAETE (9)**, 53, studied Economics at the VUB (Brussels) and obtained a Master in Financial Management from VLEKHO in Brussels. He also completed the

IEP 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 he was CFO successively of Mobistar, Wanadoo and Orange, all of which are part of the France Télécom Group.



**Laurent WASTEELS (10)**, 56, 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), 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.

**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 2011, the Board met on five occasions.

The Board of Directors of IMMOBEL will focus on gender diversity over the next few years, as the law won't apply to the Board until 1 January 2017 at the earliest or even later, in 2019. For this purpose, the Board of Directors has set up a Committee consisting of the Chairman of the Board, the Managing Director, Didier Bellens and Luc Luyten.

**The Committees of the Board of Directors****The Audit & Finance Committee**

The Audit & Finance Committee (hereafter AFC) assists the Board of Directors mainly in, on the one hand, monitoring financial reports and financial information intended for Shareholders and third parties, as well as the quality of internal control and risk management, and on the other hand, following up on the auditor's work, and monitoring the Company's accounts department and finances.

The AFC is made up of at least 3 Directors who do not have executive responsibilities within IMMOBEL; a majority of the members of this Committee are independent and at least one Member is competent in accounting and auditing matters.

The Members of the AFC and its Chairman are appointed by the Board of Directors for a maximum duration of four years.

**Composition:**

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

In 2011, the AFC met four times at the request of its Chairman.

**The Remuneration & Appointments Committee**

The main mission of the Remuneration & Appointments Committee (hereafter RAC) is to make proposals to the Board of Directors concerning remuneration (elements of the remuneration of the Directors, the Members of the Management and Executive 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 6 April 2010, the RAC draws up the Remuneration Report which the Board includes in the Statement on Corporate Governance, which will be discussed during the Annual General Meeting.

The RAC is made up of at least three Directors, a majority of whom are independent Directors and have the necessary expertise in remuneration policy.

The Managing Director takes part in the meetings of the RAC with an advisory vote when this Committee treats the remuneration of the other executive Directors, the other Members of the Management Committee and the other Members of the Executive Committee.

The Members of the RAC and its Chairman are appointed by the Board of Directors for a maximum duration of four years.

**Composition:**

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

In 2011, the RAC met twice at the request of its Chairman.

**The Investment & Asset Management Committee**

The Investment & Asset Management Committee (hereafter IAMC) 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 to identify and understand the strategic challenges posed by potential new real estate projects valued in excess of 5 MEUR.

The IAMC is made up of at least 3 Directors, including the Managing Director.

The Members of the IAMC are appointed by the Board of Directors for a maximum duration of four years. The Managing Director is the Chairman of the IAMC.

**Composition:**

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

In 2011, the IAMC met four times at the request of its Chairman.



### The Management Committee

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.

#### **Composition:**

Gaëtan PIRET (1), Chairman, Philippe HELLEPUTTE, Christian KARKAN and Philippe OPSOMER, Members.

The Members of the Management Committee are not related to each other.

In 2011, the Management Committee met three times at the request of its Chairman.

The "curriculum vitae" of the Members of the Management Committee (except the one of the Managing Director - cfr. supra) can be summarised as follows:



**Philippe HELLEPUTTE (2)**, 60 years old, joined IMMOBEL in 1977 as legal Advisor, after having worked 2 years for Cooper & Lybrand. He is, since 1984, in charge of the landbanking activities of the Group, Managing Director of Lotinvest, Director of various subsidiaries of IMMOBEL Group and Member of the Executive Committee since 1987. He holds a Master in Law (UCL), is Member of the IPI and General Counsel of the UPSI-BVS.



**Christian KARKAN (3)**, 48 years old, joined IMMOBEL as Head of Development in January 2009 and has a broad real estate experience in various European countries. He started his real estate career in 1986 when he joined Healey & Baker (now Cushman & Wakefield) as property agent specialised in offices, lettings and investments. From 1989 until 1993, he was in charge of real estate projects at Fibelaf. In 1995 he became an Associate of Cushman & Wakefield and Equity Partner in 2000 when he accepted the position of head of the investment team. He studied Marketing at EPHEC (Ecole Pratique des Hautes Etudes Commerciales), is Member of IPI and RICS and also has a degree in Corporate Management.



**Philippe OPSOMER (4)**, 49 years old, joined IMMOBEL as CFO. After a career start in the banking sector, he joined Nestlé Belgium in April 1989 where he spent 9 years (in the Finance, Audit, IT and Logistics departments). In November 1997, he joined Econocom in Belux, where he spent 10 years in senior management jobs, in Belux & France, in Finance, Operations and IT. He left Econocom in November 2007 (being at that time CFO,

Products and Services Benelux). He holds a Master's degree in Business Engineering (Solvay Business School 1987) and has a wide experience in Finance and Administration.

### The Executive Committee

The 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. It draws up and implements the policies of IMMOBEL the Managing Director esteems to be of the competences of the Executive Committee.

Under the responsibility of the Managing Director, he:

- gives leadership, advice and support to IMMOBEL's various subsidiaries and departments
- manages and organises the support functions within IMMOBEL covering areas such as human resources, legal, tax, accounting and financial matters.

#### **Composition:**

Gaëtan PIRET, Chairman, Pierre DELHAISE<sup>1</sup>, Bartłomiej HOFMAN<sup>2</sup>, Philippe HELLEPUTTE<sup>3</sup>, Christian KARKAN<sup>4</sup>, Jean-Louis MAZY<sup>5</sup>, Joëlle MICHA<sup>6</sup>, Paul MUYLDERMANS<sup>7</sup> and Philippe OPSOMER<sup>8</sup>, Members.

The Members of the Executive Committee are not related to each other.

The "curriculum vitae" of the Members of the Executive Committee (except



those of the Members of the Management Committee – cfr. supra) can be summarised as follows:



**Pierre DELHAISE (5)**, 61 years old, joined IMMOBEL in 1984 as Company Lawyer after having worked for the office of Notary Marc Bernaerts in Brussels for 7 years. He is Member of the Association of the Company Lawyers and is now Head of Legal Services of IMMOBEL. He holds a Master in Law (RUG), a Master in Notary Law (VUB) and a Master in European Law (ULB). He also holds a Common law certificate from St. Catherine's College (Cambridge).



**Bartłomiej HOFMAN (6)**, 37 years old, joined the Group in 2011 as head of our Polish subsidiary (Head of IMMOBEL Poland) and is member of the RICS. Prior to joining

IMMOBEL, he has worked, since 1999, in real estate consultancy teams of Knight Frank and DTZ, specialising in the office sector, and from 2005, he has worked for Austrian based investment fund - Europolis - as the Managing Director in Poland being responsible for office and warehouse investments and developments in Poland. He holds a Master degree from Warsaw University in International Relations and a Postgraduate degree in Property Valuation from Warsaw Technical University.



**Jean-Louis MAZY (7)**, 55 years old, joined IMMOBEL in 2001 as internal consultant and afterwards as Member of the Executive Committee. He now is responsible

for important developments in Brussels, as well as for the relations of the Group with the public authorities. Prior he was a Member of the Executive Committee of Cibix sca – sicafi (1999-2001). He began his professional career as Inspector General of Finance (1979-1996). Afterwards he joined the P&V Group as CFO (from 1990 till 1997).

He holds a Master's degree in Economics (ULB) and an Advanced Management Program (Harvard Business School).



**Joëlle MICHA (8)**, 42 years old, joined the Group in 2000 as Company Secretary of the sicafi Cibix (Reit). Since 2007, she is Head of Corporate Affairs and Compliance Officer of IMMOBEL. Prior she worked as Lawyer in the Loeffe Claeys Verbeke law firm (currently Allen & Overy) during 4 years, as authorised agent in a private bank, and at the FSMA (formerly BFIC) in the Financial Information Monitoring and Markets Supervision departement. She holds a Master in Law (UCL), a Master in Taxation (HEC-Liège) and she also obtained the "Certified European Financial Analyst" qualification, granted by the Belgian Association of Financial Analysts. She is also Company Director in Belgium and the Grand Duchy of Luxembourg.



**Paul MUYLDERMANS (9)**, 57 years old, joined IMMOBEL in 2002 as Head of Project Management. He was previously Commercial Director at Valens (Eiffage group). He holds a degree in Civil Engineering (KUL) and a Postgraduate from the RUG. He is AMP 1997 from INSEAD and Member of the Royal Institution of Chartered Surveyors (MRICS).

## Remuneration report

### Procedure for drawing up the remuneration policy

#### For the Directors:

In 2011, 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 Corporate Governance Charter available on the Company's website ([www.immobel.be](http://www.immobel.be)).

The General Meeting of Shareholders decides about the remuneration of its Directors upon proposal of the Board of 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 (and more especially in other listed companies). 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 to 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.

No changes were made to the remuneration policy in 2011.

#### For the Members of the Management Committee:

For 2011, 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 Corporate Governance Charter on

1. Head of Legal Services and Secretary of the Executive Committee.  
 2. Head of IMMOBEL Poland; Member of the Executive Committee since 14 December 2012  
 3. Head of Landbanking  
 4. Permanent representative of REALEYDE DEVELOPMENT sprl; Head of Development  
 5. Permanent representative of Jean-Louis MAZY sprl; Advisor  
 6. Permanent representative of JOMI 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 Office at IMMOBEL.  
 7. Permanent representative of Paul MUYLDERMANS bvba; Head of Project Management  
 8. Permanent representative of ASAP CONSULTING sprl; Head of Finance and Secretary of the Management Committee.

the Company's Internet website ([www.immobel.be](http://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 Managing Director establishes a proposal of the remuneration to the RAC, which evaluates in its turn the performances of the Management Committee. The final decision with regard to the variable remuneration to be paid out belongs to the Board of Directors. The Board of Directors analyses the competitiveness of IMMOBEL's remuneration structure on the initiative of the RAC.

Remuneration of the Members of the Management 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.

No changes were made to the remuneration policy in 2011. However, the Board of Directors decided to apply the new rules regarding the deferral of the

variable remuneration as from financial year 2012 (2011 being a transition year).

### Procedure for determining individual remuneration

#### **For non-executive Directors:**

- At the meeting of 27 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 remuneration of the Chairman of the Board amounts to 450,000 EUR per year for all its responsibilities, as well as Chairman of the Board of IMMOBEL, as since 11 May 2011, in his capacity as Chairman of the Supervisory Board of IMMOBEL Poland. Moreover, Baron Buysse assists also to all meetings of the several Committees of the Board of Directors, i.e. AFC, RAC and IAMC.
- A mandate as 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 2011 are shown in the table below. All of the amounts shown are gross, i.e. before the deduction of tax.

	Presence at Board	Presence at AFC	Presence at RAC	Presence at IAMC	Remuneration
Baron BUYSSE	5/5	4/4 (invited)	2/2 (invited)	4/4 (invited)	450 000 EUR <sup>1</sup>
Gaëtan PIRET	5/5	4/4 (invited)	2/2 (invited)	4/4	page 17
ARSEMA sprl <sup>2</sup>	3/5	4/4	2/2	-	50 000 EUR
Maciej DROZD	4/5	4/4	-	-	12 500 EUR
Maciej DYJAS	4/5	-	-	4/4	12 500 EUR
Marc GROSMAN	5/5	-	-	3/4	12 500 EUR
Luc LUYTEN	5/5	-	2/2	-	25 000 EUR
Marek MODECKI	5/5	-	2/2	-	25 000 EUR
Wilfried VERSTRAETE	3/5	4/4	-	4/4	50 000 EUR
Laurent WASTEELS	4/5	-	-	-	25 000 EUR
<b>Total gross remuneration</b>					<b>662 500 EUR</b>

1. Including a participation for the leasing cost of a car

2. Represented by its permanent representative Mr Didier BELLENS

### 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.

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

### Remuneration of the Managing Director and the other Members of the Management Committee related to financial year 2011

#### 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:
  - the net profit
  - the level of the investments (acquisitions) and
  - the management and the control of risks during the financial year under review.

These three criteria intervene each for 1/3 in the determination of the quantitative

variable remuneration and are linked to the realised performances of the Group.

In case the minimum targets were not reached, no variable remuneration will be attributed for the concerned criterion.

- a variable qualitative remuneration determined in function of the responsibilities, the mission and the targets achieved during the reviewed financial year, on an individual basis by each of 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 from a weighted remuneration, at 60 % for quantitative aspects, and at 40 % for qualitative aspects, compared to total variable remuneration.

Based on the performance of the Company during 2011 and on the realisation

of the individual targets of the Members of the Management Committee between 1 January and 31 December 2011, the variable part of the global remuneration paid for 2011, represented 51.56 % of its basic remuneration for the Managing Director and 55.42 % for the other Members.

As from 2012 (variable due in 2013) and pursuant to the Law, if the variable remunerations of a Member of the Management Committee do exceed 1/4 of their total remuneration, they will be deferred; as such only half of the total variable remuneration will be attributed in 2013 and the 3<sup>rd</sup> and 4<sup>th</sup> quarter of the variable for 2012 will be attributed, insofar the targets linked to this variable remuneration were attained, respectively over a period of two years (2012-2013) and over a period of three years (2012-2013-2014). For this deferral, quantitative criterion that has been taken in account is the return on equity.

#### Remuneration and other benefits accorded, directly or indirectly, to the Managing Director and other Members of the Management Committee (cfr. members on page 14)

	Managing Director	Other Members
Basic remuneration	484 858.32 EUR	820 988.72 EUR
Variable remuneration	250 000.00 EUR	455 000.00 EUR
Individual Pension commitment	None	51 559.59 EUR
Company car	24 000.00 EUR	19 856.25 EUR
Other benefits	None	None

One 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 justified post by post. The Company is not responsible for private expenses.

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

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

#### Information regarding remuneration policy for the next two fiscal years:

Apart from the deferred variable remuneration as mentioned above, the Board of Directors do not expect any fundamental changes to its remuneration policy in the next two financial years.

**Performance evaluation:**

Under the leadership of its Chairman, the Board of Directors regularly examines and evaluates its own performance and that of its Committees, as well as the efficacy of IMMOBEL's governance structure, including the number, role and responsibilities of the various Committees set up by the Board of Directors.

A periodic evaluation of the contribution made by each Director is carried out with a view to fine-tuning the composition of the Board of Directors to take into account changing circumstances. Individual Directors' performance is evaluated as part of the re-election procedure.

Each year, at the proposal of the RAC the Board of Directors decides on the objectives of the Managing Director for the coming financial year and evaluates his performance for the period drawing to a close, in conformity with the procedure currently in place. This evaluation of the Managing Director's performance is also used to fix the variable part of his annual remuneration.

The remuneration of the individual Members of the Management Committee is fixed by the Board of Directors at the recommendation of the RAC, following proposals made by the Managing Director. Remuneration of the Members of the Management Committee is variable: their remuneration is linked to the Company's results, taking into account the performance evaluation criteria with respect to the objectives, the evaluation period and the evaluation method.

**Shares and share options**

Remuneration of the Members of the Management 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 fulfill their duties to 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 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.

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	12 months
Philippe HELLEPUTTE	
in case of termination between 01-01-2012 and 31-12-2013	24 months
in case of termination after 01-01-2014	18 months

As the variable remuneration will only be attributed after approval of the Annual Accounts by the Ordinary General Meeting, there exists no specific right to recover variable remuneration paid out based on erroneous financial information.

**Internal control and risk management**

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 control.

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.

**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 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 decision-making bodies:**

IMMOBEL has a Board of Directors, an IAMC, an AFC, a RAC, 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 main responsibilities of the different Committees have been mentioned above (cfr. Decision-making bodies).

### **Risk culture:**

IMMOBEL takes a prudent attitude, managing a portfolio of diversified projects that create long-term value through its three lines 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 6 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 AFC 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 Directors' Report.

### **Control activities**

The control activities correspond to the regulations and procedures used to deal with the principal 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 IAMC.
- 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 to the AFC.
- The accounts department and future financial requirements are monitored and regular reports submitted to the Management bodies and the AFC.

- 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 program 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 program 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 AFC is responsible for supervising internal control. Given the size and

the activities of the Company and the Group, the AFC 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 AFC 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 AFC ensures that the recommendations are implemented if the need arises.

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

## Rules and procedures

### 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 2011, 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 hand, the Members of the Management Committee, the Members of the Executive Committee and the other staff that was subject to the procedure mentioned above.

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

### 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 Corporate Governance Charter 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 5 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 Compliance Officer 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 FSMA 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 total sum of the operations carried out during the calendar year in progress does not exceed the threshold of 5,000 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 of the rules cited above has not given rise to any difficulty.

### Legal and arbitration procedures

The Board of Directors of IMMOBEL assesses that no governmental, legal or arbitration proceeding exists that may have, or have had in the recent past, significant effects on the Company and that the Company is not aware of proceedings which are pending that could cause these governmental, legal or arbitration proceedings.

## Information about the issued capital

31 December 2011	Number	Voting rights
Ordinary shares	4 121 934	4 121 934

## Shareholding structure

In application of article 29 of the Law of 2 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. having its registered seat at L-1469 Luxembourg, Rue Ermesinde 67	1 030 484	25.00 %
JER AUDREY S.à r.l. having its registered seat at L-2240 Luxembourg, Rue Notre Dame 15	228 081	5.53 %
CAPFI DELEN ASSET MANAGEMENT NV <sup>1</sup> having its registered seat at 2020 Antwerp, Jan Van Rijswijcklaan 178	208 516	5.06 %
KBC ASSURANCES NV <sup>2</sup> having its registered seat at 3000 Leuven, Prof. Roger Van Overstraetenplein 2	71 275	1.73 %
FIDEA NV <sup>3</sup> having its registered seat at 2018 Antwerp, Van Eycklei 14	142 413	3.46 %

1. Mutual fund

2. Subsidiary of KBC GROUP NV

3. Subsidiary of KBC ASSURANCES NV

## Elements that could have an influence in case of a takeover bid on securities issued by the Company

The General Meeting of Shareholders authorised the Board of Directors to increase the **Company's capital** by a maximum amount of 50,000,000 EUR, in one or more occasions, dates and manner to be determined by the Board of Directors, and for a term of five years from the publication of this authorisation in the Belgian Official Gazette. This authorisation will expire on 7 December 2012.

The Company may acquire or take as security its **own shares** under the conditions determined by the law. The Board of Directors is authorised to sell, on the stock exchange or outside, at the conditions it determines, without prior authorisation of the General Meeting, in accordance with the law.

By decision of the Extraordinary General Meeting of Shareholders of 13 April 2011 the Board of Directors is authorised, 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 dis-

posal is necessary to prevent any serious imminent harm. This authorisation is granted for a period of three (3) years dating from publication of this authorisation in the Annexes to the Belgian Official Gazette. Such authorisation shall also be valid for the acquisition or the alienation of shares of the Company by a direct subsidiary according to article 627 of the Belgian Companies Code.

Furthermore, by decision of the Extraordinary General Meeting of 13 April 2011, the Board of Directors is authorised to acquire shares of the Company to a maximum of twenty percent (20 %) of the issued shares at a price which will not be less than ten (10) EUR nor more than twenty percent (20 %) during the highest closing of the last twenty trading days of the Company shares on Euronext Brussels before the acquisition. This authorisation is granted for a period of five (5) years from the date of the Extraordinary General Meeting of 13 April 2011. This authorisation also applies to the acquisition or disposition of shares of the Company by a direct subsidiary according to article 627 of the Belgian Companies Code.

The rules governing the **appointment and replacement of Directors** and the **amendment of the Articles of Association** shall be those provided by the Companies Code.

The **terms of change of control** contained in credit agreements with financial institutions were approved by the General Meeting of 13 April 2011, pursuant to section 556 of the Companies Act.

## Other contributors

### Statutory Auditor

The Statutory Auditor is Deloitte Reviseurs d'Entreprises, represented by Mr Laurent Boxus, which has its registered seat at 1831 Diegem, Berkenlaan 8B. The fixed fees payable to the Statutory Auditor Deloitte for examination and review of the Statutory and Consolidated Accounts of IMMOBEL amounted to 41,200 EUR (excluding VAT). His fee for the revision of the statutory accounts of subsidiaries came to 133,750 EUR (excluding VAT).

### Central Paying Agent

Fortis Banque is the Central Paying Agent of IMMOBEL for an indefinite period. The remuneration of the commission is calculated as follows:

- **Coupons and income securities presented physically:** 4.00 % of the net amount of the coupon + 0.10 EUR per cut coupon + VAT
- **Coupons and income securities presented in a securities account:** 0.20 % of the net amount of the coupon + VAT

# Evolution of the property market

## Belgium

### Office real estate market in 2011 and outlook 2012<sup>1</sup>

#### Brussels

The Brussels office leasing market is marked by contrast. A positive trend can be observed in CBD locations where vacancy is down from 7.3 % to 6.8 %. The prospect of a return to a balanced CBD market is real and very welcome. The decentralised and periphery markets remain very difficult however, with high and still increasing vacancy and very subdued demand. Very low development activity and the increasing trend towards

conversion of office buildings to alternative uses are symptomatic of the difficult market conditions and may over the medium to long-term enable this market also to find a certain stability.

The investment volume for all types of property increased by 20-30 % in 2011 to approximately 1.85 billion EUR compared to a 5-year average of more like 3 billion EUR. Demand for core assets with secure income streams and low perceived risk (such as long leased offices and established shopping centres) continued to be very strong and these assets are highly liquid. The market for secondary assets also started to show signs of life, albeit only at levels of price well below historical benchmarks.

#### LETTING MARKET

Brussels	2010	2011	12 month outlook
Stock (in million m <sup>2</sup> )	13.0	13.0	→
Take-up total (in m <sup>2</sup> )	469 000	350 000	→
Vacancy rate (in %)	11.2	11.1	↘
CBD (in %)	7.3	6.8	↘
Outside CBD (in %)	18.2	18.8	→
Completions (in m <sup>2</sup> )	281 000	111 000	→
Prime rent (in EUR/m <sup>2</sup> /year)	310	300	↘
Top quartile rent (in EUR/m <sup>2</sup> /year)	218	222	→
Weighted average rent (in EUR/m <sup>2</sup> /year)	171	171	→

#### INVESTMENT MARKET

Brussels	2010	2011	10 year average	Trend 2012
Offices	900	1 077	1 800	→
Industrial	85	255	170	↘
Retail	230	295	510	→
Others	170	217	450	↗
<b>Total</b>	<b>1 400</b>	<b>1 850</b>	<b>2 900</b>	<b>→</b>

#### Letting market

##### Take-up

The total Brussels office letting market for 2011 reached 350,000 m<sup>2</sup>. This is a historically low figure and a material drop from the 2010 figure. The worst hit sector was that of private sector corporates. Only the European Institutions saw any increase thanks to the Capital transaction at Schuman (45,000 m<sup>2</sup>) which was the largest deal of the year. Regional cities also saw a decline in take-up.

Take-up by the Belgian Administrations was subdued, partly at least due to the stalemate on the formation of a new government which only finally broke very late in the year with the new government finally sworn in on 6 December.

1. Source: Jones Lang LaSalle



### Vacancy & supply

The vacancy rate in our view reached its peak in the current cycle during the second quarter 2010 (11.5 %) and decreased to 11.2 % at the end of 2010, and 11.1 % at the end of 2011. There is a wide discrepancy between the CBD at 6.8 % and the decentralised and periphery markets at 16.8 % and 21.4 % respectively. Approximately 180.000 m<sup>2</sup> of office space left the stock as a result of reconversion to alternative uses in 2011, up from 130,000 m<sup>2</sup> in 2010.

### Rents

During 2011, face rents were fairly stable with prime rents for exceptional buildings declining a little and the more representative weighted average and top quartile rents increasing very marginally.

Incentives remained high and an analysis of a sample of transactions during the year shows an average delta between face rents and economic rents of between 15 % and 20 %.

### Outlook

Future completions remain very low indeed and the decrease of future supply should lead to a further modest decrease in vacancy for 2012 especially in new buildings.

The increased interest locations near large public transport nodes continues to be a driver of relocation decisions, a trend that is in our view likely to continue for the foreseeable future.

### Investment market

#### Investment volume

The total investment volume in Belgium during 2011 saw a material increase on 2010 to reach approximately 1.85 billion EUR. The office sector was largely unchanged year-on-year with the increase being primarily in industrial and retail. Only industrial exceeded the ten-year average however.

Belgian purchasers (59 %) are still responsible for the majority of the volume with institutions, particularly insurance companies active in the core sector and private investors and developers in more opportunistic acquisitions.

#### Yield

Prime office yields for standard leases in our view stand at 6-6.5 % in the Brussels CBD, and 7-7.25 % outside, although little or no prime product is offered in the market. Yields for buildings with long secure lease terms remained unchanged and have been very consistent over the past three years at around 5 %.

Prime industrial yields declined somewhat due to strong demand from specialised investors and little interesting product offered, to return to around 7 %.

Retail yields remained sharp due to strong competition between investors for all types of prime products. Prime high street locations continued to trade amongst wealthy private investors at

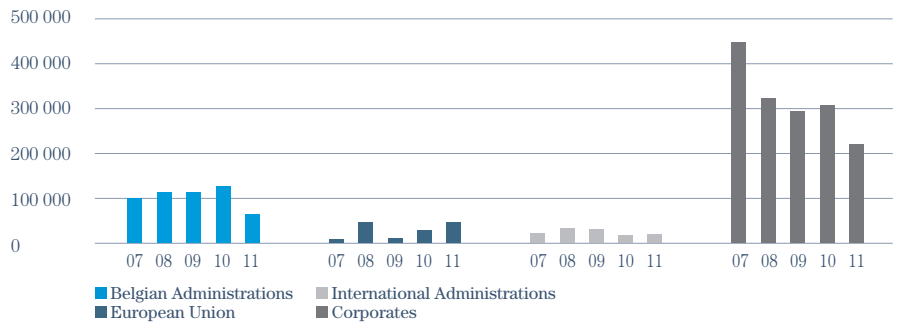
below 5 %, and prime shopping centres were in continued strong demand at 5-5.25 %. There is however, as ever, a world of difference between retail that is a proven success and more speculative assets that have not yet demonstrated that they can perform well over time. Due to the lease structure in Belgium, income security on retail assets is guaranteed by the success of the location, be it high street, shopping centre or retail park.

#### Outlook 2012

The coming year will in our view continue the trends seen in 2011. Property returns are likely to continue to be very attractive compared to other asset classes as long as income security is either guaranteed by long leases to creditworthy tenants (offices) or underwritten by a proven ability to re-let on attractive terms (established retail locations and logistics).

Where these elements are not present, there are signs that private investors and private property companies are increasingly keen to invest. Some clearly believe that this is the bottom of the cycle and there is an opportunity to benefit from a future upturn, and some simply prefer a tangible investment in property to a paper instrument that can disappear overnight. Time will tell, but in the past this has often been how fortunes are established. What is clear is that these types of assets are only saleable in the current market if there has been drastic and often painful re-pricing compared to historical benchmarks.

## EVOLUTION OF OFFICE TAKE-UP IN BRUSSELS BY SECTOR



### Walloon region

We consider the Walloon Brabant area to be part of the Brussels periphery market, so Liège, Charleroi and Namur are the three major real estate markets in terms of office space in Wallonia, with a combined stock of approximately 1 million m<sup>2</sup>.

Take-up in total was of the order of 39,000 m<sup>2</sup> during 2011. Namur and Liège saw take-up of only approximately 3,000 m<sup>2</sup> each, less than one third of the 2010 figure. The largest transactions of the year were as usual with the public sector and were at opposite ends of the country. In Tournai the *Château-Rempart 2 & 3* of approximately 9,300 m<sup>2</sup> were taken by the Régie des Bâtiments and in Verviers the city council bought 19,170 m<sup>2</sup> in the rue du Gymnase, of which approximately 13,170 is for their own occupation.

No completions took place during 2011 in the three main markets of Wallonia, and the vacancy rate remains very low at below 3%. There are two projects expected to complete in 2012 in Namur, including 5,600 m<sup>2</sup> in the Namur Office Park, no completions are expected in Liège or Charleroi.

Prime rents in Charleroi and Namur in our opinion stayed stable at 125 EUR/m<sup>2</sup>/pa and 160 EUR/m<sup>2</sup>/pa respectively, whilst in Liège we think there has been an increase of some 3.85%

compared to 2010, to a new level of 135 EUR/m<sup>2</sup>/pa.

The office investment market was relatively inactive, but it is clear that there would be strong demand for core product leased long-term to a creditworthy tenant.

### Flemish region

Antwerp is the principal office market in Flanders. Q4 Antwerp take-up came to around 25,000 m<sup>2</sup>, pushing the annual total to approximately 95,000 m<sup>2</sup>. Whilst this is somewhat lower than in 2010, it is roughly in line with the 10-year average.

As in previous quarters, demand from the private sector has continued to weaken, while public sector activity remained stable. On the supply side, overall vacancy increased marginally to 10.8%, as occupiers left behind more space than there was actually taken up.

Overall vacancy is expected to decrease in the short term, with just one significant development currently under construction in Antwerp, namely the 12,000 m<sup>2</sup> Onyx building, located in the Ring district. Whilst the short term pipeline is limited, there are a number of planned developments which could be started as soon as the required pre-let rate has been met. Such projects include the Nieuw Zuid, City Link 2 and Berchem X developments, all together with a capacity of 200,000 m<sup>2</sup>. As at the

end of Q4, none of these projects are starting speculative construction in the short term.

Choice is in fact very limited in the top segment of the market, in particular for floor plates in excess of 2,000 m<sup>2</sup>. Whilst the average requirement in the Antwerp office market stands at around the 500 m<sup>2</sup>, a number of large tenants have renewed their leases given the absence of any possibilities for upgrading space besides owner occupied developments.

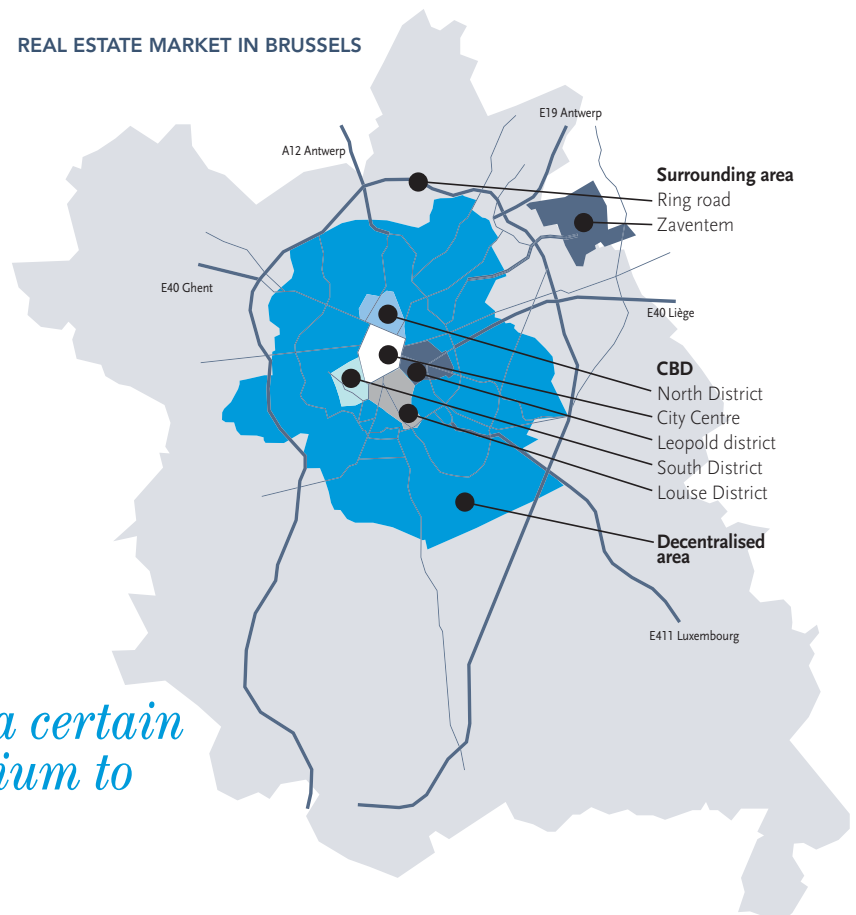
Prime CBD rents remained stable at 145 EUR/m<sup>2</sup>/pa for the third consecutive quarter. In the Ring Road district, prime rents moved up by 3% to 140 EUR/m<sup>2</sup>/pa. Some marginal rental growth is expected in 2012, driven primarily by supply shortages for the best space in both the CBD and the Ring Road district. Incentives remain an important part of lease negotiations with incentives equivalent to an 8-10% discount on the headline rent being the market practice, significant but below the levels necessary in the Brussels decentralised and periphery markets.

Although Gent has grown in importance over the last few years (varying in the last 3 years from 40,000 m<sup>2</sup> to 60,000 m<sup>2</sup> in top year 2010) Antwerp remains by far the most important city with an average of around 100,000 m<sup>2</sup> over this same period.

Cities such as Leuven and Mechelen vary wildly from year to year between 5,000 m<sup>2</sup> and 25,000 m<sup>2</sup> depending on one or two big deals. Leuven had one in 2011 with Acerta taking up 10,000 m<sup>2</sup>. Prime rents are 155 EUR/m<sup>2</sup>/pa for Leuven, 140 EUR/m<sup>2</sup>/pa for Gent, 135 EUR/m<sup>2</sup>/pa for Mechelen and 130 EUR/m<sup>2</sup>/pa for Hasselt.

On the investment side the largest transaction in Q4 was the 63.2 MEUR purchase of the City Link building by Mercator. The largest investment transaction of the year was the purchase by Dexia Insurance of the Kam building in Brugge, which is let on a long-term lease to the government. The prime yield for six to nine year lease remained stable at 7.00 %.

#### REAL ESTATE MARKET IN BRUSSELS



*The market may find a certain stability over the medium to long-term.*

## The Belgian residential real estate market in 2011<sup>1</sup>

**+4.4 %**

in the Belgian residential market

**206,000 EUR**

average price for an apartment  
in Brussels

### Investments in the Belgian residential market

Compared to the level of investment reached in the first three quarters of 2010, the residential market showed an increase of 4.4 %, up nearly 20 billion EUR at the end of the 3<sup>rd</sup> quarter of 2011<sup>2</sup>, while the number of transactions registered in the country was down 0.1 %. This shows there was an increase in the values of residential real estate if the two periods are compared, while the level of inflation in 2011 was higher than in 2010.

This level of investment can be partly explained by the decrease in fixed interest rates on home loans during 2011, down to 3.93 % in September. Mortgages on homes came to a total of 18 billion EUR, close to the level reached during the first three quarters of 2010.

### Price trends per market

As the detailed analyses per property type demonstrate below, the average price of residential houses, luxury houses and apartments all show a rise of more or less 4 % compared to 2010. The number of transactions for this type of property in 2011 is at a similar level to that of 2010, with 47,000 sales.

### Ordinary residential houses

The average price of ordinary residential houses was up 4.0 % to about 187,000 EUR. The number of transactions involving this type of property increased by 2.2 %.

According to figures from the FPS Economy, the price of an ordinary house in the Brussels Capital Region in 2011 was approximately 346,000 EUR, i.e. an increase of 1.8 %. Average prices in six municipalities in the Brussels Capital Region were under 276,000 EUR at the end of 2011: Anderlecht, Sint-Agatha-Berchem, Jette, Koekelberg, Molenbeek-Saint-Jean and Saint-Joost-ten-Noode. Please note that Ganshoren is now above the 276,000 EUR mark.

The average price of ordinary residential houses in the Flemish Region in 2011 was 201,000 EUR, i.e. an increase of 6.3 % compared to 2010. The highest levels of prices at the end of the year were mainly in the zone between the outskirts of Brussels and Leuven. Some coastal municipalities, including Knokke-Heist, also recorded high levels. The most reasonable prices continued to be in the provinces of Limburg and West Flanders.

The prices of ordinary residential houses situated in the Walloon Region in 2011 reached an average of 142,000 EUR, up by 3.3 % compared to the previous year. Walloon Brabant lists several municipalities that are now over the 276,000 EUR mark.

### Villas, luxury houses

The average price was 329,000 EUR, i.e. a rise of 3.8 %. The number of transactions involving villas and luxury houses in 2011 was at a similar level to 2010, with over 12,000 sales.

## Apartments

The global increase in the average price of apartments since 2010 was 3.9 %. The average price came to 193,000 EUR in 2011. In any case the number of transactions involving apartments shrank by 1.08 %; in fact, just under 28,000 were registered.

As far as apartments in Brussels are concerned, the average price noticed in 2011 was 206,000 EUR, i.e. a rise of 3.6 % compared to 2010. The highest average price continued to be seen in Woluwe-Saint-Pierre, while a rise in average prices in the municipalities of Schaerbeek and Auderghem was also noticeable, and a decrease in the municipality of Watermael-Boitsfort.

In the Flemish Region, the average settled at 198,000 EUR, an increase of 4.7 % compared to 2010. A few municipalities at the coast and around Antwerp, in particular, succeeded in surpassing the 276,000 EUR mark at the end of 2011.

The average price of apartments in the Walloon Region went up by 4.1 % compared to 2010 to settle at 150,000 EUR.

## Conclusion

The Federation of Notaries' real estate activity index stabilised during the 1<sup>st</sup> half of 2011 to then slump in the 3<sup>rd</sup> quarter, as is usual during the summer holiday period. Nevertheless the index was higher in the 3<sup>rd</sup> quarter of 2011 than in the 3<sup>rd</sup> quarter of 2010. Figures from the National Bank of Belgium show that the total value of mortgages granted declined consistently between May and August; this went hand in hand with a rise in mortgage rates between January and July. Despite the drop in the level of fixed rates which bottomed out at 3.72 % in November 2011, the number

of loans given to households, the main buyers of brick, continued to fall at the start of the 4<sup>th</sup> quarter, whereas in 2010 it was precisely during this period that the largest volumes of loans for the year were recorded, due to changes in VAT legislation.

Despite the rise in volumes invested in the residential real estate market compared to 2010, the number of transactions fell slightly as a whole. Brokers cite the fact that demand continued to be strong, but that, given the climate of doubt that reigned, households took longer to decide before purchasing. Furthermore the economic situation resulted in a rise in the number of prospective purchasers who were unable to obtain a mortgage. In addition, for over a year, certain buyers had been encouraged to bring forward their plans to purchase, before the interest rates went up again, so there was a concentration of purchases during a short period, rather than a more uniform spread. These factors explain the drop in the number of sales in 2011.

The average price of ordinary residential houses was up 4.0 % in Belgium in 2011, with a rise of 2.2 % in the number of transactions involving this type of property. The highest average price for ordinary houses in the three Regions was in the Brussels Capital Region, and amounted to 346,000 EUR.

The average price of luxury houses increased again in all three Regions, to hit 329,000 EUR in 2011. The number of transactions rose only slightly, by 0.5 %. The highest average price for a luxury house can be seen in the Brussels Capital Region, at 1,048,000 EUR, up by 17.5 % on 2010!

The average price of apartments is rising in all three Regions. The highest average price, 206,000 EUR, can be observed in the Brussels Capital Region. The number of transactions for this type of property dropped 1.8 % in 2011.

1. Source: DTZ

2. This report is based on statistics from the FPS Economy (Belgian Economy Ministry). At the moment (1 February 2012), they have not been updated beyond the 3<sup>rd</sup> quarter of 2011. For the sake of consistency comparisons with 2010 will therefore be based exclusively on the first three quarters of 2011.

## The Belgian landbanking market in 2011<sup>1</sup>

In our 2010 annual report we predicted that the number of transactions of building land in 2010 would be similar to that in 2009. In the end, the positive results in the last quarter of 2010 (6,022 transactions) meant an increase in the number of sales of building plots of about 12.5 % in 2010, i.e. a total of 19,779 transactions. In the first 3 quarters of 2011, the number of transactions came to 12,806, which was a drop of about 7 % compared to the first 3 quarters of 2010. Given the number of transactions carried out in the 4<sup>th</sup> quarter of 2010, the volume for 2011 will likely be lower than that of 2010. Sales prices, on the other hand, were slightly up.

Bearing in mind that 46,271 building plots were sold in 1989, we can only conclude that the number of transactions has been in constant decline ever since. The scarcity of available plots and the complexity of the procedures involved are the cause.

The number of applications for building permits has likewise been in regular decline since 2006. The type of homes has evolved too because, since 2004, applications for building permits for apartment buildings have exceeded

applications for permits for one-family houses.

Studies show continual population growth in our country, as well as a decline in the number of people per home. It would be advisable to have enough land with utilities to meet the increasing need for homes. And that is where the shoe sometimes pinches. In fact, the complexity of regional regulations, the constant modifications to them and new requirements mean there are longer waiting times for permits and more legal insecurity.

In both the Flemish Region and the Walloon Region urban planning permits for groups of buildings often have to be supplemented with applications for subdivision or urban development permits before they can become operational.

There have been some modifications to legislation recently: in the Flemish Region the Town Planning Code (*Vlaamse Codex Ruimtelijke Ordening*) provides that in a housing development both the town planning charges and the social charges, as well as the obligation to build a certain number of reasonably

*Since 2004, applications for building permits for apartment buildings have exceeded applications for permits for one-family houses.*

priced homes, may be enforced by the authority at the expense of the developer should the latter fail. In the Walloon Region, the regulation replacing the subdivision permit with an urban development permit, entered into force on 1 September 2010. A circular, dated 3 June 2010, and a vademecum, presented on 6 February 2012, are part of the accompaniment to the launch of this new tool and specify the normative measures contained in the Walloon Town Planning Code (CWATUPE). New dossiers must now conform to this new regulation. We will have to keep a close watch then on the results of this new legislation, the purpose of which is to achieve (better) quality urban development, even though, it must be admitted, it is very difficult to expect that from legal standards.

1. Information based on the first three quarters of 2011

# +12.5 %

of sales of building plots  
in 2010

# 12,806

transactions in the first  
3 quarters of 2011



## Grand Duchy of Luxembourg

### Real estate market in 2011<sup>1</sup>

The office rental market is characterised by an increase in take-up (174,000 m<sup>2</sup>) and a lower vacancy rate, down from 7.85 to 6.38 %. Few speculative buildings are under construction. In the investment market the volume was also up in 2011.



▲ GREEN HILL  
Dommeldange  
Christian Bauer & Associés

◀ WESTSIDE VILLAGE - PHASE 2  
Capellen  
Assar Architects



#### Rental market

##### Rents

Partly because of the evolution of the vacancy rates, there were contrasts in the way rents evolved over the last twelve months. Those in the CBD, like those in Kirchberg, remained stable compared to 2010 and have settled at between 35 and 40 EUR/m<sup>2</sup>/month for the CBD and between 31 and 33 EUR/m<sup>2</sup>/month for Kirchberg. In contrast, upward pressure on rents in the very centre of the city is conceivable in the coming two years due to a vacancy rate that is still very low. In the Station district and in Limpertsberg prices are stable at between 26 and 30 EUR/m<sup>2</sup>/month. They have risen slightly at the Airport (26-28 EUR as opposed to 25-27 EUR/m<sup>2</sup>/month), as well as in Strassen (25-28 EUR as opposed to 22-24 EUR/m<sup>2</sup>/month) and in Capellen (20-22 EUR as opposed to 18-20 EUR/m<sup>2</sup>/month). On the other hand, the strong vacancy rate at the Cloche d'Or is exerting net pressure on rents, with prices starting at 24 EUR now as opposed to 26 EUR/m<sup>2</sup>/month in 2010.

##### Take-up

As far as office take-up in Luxembourg is concerned, with close to 174,000 m<sup>2</sup> of offices let in 246 transactions, the



year was excellent. A very positive sign: the 24 biggest operations all exceeded 1,500 m<sup>2</sup>, the threshold for the previous two years being 1,000 m<sup>2</sup>.

### Rental vacancy

The vacancy rate at the end of 2011 has fallen, down from 7.85 % at the end of 2010 to 6.38 % today (212,115 m<sup>2</sup>), but still includes 0.86 % of sub-lets.

Within the boundaries of the City of Luxembourg, the vacancy level remains under control at 4.32 %.

The areas with the highest vacancy rates are the Cloche d'Or (10.09 %), Belair/Merl (12.97 %), Hamm (10.56 %) and Kalchesbrück.

The outskirts of the city show even higher vacancy rates (17.11 %), mainly because of Bertrange/Bourmicht (31.55 %).

Finally, the situation in the rest of the country is varied, with an average of 11.27 % vacancy.

### Investment market

Investment-related transactions booked good performance in 2011, with 435 MEUR in sales, i.e. a 26 % rise compared to 2010 which, one should not forget, was particularly mediocre. This figure, which has remained rather low, can still be explained by the lack of core products and by excessive prudence on the part of some buyers.

Returns for the City of Luxembourg have fallen slightly (5.2 % as opposed to a range of 5.5 to 6 % in 2010) and stable for the outskirts (6.5 % to 7 %). For investors the most important criteria are location, length of lease (preferably minimum 6 years), the quality of the tenants and the energy efficiency of the buildings, which must have environmental certificates.

1. Source: Property Partners Research



*“In 2011 most of the dynamism in the residential market in Luxembourg turned out to be in the city and the inner suburbs. It was upheld by private buyers and investors. 2012 looks like developing along the same lines, a lot of clients have already shown great interest.”*

**Frédéric and Michaël Reichling,**  
Owners – Espace Immo

*For investors the most important criteria are location, length of lease, the quality of the tenants and the energy efficiency of the buildings.*

## Poland

### Office real estate market in Warsaw & Poznan in 2011<sup>1</sup>

The Warsaw office market in the second half of 2011 continues to see high levels of occupiers' demand. Over 252,000 m<sup>2</sup> was leased in the second half of 2011. In 2011, the level of demand for office space outperformed the record-breaking volume seen at the end of 2010 (549,000 m<sup>2</sup>). Total take-up amounted to 573,000 m<sup>2</sup>, proving the churn on the market, and was the highest figure in Warsaw's history.

Looking more closely at the take-up structure, it is worth noting that pre-lease agreements accounted for 21 % in 2011.

The total Warsaw office modern stock in 2011 comprises 3.6 million m<sup>2</sup>.

An estimated 188,400 m<sup>2</sup> of new office space was delivered to the Warsaw office market last year, representing 27 % year-on-year reduction in new supply. Over 60 % of new space in 2011 was delivered in two zones: in the Upper South zone (64,640 m<sup>2</sup>) and Lower South zone (54,000 m<sup>2</sup>).

At the end of 2011, approximately 6.7 % of the modern office stock in Warsaw was vacant (6.1 % in the CBD, 7.1 % in the City Centre Fringe and 6.7 % in Non-Central locations). This simply means that the overall vacancy rate has remained unchanged. Warsaw's vacancy ratio should be stable in a short-term perspective, with a slight downwards pressure.

Prime headline rents in Warsaw increased in 2011, due to pressures on vacancy and sound demand. Prime office space in Warsaw City Centre is quoted between 22 and 25 EUR/m<sup>2</sup>/month. Some triple A buildings quote rents even higher than that. The best Non-Central locations, such as Mokotow, are being leased at 15 to 15.50 EUR/m<sup>2</sup>/month.

Poznan office market with modern office stock of 243,800 m<sup>2</sup>, reported 9.5 % vacancy rate in the second half of 2011. The prime headline rents are at 15-16 EUR/m<sup>2</sup>/month.

The estimated pipeline for 2012 totals 24,000 m<sup>2</sup> including the *Okraglak* & *Kwadraciak* projects.

**188,400 m<sup>2</sup>**  
new office space in Warsaw

1. Source: JLL – Warsaw Office Market Profile Q3 + Q4 2011; COLLIERS - 2011 POLAND REAL ESTATE REVIEW, Knight Frank - regional market review



▲ OKRAGLAK  
Poznan – RKW Rhode  
Kellermann Wawrowsky



◀ CEDET  
Warsaw – AMC - Andrzej Choldzynski &  
RKW Rhode Kellermann Wawrowsky

# [ Sustainable construction: anticipating the standards of tomorrow ]

The standards of tomorrow, in terms of environmental protection and sustainable construction are at the heart of IMMOBEL's growth strategy. The projects developed by the Group integrate the latest technological innovations in terms of both design and industrial technology. As its benchmark IMMOBEL uses the BREEAM label, which certifies buildings' energy performance and environmental characteristics.



*"The Brussels Region is the first region in Europe to sign up to the European EPBD (Energy Performance of Buildings Directive) recast, which aims to reach "Nearly Zero Energy" between now and 2020. With its sights set on an "Excellent" BREEAM rating, the Black Pearl project being developed by IMMOBEL, in collaboration with Art&Build, is one of the big real estate projects that is already anticipating it."*

**Sebastian Moreno-Vacca**, Architect – A2M,  
Chairman – PMP (Plate-forme Maison Passive),  
Professor – ULB

A meeting with Paul Muyltermans, Head of Project Management, who is in charge of sustainable construction at IMMOBEL:

**IMMOBEL has a long tradition of expertise in terms of ambitious development projects in the office, residential and landbanking sectors. But the Company's desire always to be at the cutting edge of developments concerning environmental impact and their application in the various projects is less well known.**

**Paul Muyltermans** – These considerations have been an integral part of the design and implementation of our projects for many years already. For IMMOBEL it is a completely normal approach. We involve all of our collaborators and our partner companies in planning the development of the various projects. We have always wanted the buildings we market to meet higher standards than those required by the legislation when work on the site starts. The Forum project, for example, which was begun in 2008, is the successful result of benchmarking with the best technology and concepts available at the time. It was awarded a "Very Good" rating in the "Post-Construction" BREEAM

assessment (after the building was put into service in 2011), which is much more important than the BREEAM evaluation at the "Design Stage".

**Has BREEAM become the benchmark for all your real estate projects?**

**P.M.** – We have chosen the BREEAM label as a basic reference for our office projects. The projects are evaluated in terms of their energy performance and their environmental characteristics. We also ensure they meet the most rigorous criteria of the IBGE (the Brussels Institute for Environmental Management) and its "GreenBuildingsBrussels" rating and the AFM (the Flemish Government's Agency for Facility Management) office buildings' label, "Waardering van kantoorgebouwen". These benchmarks take into account the implantation of the building in its urban setting, the ecological choice of materials and their use, the ecological use of water and rainwater, energy consumption and waste management. They also attach great importance to the well-being of the occupants, to visual comfort, natural lighting, temperature control, air quality and acoustic comfort. In the residential field the main benchmark is the PEB score, i.e. the building's energy performance evaluation required by regional legislation.

**Are you able to take advantage of the experience acquired in the office projects in terms of sustainable development in your residential projects?**

**P.M.** – The technology and skills are very different. Besides, the partners we work with are specialised either in offices or in residential projects. Where homes are concerned our efforts are directed at putting "low energy" projects on the market. There is still work to be done on the technologies involved in the field



*“It is thanks to IMMOBEL’s determination and the quality of the people who worked on the project that the goal of BREEAM certification for Forum I was achieved with flying colours.”*

Yves Pianet, CEO – Seco

of passive construction; these homes are not yet without their drawbacks. We don’t want to develop projects with constraints that might have a detrimental effect on the way their future occupants feel about them. In the residential sector we always systematically integrate double flow technology. We make sure to stay at the cutting edge when projects permit. The large number of homes in the *Bella Vita* project made it possible for us to develop an urban heating system, and in the *Green Hill* project (in the Grand Duchy of Luxembourg) we have extended the existing urban heating system.

**Staying at the cutting edge means being “daring” in architectural terms too, doesn’t it? By building projects that are landmarks in their towns you also demonstrate a desire to make your mark in the long term ...**

**P.M.** – Absolutely. Our buildings are intended to make a mark on their urban landscape. Cutting-edge buildings, fitted with the best technologies, stand the test of time. Concern for performance has to be coupled with a sense of the beautiful. So, for example, we have called in the world-famous contemporary Belgian artist Arne Quinze to deco-

rate a façade which would otherwise be banal (*Belair* project). He brought his own very personal touch to the project, giving it extra character. That will help the occupants to make it their own and, once again, help the building to stand the test of time.

**What is beautiful is not always practical... Architects have original ideas that are not always easy to execute... And some flaws in a building, in terms of maintenance for example, only become apparent after the fact...**

**P.M.** – That is one of our preoccupations too. One should not lose sight of the practical aspects when one thinks of “sustainable”, particularly when it comes to maintenance. We make sure our architects are aware of the question ... A beautiful façade that is impossible or difficult to clean is not part of our vision of sustainable construction. Visible pipes and ventilation shafts without false ceilings engender maintenance costs and a lack of flexibility that we will not accept in our projects. The buildings we design must also be able to evolve over time, in terms of their interior decoration and in function of new requirements. For example,

the partition walls we build are easy to move.

**What are the market trends for offices? What new expectations do clients have?**

**P.M.** – We are trending towards a higher occupancy rate. Surface areas are calculated in terms of the number of work stations rather than the number of square metres per person. The principle of working in individual offices is being called into question. Open plan, complete with flexible meeting or brainstorming areas are much more popular nowadays. We are very aware of this evolution. The product we offer is an operational building for a precise number of people at a given price. Energy consumption is an increasingly important criterion for our clients too. The new technologies that we use in our buildings already allow us to guarantee very significant energy savings. IMMOBEL is looking ahead to “Zero-Energy Buildings”, the European Council and Parliament’s ambitious policy decision stipulating that, by 2020, the net energy consumption of all new buildings should be more or less zero.

# PROPERTY DEVELOPMENT



**Belgium**

# Luxembourg



# Poland

[Belgium]







◀ BELLA VITA  
Waterloo – SM “FCM Architects -  
Baudouin Courtens & Associés”

## Key events

# 50 ha

Important acquisitions of land intended for urbanization were made.

### RESIDENTIAL

#### Acquisition *Papeblok* - Tervuren



IMMOBEL acquired the company that owns the *Papeblok* site in Tervuren, where 4 residential buildings are planned with the development of approximately 60 apartments.

### RESIDENTIAL

The IMMOBEL Group sold 19 apartments in the *Jardin des Sittelles* project and 30 apartments in the *Résidence Vallée du Maelbeek* (partnership), both in Brussels, as well as 168 pieces of land, including 22 with buildings on them.



### LANDBANKING

#### Sale of a commercial project to the *Decathlon* group - Wavre

On 25 May 2011, on a piece of land measuring 6 ha 26 a, *Decathlon* opened a new 4,400 m<sup>2</sup> retail space, complete with a car park with 400 spaces. IMMOBEL was charged with the construction of the closed structure of the building, as well as the car park and the access roads. The first stone was laid on 15 December 2010.





## OFFICES

### Sale of the *South Crystal* building to Ethias - Brussels (Saint-Gilles)

A partnership comprising IMMOBEL, Soficom Development, CFE and Besix RED concluded the sale to Ethias, on 29 June, of the building known as *South Crystal*, situated at 13-18 Avenue Fonsny, in Brussels (Saint-Gilles), for the sum of approximately 30 MEUR inclusive of tax.

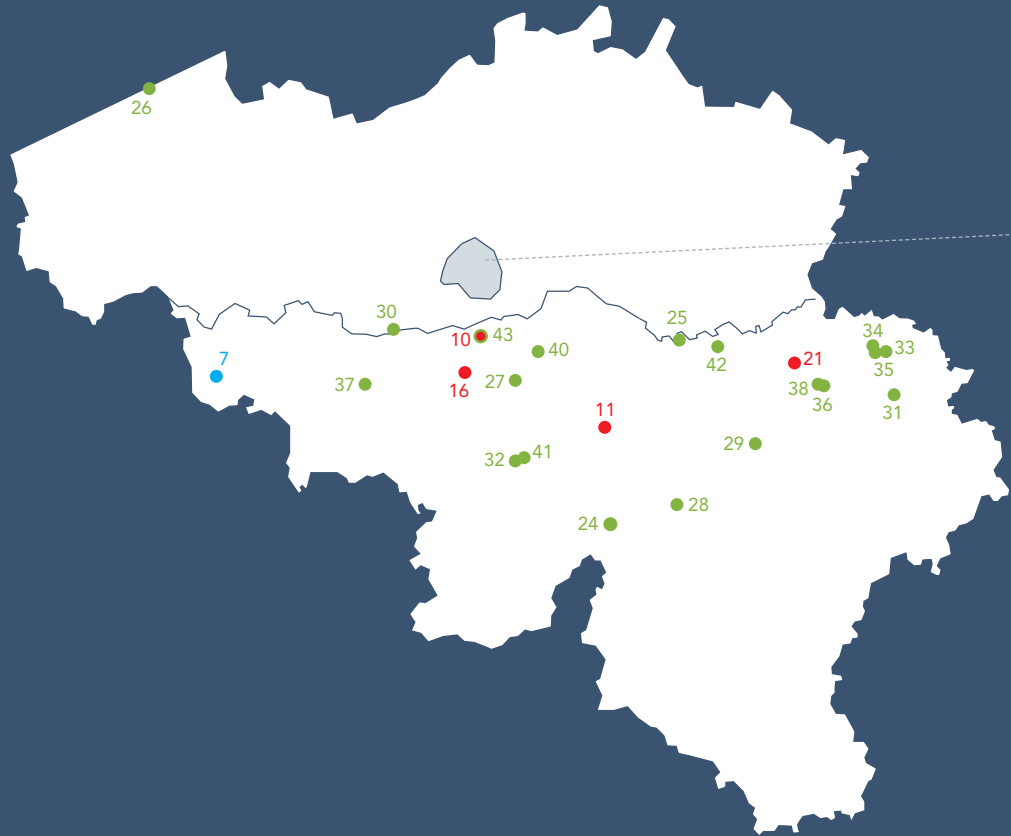
## OFFICES

### Signature of the *Belair* lease with the Régie des Bâtiments (intended for the Federal Police) - Brussels City

A lease for 65,000 m<sup>2</sup> was signed with the Régie des Bâtiments, for use by the Federal Police, in the *Belair* project (formerly *Cité Administrative de l'Etat*), following a decision of the Council of Ministers in December 2010.



# Belgian locations

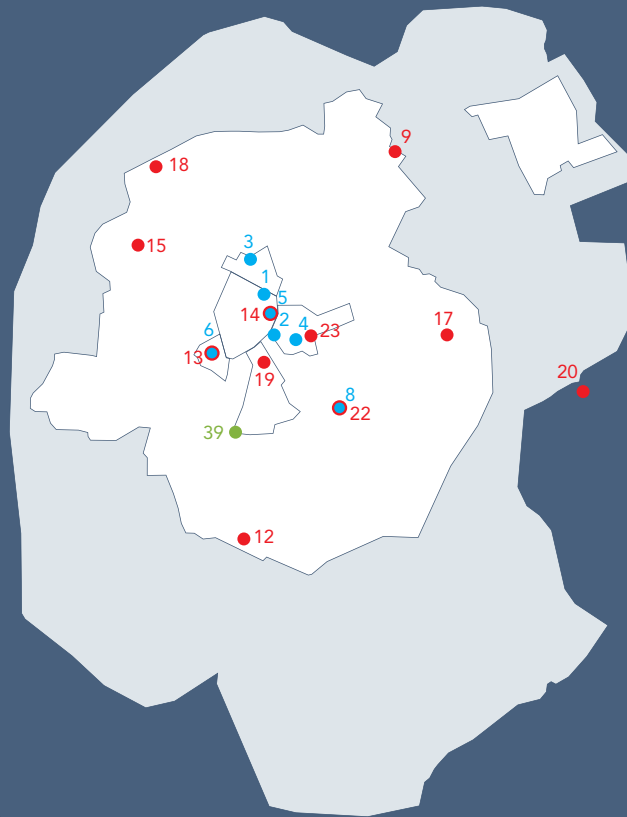


## OFFICES

Belair	> Brussels City	1
Black Pearl	> Brussels City	2
Brusselstower	> Brussels City	3
Etterbeek Offices	> Brussels (Etterbeek)	4
Forum	> Brussels City	5
South Crystal	> Brussels (Saint-Gilles)	6
Tournai/Château-Rempart: Phase 2	> Tournai	7
Universalis Park	> Brussels (Ixelles)	8

## RESIDENTIAL

Albatross Village	> Brussels (Haren)	9
Bella Vita	> Waterloo	10
Boulevard Melot	> Namur	11
Charmeriaie	> Brussels (Uccle)	12
Espace Midi - Block D	> Brussels (Saint-Gilles)	13
Forum	> Brussels City	14
Hôpital Français	> Brussels (Berchem-Sainte-Agathe)	15
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Jardin des Sittelles: Phase 2	> Brussels (Woluwe-Saint-Lambert)	17
Jardins de Jette	> Brussels (Jette)	18
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Papeblok	> Tervuren	20
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## LANDBANKING<sup>1</sup>

Achène	24
Berloz	25
Bredene	26
Chastre	27
Ciney	28
Clavier	29
Enghien	30
Eupen	31
Fleurus	32
Kettenis	33
Lontzen	34
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Olne	36
Soignies	37
Soumagne	38

Uccle	39
Walhain	40
Wanfercée-Baulet	41
Waremme	42
Waterloo	43

1. New landbanking developments that will be marketed in 2012 (following the delivery of subdivision permits in 2011).

## [ Offices ]

Systematic integration of the latest environmental standards makes it possible to offer the market new products, aimed at achieving the highest levels of certification.

### STARTED, CONTINUED OR COMPLETED CONSTRUCTIONS

#### Brussels City

##### **Belair (formerly Cité Administrative de l'Etat)**

IMMOBEL is developing this site as part of a joint venture (40 %).

With the signature of the leasing agreement with the Régie des Bâtiments for 65,000 m<sup>2</sup>, intended for the Federal Police, IMMOBEL and its partner started major renovation work on the *Belair* project. The work involves the whole of Buildings C1 and D-F, i.e. over 75,000 m<sup>2</sup> above ground. The project will get "Very Good" BREEAM certification.

#### Brussels City

##### **Forum**

This vast project of more than 43,000 m<sup>2</sup> of offices is situated in the immediate vicinity of the Federal Parliament, in the block delimited by rue du Parlement, rue de la Croix de Fer, rue de la Presse and rue de Louvain. It consists of 3 phases.



*"A top-quality renovation such as the one carried out at the Cité Administrative (Belair project) is a reference that helps us in our development abroad."*

Thomas Spitaels, CEO – TPF

- A first new office building was made available for use during the first quarter of 2010. Its environmental qualities were confirmed in 2011 with "Very Good" BREEAM certification, awarded following a "Post Construction Assessment", a first for Belgium.
- A second new building, composed of offices and "casco" volumes will be put at the disposal of the Chamber of Representatives, which will finish the interior straightaway, during the first half of 2013. Work on this second phase continued in 2011. "Very Good" BREEAM certification is in the pipeline.
- The third phase consists of removing asbestos from the building situated in rue de Louvain and rue du Parlement, renovating it and making it available for use. The asbestos removal work was completed in 2011 and the building was delivered to the Chamber of Representatives.

#### Brussels (Saint-Gilles)

##### **South Crystal**

IMMOBEL (in a 20 % partnership) continued and completed the construction of this mixed office (6,400 m<sup>2</sup>) and residential (2,830 m<sup>2</sup>) building.

The offices were leased to the SNCB and sold in 2011 to the investor, Ethias. This is a mixed office and commercial building, situated close to the Gare du Midi. All of the offices, i.e. some

6,427 m<sup>2</sup> and 34 parking spaces, have been leased to SNCB Holding. Delhaize has leased the majority of the 811 m<sup>2</sup> of commercial space to set up a new Proxy Delhaize.

As for energy performance, the building was recently awarded VALIDEO certification and has achieved an E75.

This brings to a conclusion the long series of real estate projects developed by the promoters along the avenue Fonsny: an approximately 18,000 m<sup>2</sup> office building sold to Delta Lloyd and delivered in 2003 and 2004; two office buildings sold respectively to Group S (around 10,000 m<sup>2</sup>) and to GLL Real Estate, leased to SNCB Holding (around 10,000 m<sup>2</sup>), both of which were delivered in 2008; two office buildings of approximately 13,000 m<sup>2</sup> and 17,000 m<sup>2</sup> developed in partnership on Block C and delivered in 2009 and 2010, and sold to Intégrale and Allianz (occupied by SMALS and Infrabel); and, finally, a

142-room hotel operating under the Park Inn flag, which opened on 1 March last year. This hotel has not only created a new dynamism in the neighbourhood, but has also created new jobs.

To complete these operations the promoters have also developed a building with 22 apartments situated in rue de Russie, with shops on the ground floor. These businesses are operational and the housing units are up for sale now. Several are already occupied by their new owners.

### Tournai

#### **Tournai/Château-Rempart: Phase 2**

IMMOBEL continued construction of Phase 2.

NB: Phase 2 as well as the earlier phases (1A and 1B) have been leased to the Régie des Bâtiments and have been sold to a private investor and the Caisse d'Epargne Nord France Europe.



► FORUM  
Brussels City – Archi 2000



Charles-Antoine Schobbens, IMMOBEL

# [ Offices ]



*“To translate an ambition through exceptional architecture that is coherent with its context and to create living spaces where people can thrive both as individuals and as a group – that is what preoccupies us every day and Black Pearl is the perfect embodiment of this.”*

**Marc Thill**, Architect, Founding Partner,  
CEO – Art&Build

## UNDER CONSIDERATION

### Brussels City **Black Pearl**

In 2010 IMMOBEL acquired a 99-year lease on this building situated in Brussels at the corner of rue Montoyer and rue du Commerce.

In 2011 IMMOBEL applied for and got town planning and environmental permits for a new 11,000 m<sup>2</sup> office building. The process for acquiring “Excellent” BREEAM certification is underway. Work should start in the second quarter of 2012. The building will be equipped with a system of reversible heat pumps coupled with a geothermal network.

### Brussels City **Brusselstower**

In 2009 IMMOBEL obtained (in a 50 % partnership) a town planning permit modifying the size of the current building to one with 24 floors. In 2011 IMMOBEL continued to pursue its contacts with a view to the pre-leasing and/or pre-sale of the project.

IMMOBEL finished the preparatory work at the end of 2011 with a view to starting construction early in 2012.

### Brussels (Etterbeek) **Etterbeek Offices**

This project is to be developed in a 50 % partnership. In 2011 IMMOBEL continued to pursue its contacts with a view to the sale of the project to a purchaser-occupant.

### Brussels (Ixelles) **Universalis Park**

In September 2007, IMMOBEL (in a 50 % partnership), acquired 2 pieces of land (85,000 m<sup>2</sup>) belonging to the ULB and situated on the Campus de la Plaine in Ixelles, for a mixed office and residential project.

With regard to the office part of the project, applications for permits can only be made once the PPAS or PRAS (regional plan for the designation of land use) has been adopted by the local authorities in Ixelles.





Patrick De Meirleir, IMMOBEL

Patrick De Meirleir



▲ BELAIR  
Brussels City – Studio Arne  
Quinze - Jaspers, Eyers &  
Partners - Archi 2000

◀ BLACK PEARL  
Brussels City – Art&Build



# Residential

The *Bella Vita* project is exemplary for several reasons. Its aim is to encourage intergenerational exchanges between the inhabitants and to create a pilot district in Waterloo that integrates the environmental issues.

## STARTED, CONTINUED OR COMPLETED CONSTRUCTIONS

### Brussels (Saint-Gilles)

#### Espace Midi - Block D

IMMOBEL continued and completed the construction of this building, a mixture of offices (6,400 m<sup>2</sup>) and residential (2,830 m<sup>2</sup>).

The residential part is on sale now; 7 apartments were sold in 2011.

### Brussels City

#### Forum

Construction of the residential part of the *Forum* project started in 2011. The project includes 32 apartments and 3 businesses. Marketing has just started. 5 apartments will be transferred to the Régie Foncière of the City of Bruxelles (Municipal Property Management Agency of the City of Brussels), to cover town planning expenses.

### Brussels (Woluwe-Saint-Lambert)

#### Jardin des Sittelles: Phase 2

Construction work on the "Orchidées" building, which consists of 32 apartments, will be completed during the first semester of 2012. In 2011, 19 apartments were sold. At the end of the year there were still 2 apartments for sale.

Work on the last of the houses was delivered in 2011.

During 2012 construction will start on the last building in this important development, which was started in 2003. It will consist of 17 apartments.

### Liège

#### Résidence Saint-Hubert

Work on this residential project (50 % partnership), comprising 25 apartments and ideally situated in Liège, continued in 2011. 19 apartments had been sold at 31 December 2011, i.e. 11 sales were concluded in the past year.

## SALES CONTINUED

### Brussels (Jette)

#### Jardins de Jette

Sales of the remainder (project in 50% partnership) continued in 2011. There were still 4 units for sale at 31 December 2011.

### Brussels (Ixelles)

#### Mercelis

The last apartment was sold in 2011.

### Brussels City

#### Vallée du Maelbeek

Sales of this project (50 % partnership) continued in 2011. 30 sales were concluded in the year under review, bringing the total to 48.



*"Just a stone's throw from the Rond Point Schuman and Parc Léopold, the Vallée du Maelbeek project is attractive both for owner-occupiers and for investors, reinforced particularly by the continued demand for rental properties for European officials. As a result we were able to maintain a sales rhythm of 3 units a month in 2011."*

**Denis Latour**, Managing Director – Latour & Petit

## UNDER CONSIDERATION

### Waterloo

#### **Bella Vita**

This vast intergenerational project (50 % partnership) will consist of 269 homes in a park of almost 15 ha. Given that the appeal for suspension before the Council of State went completely in favour of IMMOBEL, an agreement was reached with the residents in the scope of the appeal for annulment: the appeal for annulment was abandoned. This allowed IMMOBEL and its partner to continue preparations for the project and work is expected to start in spring 2012. They already have all the permits necessary to carry out the work.

To increase safety and social interaction, the site will be organised as a restricted speed zone (20 km/h) with priority for pedestrians. In terms of energy, the site is equipped with a centralised pellet-fuelled heating installation with cogeneration.



▲ JARDIN DES SITTELLES  
Brussels (Woluwe-Saint-Lambert)  
Trio Architecture

◀ RÉSIDENCE SAINT-HUBERT  
Liège – Bureau Audex



Harry Chkolar, IMMOBEL

*The Résidence Saint-Hubert project in Liège is exceptionally well located.*

# Residential

The houses and apartments will all be equipped with a ventilation system - double flow with heat recuperation for the new ones and single flow for the renovated buildings. The new buildings are all "low energy", with a global insulation level better than K30.

## Brussels (Uccle)

### **Charmeraie**

The road works for this new development were delivered at the end of 2011. A first phase of construction, comprising 8 houses and 14 apartments will be started in 2012, as soon as the urban planning permits are obtained.

## Brussels (Berchem-Sainte-Agathe)

### **Hôpital Français**

The road works for this new development were delivered at the end of 2011. A first phase of construction, comprising 8 houses and 14 apartments will be

started in 2012, as soon as the urban planning permits are obtained.

## Nivelles

### **Hot Saint-Roch**

In 2011 IMMOBEL continued preparations for this mixed project with a view to a residential and commercial development.

## Brussels (Ixelles)

### **Universalis Park**

In September 2007, IMMOBEL (in a 50 % partnership) acquired 2 pieces of land (85,000 m<sup>2</sup>) belonging to the ULB, situated on the Campus de la Plaine in Ixelles, for a mixed office and residential project.

In 2011, IMMOBEL submitted an application for town planning permission, concerning a first residential phase comprising 131 apartments.

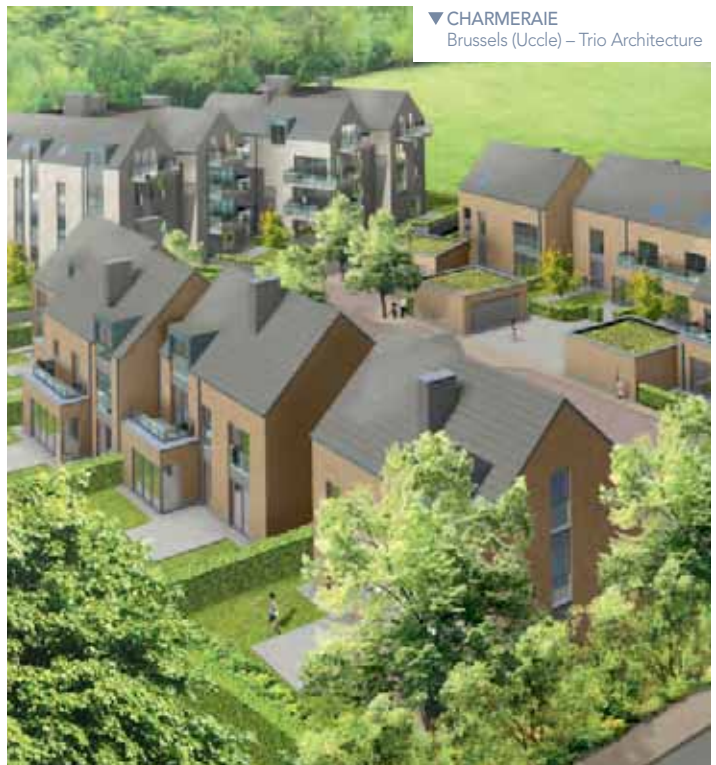


Griet Trekels, IMMOBEL

◀ BELLA VITA  
Waterloo - SM "FCM Architects -  
Baudouin Courtens & Associés"



- ▲ UNIVERSALIS PARK  
Brussels (Ixelles) – Art&Build
- ◀ MERCELIS  
Brussels (Ixelles) – Conix Architects
- ▼ CHARMERAIE  
Brussels (Uccle) – Trio Architecture



# Residential

## TRANSFERS

### Brussels (Haren)

#### **Albatross Village**

In the context of the prison project to be developed in the Brussels Region, IMMOBEL sold 5 ha 96 a 97 ca of the land it had on the Chaussée de Haecht in Haren to the Régie des Bâtiments.

### Namur

#### **Boulevard Melot**

Given the constraints that existed (size of the project, preservation of the façade, etc.) IMMOBEL sold the building it had in the boulevard Melot 6-12 in Namur to a private investor.

### Brussels (Jette)

#### **Jardins de Jette**

IMMOBEL (in a 50 % partnership) sold 1 ha 11 a 86 ca of land in Jette.



*“The Saint-Roch Ecodistrict in Nivelles contributes to the sustainable city achievement, by creating an urban planning design integrating new housing and retail business models, green spaces and sustainable buildings.”*

**Grégoire de Jerphanion**, Architect, Founding Partner –  
DDS & Partners





▲ JARDINS DE JETTE  
Brussels (Jette) – Assar Architects

## [ Landbanking ]

The Group owns 375 ha of land, including 279 ha of urban development zone, 26 ha of agricultural zone and 69 ha conditional on the relevant permits being obtained.

▼ WATERLOO – Caraute



Nicolas Mommens, IMMOBEL



The landbanking department owns 305 ha. It has also acquired 69 ha on the condition that planning permission is obtained.

For over 186 ha (IMMOBEL Group share 171 ha) of land, applications for permits have been introduced or were under consideration.

Three important achievements should be pointed out:

- The sale to *Decathlon* of a commercial space with closed structure, approaches and grounds in Wavre.

Under an agreement with the Walloon Ministry for Infrastructure and Transport, IMMOBEL also constructed a roundabout providing access to the shop as well as security at the crossroads, an important communication hub (E411, N25, and N4).

On this site, which was originally intended to be divided into lots, the landbanking department has built an important commercial project that enjoys the support of both the local authorities and the Regions. The project took into account remarks made by the residents, and the deadlines were strictly respected.

- The block sale, in 2011, of a landbanking development with utilities, comprising 34 plots, in Casteau (Mons).
- The sale of a piece of land in Bredene, intended for the promotion of a residential building with 49 apartments.

Acquisitions of land in urban development zones came to 42 ha 77 a; partnerships for 8 ha 18 a 94 ca came into effect following the delivery of subdivision permits; finally 3 ha 67 a were purchased in 2011 on condition that permits are obtained.

At the end of the financial year, the department was holding 279 ha of urban development zone and 26 ha of agricultural zone. It also controls, under conditions precedent or under option, 69 ha of land in urban development zones.

In 2011, new subdivision permits for approximately 18 ha and urban planning permits were delivered for the sites at Berloz, Bredene, Chastre, Ciney, Clavier, Etterbeek, Olne, Soignies, Soumagne, Waterloo and Uccle.



*“It is important to keep a healthy balance between land and buildings. Besides, overly intensive building pushes the price of land up to such a level that construction quality may suffer within the limits of a feasible budget.”*

Philippe Janssens, FRICS,  
Managing Director – Stadim

# 42.77 ha

of new acquisitions in urban development zones

*For over 186 ha of land, applications for permits have been introduced or were under consideration.*

## [ Landbanking ]

Important road building work was started, continued or delivered for the landbanking developments at Berloz, Braibant, Bredene, Cortil-Noirmont, Eupen, Fleurus, Gesves, Kettenis, Lontzen, Mons-Casteau, Montzen, Soumagne, Uccle, Walhain, Wanfercée-Baulet and Waterloo.

Land sales accounted for 168 transactions in 2011. They involved over 20 ha (IMMOBEL Group share), including 18 ha of urban development zone (compared to 8.2 ha of urban development zone in 2010).

Most of the sales were completed in the following developments: Bredene (40 plots), Casteau (34 plots), Chastre (13 plots), Herstal (14 plots), Kelmis (9 plots), Limburg (10 plots), Waterloo (15 plots), Wavre (8 plots) and Woluwe.

Following road building work which was officially delivered in 2011 or will be delivered in 2012, new landbanking developments will be marketed soon: Achène, Berloz, Bredene, Chastre, Ciney, Clavier, Enghien, Eupen, Fleurus, Kettenis, Lontzen, Montzen, Olne, Soignies, Soumagne, Uccle, Walhain, Wanfercée-Baulet, Waremme and Waterloo.



*Land sales accounted for 168 transactions in 2011.*



- ◀ RHISNES - LA BRUYÈRE – Sur les Monts
- ▶ OLNE – Rue Hotton
- ▼ MONTZEN – Rue Gustave Demoulin



Wauthier Dumont de Chassart, IMMOBEL

# [Luxembourg]





◀ GREEN HILL  
Dommeldange  
Christian Bauer & Associés

## Key events

### OFFICES

IMMOBEL leased 1,229 m<sup>2</sup> office space in the *West-Side Village* project to Fujitsu Technology Solutions.

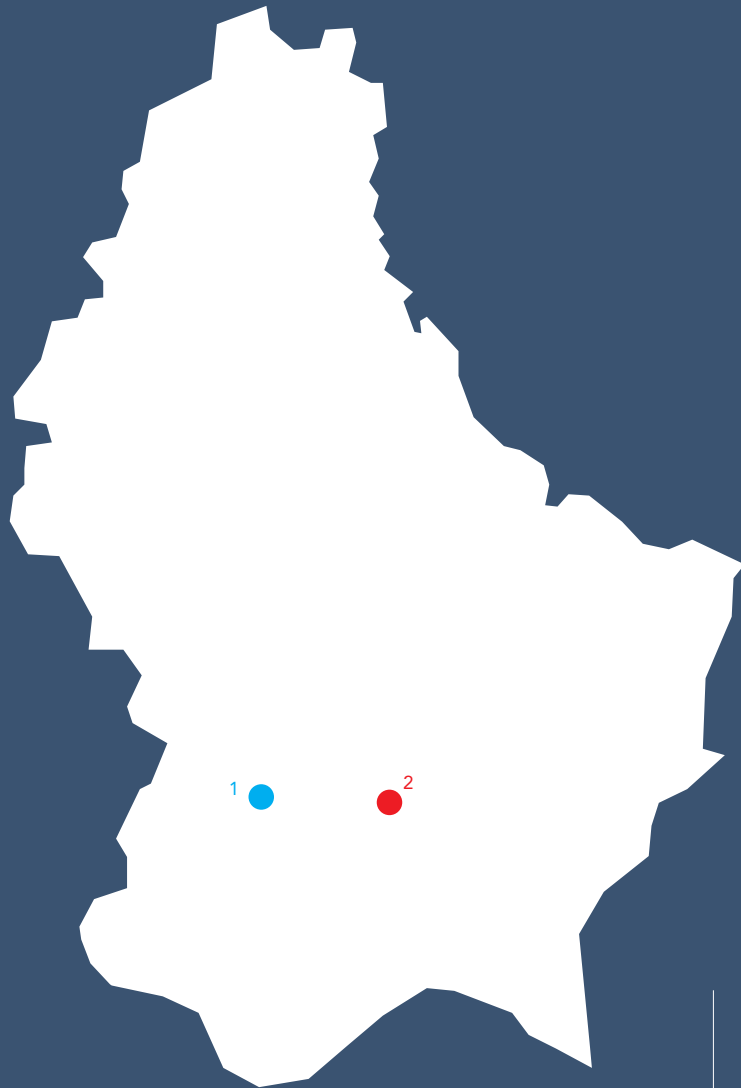


### RESIDENTIAL

Work having started on the *Green Hill* project (Château de Beggen), 51 apartments were sold in 2011, and 73 in total since the start of the development (joint venture).



## [ Luxembourg locations ]



*The residential market in the Grand Duchy is enjoying the benefits of a positive demographic evolution.*

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### OFFICES

WestSide Village > Capellen 1

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### RESIDENTIAL

Green Hill > Dommeldange 2

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## [ Offices ]

### WestSide Village

The building work having been completed in the first quarter of 2010, IMMOBEL continued marketing the 3 buildings in phase 2. In 2011, IMMOBEL was able to conclude the lease on 1,229 m<sup>2</sup> office space with Fujitsu Technology Solutions.



*“Fujitsu Technology Solutions’ move to WestSide Village provided the IT company with the ideal space in which to realise its ambitions in the Luxembourg market and gave its employees one of the best work environments in the Grand Duchy of Luxembourg.”*

**Alain Helinck**, Director TQM – Fujitsu Technology Solutions



▲ WESTSIDE VILLAGE - PHASE 2  
Capellen – Assar Architects



# [ Residential ]

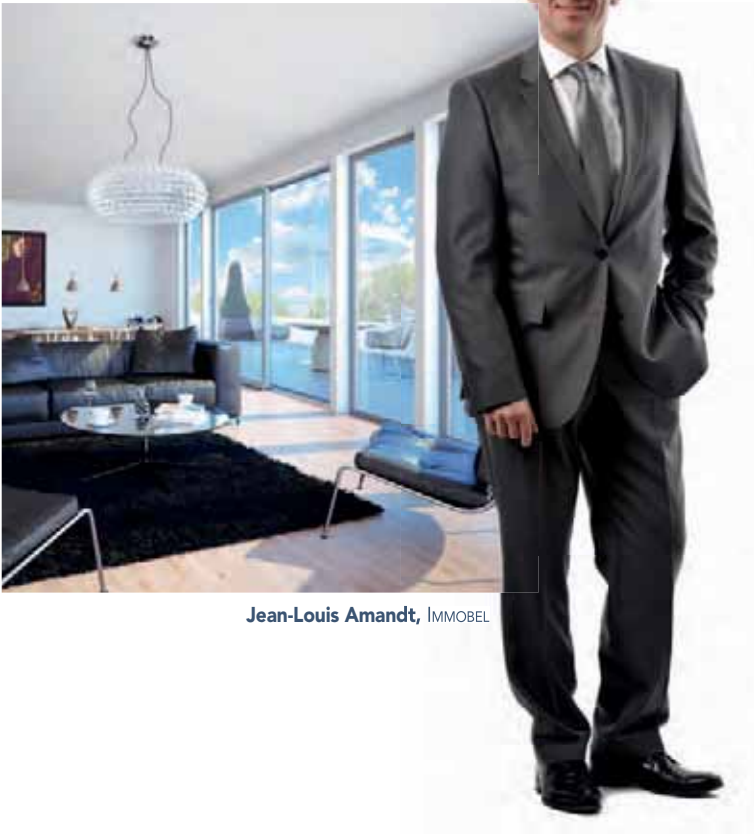


▲ GREEN HILL  
▼ Dommeldange  
Christian Bauer & Associés

## Green Hill

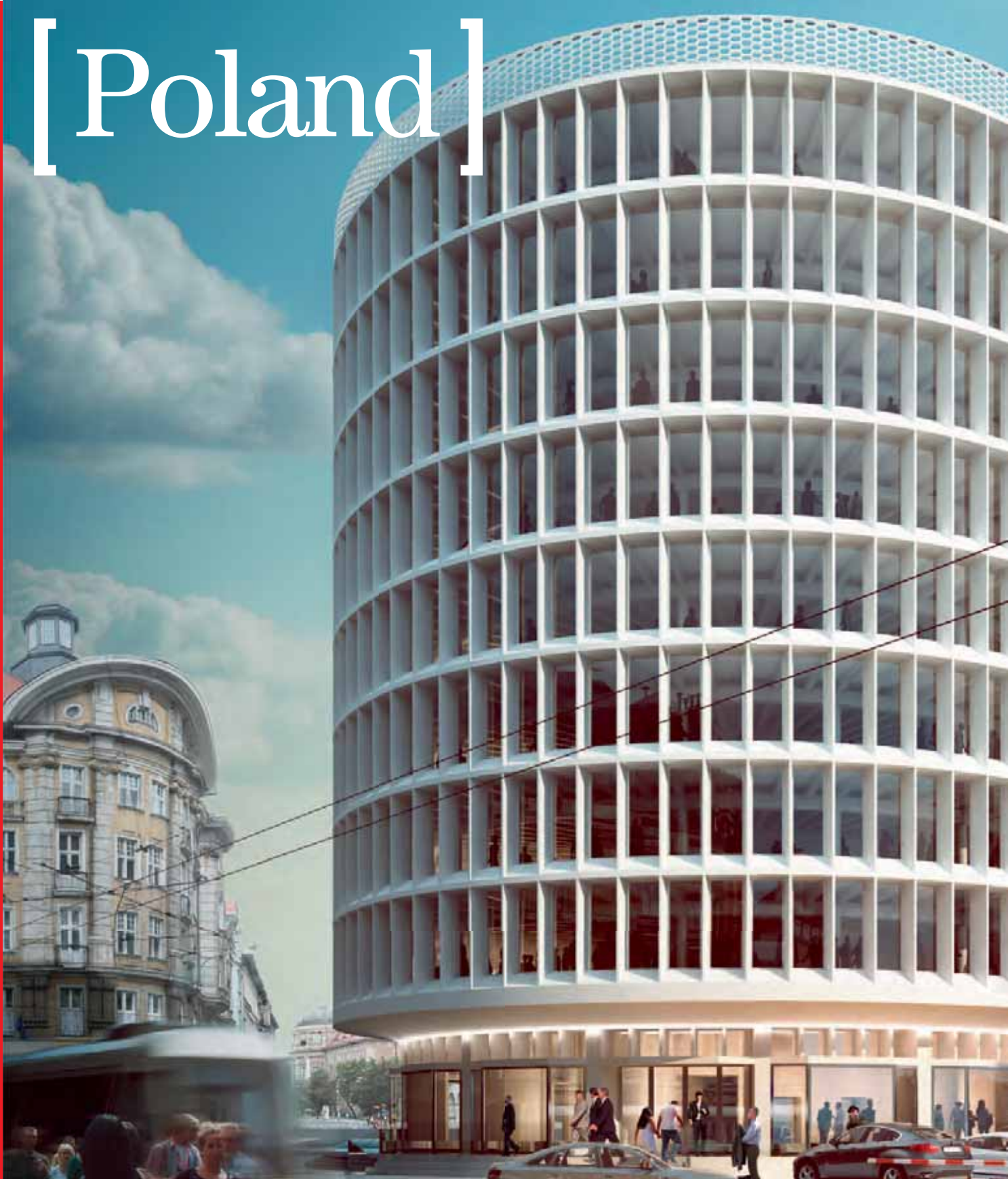
The project (a 50 % partnership), situated at Dommeldange, numbers 170 apartments on which construction started in March 2011. The project is being developed in an ecodistrict with, notably, urban biomass heating, buildings with first-class energy performance (class A on a scale from A to I), double flow ventilation, and stormwater and recharge basins. Green areas have been planned in response to a compensatory impact study and will support the development of biodiversity.

51 apartments were sold in 2011, and 73 in total since the start of the development (joint venture).



Jean-Louis Amandt, IMMOBEL

[Poland]





▲ OKRAGLAK  
Poznan – RKW Rhode Kellermann Wawrowsky

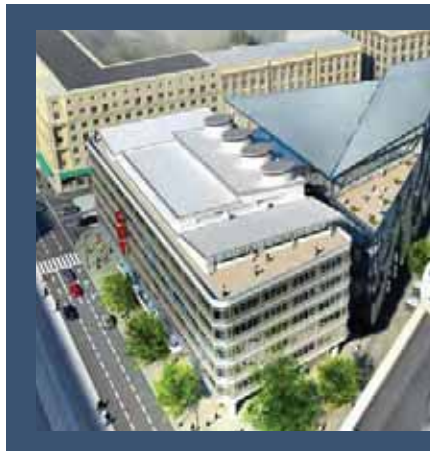
## [ Key events ]

Following the creation of a second “home market” in Poland, IMMOBEL set up a new company “IMMOBEL Poland”, to supervise the management of the Polish projects.

IMMOBEL obtained zoning confirmation for its mixed office and commercial project in the heart of Warsaw and is currently preparing an application for urban planning permission.

**In February 2011 IMMOBEL acquired two mixed office and commercial projects, one in the heart of Warsaw (approximately 20,000 m<sup>2</sup>) and the other right in the centre of Poznan (approximately 7,600 m<sup>2</sup>).**

On 10 November 2011, IMMOBEL acquired (in a 50 % partnership) 7 pieces of land in Poland belonging to the Polish company Ruch. Together the plots represent a potential of over 150,000 m<sup>2</sup> of office/commercial and residential development. This was one of the most important acquisitions on the Polish real estate market in 2011. Five plots are situated in Warsaw (Wronia/Prosta Str., Jana Kazimierza Str., Kierbedzia Str., Krakowska Str., Duracza Str.), one plot is situated at Gdansk (Kopernika Str.) and the last is in Cracow (Pokoju Av.).



### ACQUISITIONS

**Office projects as well as residential and retail, with a development potential of about 178,000 m<sup>2</sup>.**

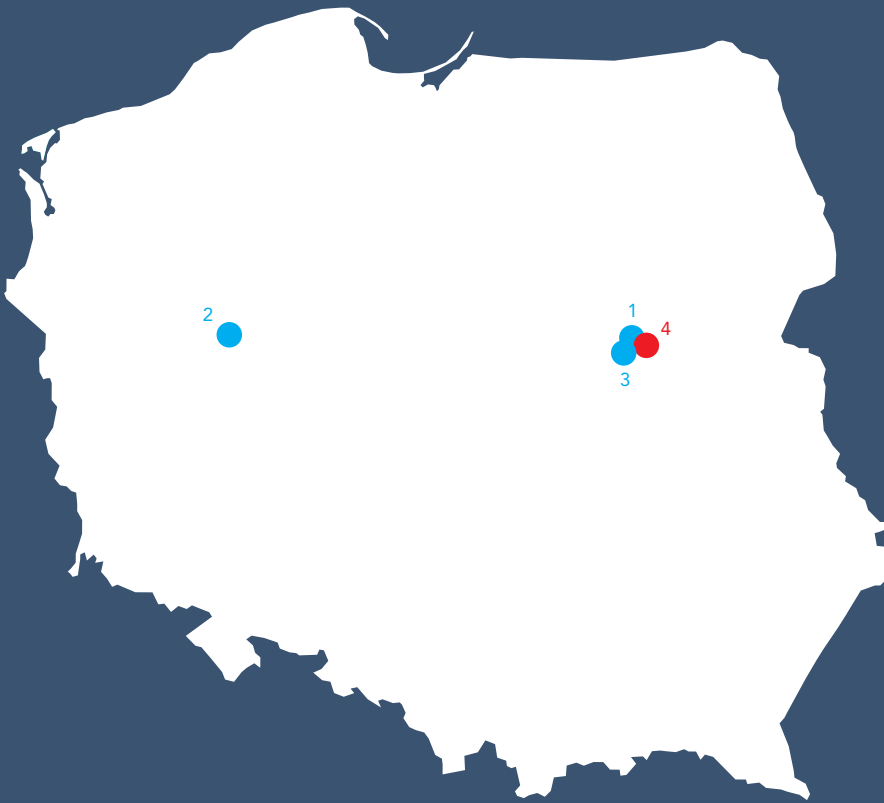


IMMOBEL started major reconstruction/renovation work on its mixed office and commercial project located in the centre of Poznan, having already pre-leased approximately 24 % to reputable tenants.

# 72,000 m<sup>2</sup>

(IMMOBEL Group share) to develop

# [ Polish locations ]



*Logically, the majority of our Polish projects are located in Warsaw.*

## OFFICES

Cedet	> Warsaw	1
Okraglak	> Poznan	2
Wronia	> Towarowa - Warsaw	3

## RESIDENTIAL

Kierbedzia	> Warsaw	4
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# [ Offices ]

The Warsaw office market saw a record take-up in 2011.

## Warsaw

### **Cedet**

In February 2011 IMMOBEL also acquired a landmark building, known by the name of *Cedet* or "Smyk", situated in the heart of Warsaw.

The aim is to redevelop the site with approximately 11,000 m<sup>2</sup> of offices and 8,000 m<sup>2</sup> of commercial properties once zoning confirmation has been obtained. An application for a permit is under consideration with a view to work starting in 2013.

## Poznan

### **Okraglak**

IMMOBEL acquired an existing building situated in the centre of Poznan in Feb-



*"We have re-designed the office building Okraglak, a myth, a legend of Poznan.*

*It is particularly challenging to preserve the past and implement a new thought."*

**Wojtek Grabianowski**, Architect, Member of the Board – RKW Rhode Kellermann Wawrowsky

ruary 2011. Meanwhile it has started major renovation work on 6,800 m<sup>2</sup> of offices and 800 m<sup>2</sup> of commercial space. The BREEAM certification process is underway. 24 % of the building has already been pre-leased to reputable tenants.

## Warsaw

### **Wronia - Towarowa**

IMMOBEL acquired (in a 50 % partnership) a site in Warsaw which is ideally situated, where it should be possible to construct 2 office buildings with floor areas of 30,000 m<sup>2</sup> and 35,000 m<sup>2</sup>. Various preparatory studies are underway.



**Patrycja van Triet**,  
IMMOBEL Poland

## [ Residential ]



### Warsaw

#### **Kierbedzia**

IMMOBEL acquired (in a 50 % partnership) an existing real estate complex in the centre of Warsaw. The project consists of the demolition of the existing buildings with a view to developing approximately 17,000 m<sup>2</sup> of apartments there.

## [ Miscellaneous ]

IMMOBEL also acquired (in a 50 % partnership, from the same seller as it did *Wronia - Towarowa* and *Kierbedzia*) 5 other real estate assets. Three are situated in Warsaw, one in Cracow and the last in Gdansk..

Various studies are being carried out. Certain assets could be resold as they were.

***IMMOBEL acquired real estate in Cracow, Gdansk, Poznan and Warsaw.***

▲ OKRAGLAK  
Poznan – RKW Rhode  
Kellermann Wawrowsky

# [ The portfolio in tables ]

## Offices

Office projects on which construction was started, was ongoing or was completed and/or in the process of being leased/sold in 2011

Country	Project	Location	Participation	Area (m <sup>2</sup> above ground)	IMMOBEL's share (m <sup>2</sup> )	Disposition date	State of commercialization
Belgium	Belair	Brussels City	40 %	75 000	30 000	December 2013	A lease has been signed with the Belgian Buildings Agency for 65 000 m <sup>2</sup> to be used by the Federal Police
Belgium	Forum	Brussels City	100 %	43 053	43 053	Phase 1: Q1 2010 Phase 2: Q2 2013 Phase 3: Q2 2011	Transferred
Belgium	Château-Rempart, Phase 2	Tournai	100 %	5 633	5 633	mid-2012	Transferred
Belgium	South Crystal	Brussels (Saint-Gilles)	20 %	6 427	1 285	Completed	Transferred
Luxembourg	WestSide Village	Capellen	100 %	11 667	11 667	Completed	4 803 m <sup>2</sup> leased, rest in progress
Poland	Okraglak	Poznan	100 %	7 600	7 600	Q2 2012	24 % leased

## Landbanking

### Evolution in land stock

Land stock (in m <sup>2</sup> ) <sup>1</sup>	2005	2006	2007	2008	2009	2010	2011
Under exploitation	545 887	653 136	573 012	501 953	569 384	581 099	544 161
In reserve	2 557 573	2 294 693	2 267 505	2 392 694	2 436 762	2 315 857	2 511 758
<b>Total at 31 December</b>	<b>3 103 460</b>	<b>2 947 829</b>	<b>2 840 517</b>	<b>2 894 647</b>	<b>3 006 146</b>	<b>2 896 956<sup>2</sup></b>	<b>3 055 919<sup>3</sup></b>
Net surface area sold	115 596	184 316	132 582	215 824	97 178	253 340	205 603
<b>Number of transactions</b>	<b>222</b>	<b>232</b>	<b>141</b>	<b>150</b>	<b>159</b>	<b>174</b>	<b>168</b>

1. IMMOBEL Group share

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

3. To be increased with 69 ha acquired under conditions precedent



## Residential

### Main residential and/or commercial properties on which construction was started, continued or completed in 2011

Country	Project	Location	Participation	Units
Belgium	Espace Midi	Brussels (Saint-Gilles)	20 %	22 apartments of which 11 were sold in 2011
Belgium	Jardin des Sittelles - Phase 2	Brussels (Woluwe-Saint-Lambert)	80 %	32 apartments of which 19 were sold in 2011. At the end of the financial year 2 apartments remained to be sold. Reception was taken of the last houses in 2011.
Belgium	Résidence Saint-Hubert	Liège	50 %	25 apartments of which 11 were sold in 2011. At the end of the financial year 6 apartments remained to be sold.
Belgium	Forum	Brussels City	100 %	32 apartments and 3 business premises, 5 apartments were transferred to the Régie Foncière of the City of Brussels
Belgium	South City Hôtel	Brussels (Saint-Gilles)	10 %	Hotel with 142 rooms
Luxembourg	Green Hill	Dommeldange	50 %	170 apartments of which 51 had been sold at 31 December 2011

### Main completed residential projects where sales were ongoing in 2011

Country	Project	Location	Participation	Units
Belgium	Jardins de Jette	Brussels (Jette)	50 %	4 units remain to be sold
Belgium	Mercelis	Brussels (Ixelles)	100 %	The last apartment has been sold
Belgium	Vallée du Maelbeek	Brussels City	50 %	66 residential units and 7 business properties. 30 sales were made in 2011
Belgium	Place des Martyrs	Brussels City	100 %	Hotel with 46 rooms

# 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 9 July 1863, authorised by the Royal Decree of 23 July 1863.

## Term

Indefinite

## Crossing statutory thresholds

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

Any physical or moral person who acquires securities in the Company, whether representative of capital or not, conferring the right to vote, must declare to the Company and to the Belgian Banking, Finance and Insurance Commission the number of securities s/he holds, when the voting rights pertaining to these securities reach the level of three percent or more of the total voting rights that exist.

S/he must make the same declaration in the event of an additional acquisition of securities referred to in paragraph 1, if when this acquisition is completed, the voting rights pertaining to the securities that s/he possesses reach the level of five, ten, fifteen percent, and so on in tranches of five points, of the total number of existing voting rights.

He must make the same declaration in the event of disposal of securities when, following the disposal, his voting rights are reduced to below one of the thresholds referred to in paragraph 1 or paragraph 2.

When a physical or moral person acquires or transfers control, be it direct or indirect, de jure or de facto, of a company which possesses three percent at least of the voting power of the company, s/he must declare this to the company and to the Banking, Financial and Insurance Commission.

The aforementioned declarations must be addressed to the Banking, Financial and Insurance Commission, as well as to the Company, at the latest on the second work day after the completion of the acquisition or transfer concerned, without prejudice to the special legal provisions regarding securities acquired by succession.

## Financial services

- BNP Paribas Fortis
- KBC Bank
- ING Belgique
- Bank Degroof

## Investor relations

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## Financial calendar

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

## Chief editor

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IMMOBEL  
*since 1863*

IMMOBEL  
Limited company  
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