DIRECTORS' REPORT

Ladies and Gentlemen,

We have great pleasure in presenting our report on the activities of the IMMOBEL Group during 2012.

Despite the ongoing difficult economic situation and the fact that the office market in Brussels is generally very unfavourable, IMMOBEL ended 2012 with an operating income of 19.4 MEUR, compared to 22.6 MEUR in 2011.This income generated a net consolidated profit of 11.7 MEUR, compared to 16.2 MEUR in 2011.

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

IMMOBEL GROUP BUSINESS

Sales for the year ended came to 126.77 MEUR compared to 76.10 MEUR in 2011.

Throughout 2012, IMMOBEL pursued its development plan in its various spheres of activity, Offices, Residential and Landbanking, in the three countries where it is now active, Belgium, the Grand Duchy of Luxembourg and Poland. It has therefore made several important acquisitions, sales and leases, in accordance with its objectives, as described below:

a) Belgium

- Acquisitions
  - IMMOBEL acquired the company holding the *Parc Seny* office building (13,000 m²) in Brussels (Auderghem) in order to convert it into residential accommodation of the latest generation, integrating the most recent environmental technologies.
  - IMMOBEL signed a 50 % partnership agreement with Codic for the development of the *Gateway* project. Situated at the heart of Zaventem Airport (old terminal), it will consist of the construction and renovation of 36,000 m² of offices.
  - As part of its landbanking activities, IMMOBEL has acquired or taken stakes in various plots of land representing a total of 34 ha to subdivide; it has also concluded agreements to buy 17 supplementary ha situated in the 5 provinces of the Flemish Region.
- Sales and completions
  - Phase 2 of the *Forum* project, comprising 18,547 m² of offices and six large meeting rooms, was completed in December 2012. The building, which obtained the BREEAM certification "Very Good", was handed over to the buyer on 21 December 2012.
  - As planned, work on phase 2 of the *Château-Rempart* project in Tournai (5,633 m² of offices and meeting rooms leased to the Régie des Bâtiments for use by FPS Justice) was finished in 2012, which also made it possible to complete the last stage of the sale, the sale agreement having already been signed in 2011 with a private investor and the Caisse d'Epargne Nord France Europe.
  - In 2012, IMMOBEL sold 90 apartments (alone or in partnership), in the following projects: *Père Eudore Devroye*, *Forum*, *Jardins des Sitelles*, and *Vallée du Maelbeek* located in Brussels, *Duinenzicht* situated in Bredene and *Saint-Hubert* in Liège and over 30 % of the 269 residential units in the *Bella Vita* project in Waterloo have been reserved by potential buyers.
- Leasing: IMMOBEL is developing the *Belair* site (64,308 m² offices above ground), in Brussels, in partnership (40 %). The majority of the office building (phase 1) was let in 2011 with an 18-year lease to the "Régie des Bâtiments" for use by the Federal Police. In May 2012, an amendment was signed for the lease of the remainder of the office project (phase 1).
- In the *Gateway* project (36,000 m² offices above ground), subject to the necessary permits being granted, the offices have all been preleased to Deloitte for 18 years.
- Permits and work
  - *Bella Vita* – Waterloo: The required permits having been obtained, an

extensive programme of infrastructural work was started.

- *Black Pearl* – Brussels: following receipt of the required permits in 2011 and the departure of the last occupant, IMMOBEL began demolition and reconstruction work on this 11,000 m² office project in April 2012. Besides the BREEAM certificate "Excellent", the *Black Pearl* project will also benefit from the "Passive Building" label, and it was named "Exemplary Building 2012" by Brussels Capital Region on 19 February this year.
- *Charmeraie* – Brussels (Uccle): After the infrastructural work had been carried out in 2011 and the required permits had been obtained for phase 1 in July 2012, IMMOBEL (in an 80 % partnership) started the construction work on the first apartment building and 8 houses. The project on this unique site, adjoining the classified green zone Natura 2000, will consist of 39 houses and 32 apartments.
- *Duinenzicht* – Bredene: IMMOBEL (in a 50 % partnership) began in September 2012 the construction work on a building comprising 24 apartments on an area of land situated in the immediate proximity of the North Sea. By the end of 2012, 50 % of the apartments had already been sold. The project, which also includes building infrastructure and subdividing the land into plots (all of which have been sold now), will be completed in 2015 with the development of a second building comprising 25 apartments.
- *Zur alten Brauerei* – Eupen: IMMOBEL (in a 34 % partnership) started construction of an apartment building, situated right in the centre of the city and comprising 25 apartments and 2 offices, in September 2012. 60 % of the residential accommodation has already been sold or reserved.
- IMMOBEL has also begun important infrastructural work on 14 developments in the Walloon Region.
- *Lindepark* – Tervuren: in May 2012 IMMOBEL obtained the permits necessary for phase 1, i.e. for 45 apartments out of a total of 60 units, including 6 apartments that will be used for social housing. Work started in February 2013. By 31 December 2012, 28 apartments had already been reserved.
- *Hôpital Français* – Brussels (Sint-Agatha-Berchem): a new permit application has been submitted for the construction of 78 apartments, 36 of them subsidized, in partnership with the S.D.R.B./G.O.M.B.

• Public/Private Partnership

- IMMOBEL was selected, with a partner, to construct the *Gastuche* project in Grez-Doiceau, a PPP (Public/Private Partnership) comprising approximately 220 housing units.
- IMMOBEL has also been selected, with a partner, to construct a PPP project in Knokke for 42 apartments.

Following the transfers and leases cited below, sales for the "offices" activity in Belgium reached 59.03 MEUR for the past fiscal year compared to 11.20 MEUR in 2011. The operating income came to 4.73 MEUR in 2012 compared to -1.19 MEUR in 2011.

As far as the "residential" activity is concerned sales for the activity reached 18.59 MEUR in Belgium for the past fiscal year as opposed to 35.17 MEUR in 2011.

The operating income generated was 0.39 MEUR in 2012 compared to 11.25 MEUR in 2011.

Sales for the "landbanking" activity in Belgium came to 11.42 MEUR for the past fiscal year compared to 25.70 MEUR in 2011.

The operating income generated was 2.66 MEUR as against 11.12 MEUR in 2011.

b) Grand Duchy of Luxembourg

• Sales

The first 3 buildings of the *Green Hill* project, B4, B5 and B6, were completed and handed over in 2012. Furthermore, sales continued at a brisk pace as 45 apartments were sold this year. By 31 December 2012, 118 apartments out of the 164 being marketed had already been sold.

• Leasing

The occupancy rate of the *West-Side Village* went from 41 % to over 70 % in 2012.

The operating income for the "offices" activity in the Grand Duchy of Luxembourg came to 0.84 MEUR for the past fiscal year (compared to 0.49 MEUR in 2011).

As far as "residential" is concerned, sales figures for the Grand Duchy of Luxembourg came to 16.22 MEUR for the past fiscal year (compared to 4.03 MEUR in 2011) and the operating income generated was 2.18 MEUR compared to 0.77 MEUR in 2011.

c) Poland

- Sales

  In March 2012 IMMOBEL sold 80 % of its 50 % participation in a company holding a plot of land in Warsaw where around 65,000 m² of offices could be built (Wronia).

- Completions and leasing

  The *Okraglak* project in Poznan (7,600 m²) was completed and handed over in September 2012. *Okraglak* was rewarded in the category "Best Modernisation of the Year", in a competition organised each year by the Central & Eastern European Construction & Investment Journal (CEE CIJ).

The "offices" activity in Poland made sales of 19.09 MEUR during the past fiscal year (0 in 2011). The operational result amounted to 8.59 MEUR in 2012 compared to 0.15 MEUR in 2011.

The "residential" activity amounted to a turnover of 2.42 MEUR in Poland during the past fiscal year (0 in 2011).

FINANCE

- During 2012, IMMOBEL obtained or renewed, alone or with its partners, its credit lines for around 470 MEUR (100 % participation) concerning 8 projects.
- The Group also renewed the credit line for Landbanking for a total of 50 MEUR for a period of 3 years.
- In February 2012, IMMOBEL supplemented the private bond placement it issued with BNP Paribas in December 2011 with another tranche of 10 MEUR, under the same conditions.

COMMENTS ON THE ANNUAL ACCOUNTS

1. Consolidated accounts

Income statement

(MEUR)	31-12-2012	31-12-2011
Operating income	19.39	22.59
Financial result	-6.79	-5.42
Shares in the income of entities accounted for by the equity method	0.02	0.30
Result before tax	12.62	17.47
Taxes	-0.91	-1.30
Income from ongoing business	**11.71**	**16.17**
Income for the year	**11.71**	**16.17**
Group share of income	**11.72**	**16.18**

Balance sheet

(MEUR)	31-12-2012	31-12-2011
Inventories	359.9	327.9
Investments available for sale	2.4	1.3
Trade receivables & other assets	28.4	30.6
Cash	26.9	47.0
Total assets	**417.6**	**406.8**
Shareholder equity	187.8	182.8
Provisions	2.4	4.8
Long-term financial liabilities	135.5	109.3
Short-term financial liabilities	51.8	74.3
Trade payables and other liabilities	40.1	35.6
Total equity & liabilities	**417.6**	**406.8**

2. IMMOBEL SA company results

Income statement

The operating profit amounts to 3.86 MEUR for the past financial year compared to 8.75 MEUR for the year closed at 31 December 2011.

The financial result amounts to 2.58 MEUR as opposed to 6.96 MEUR in 2011. This decrease is mainly due to the costs linked to the 40 MEUR bond issue at 7 % in December 2011 and February 2012.

The exceptional result, affected by adjustments in the value resulting from the merger by absorption of IMMOBILËN VENNOOTSCHAP VAN VLAANDEREN NV, amounts to 5.15 MEUR.

IMMOBEL's financial year ended with a net profit of 11.59 MEUR, compared to a net profit of 18.92 MEUR at 31 December 2011.

The Balance sheet

The Balance sheet total amounts to 270.20 MEUR compared to 313.66 MEUR for the financial year closed at 31 December 2011.

On 31 December 2012 equity came to 189.47 MEUR. It was 183.65 MEUR in 2011.

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year, amounts to 124.86 MEUR.

The Board of Directors proposes to the Ordinary General Meeting of 23 May 2013 to distribute a gross dividend in respect of the 2012 financial year of 1.40 EUR per share.

The profit will therefore be allocated as follows:

- Dividend for the year: 5.77 MEUR
- Profit carried forward: 119.09 MEUR

The dividend will be made available for payment on 31 May 2013 upon presentation of coupon n° 24.

MAIN RISKS AND UNCERTAINTIES

The IMMOBEL Group faces the risks and uncertainties inherent to the property development sector as well as those associated with the economic situation and the financial world. Without the list being exhaustive, we would like to mention the following in particular:

Market risk

Changes in general economic conditions in the markets in which IMMOBEL's properties are located can adversely affect the value of IMMOBEL's property development portfolio, as well as its development policy and, consequently, its growth prospects.

IMMOBEL is exposed to the national and international economic conditions and other events and occurrences that affect the markets in which IMMOBEL's property development portfolio is located: the office property market in Belgium (mainly in Brussels), Luxembourg and Poland; and the residential (apartments and plots) property market (Belgium, Luxembourg and Poland).

This diversification of both business and countries means it can target different clients, economic cycles and sales volumes.

Changes in the principal macroeconomic indicators, a general economic slowdown in Belgium or one or more of IMMOBEL's other markets, or on a global scale, could result in a fall in demand for office buildings or residential property or building plots, higher vacancy rates and higher risk of default of service providers, building contractors, tenants and other counterparties, any of which could materially adversely affect IMMOBEL's value of its property portfolio, and, consequently, its development prospects.

IMMOBEL has spread its portfolio of projects under development or earmarked for development so as to limit the impact of any deterioration in the real estate market by spreading the projects in terms of time and nature.

Operational risk

IMMOBEL may not be able to dispose of some or all of its real estate projects.

IMMOBEL's revenues are determined by disposals of real estate projects. Hence, the results of IMMOBEL can fluctuate significantly from year to year depending on the number of projects that can be put up for sale and can be sold in a given year.

Furthermore, it cannot be guaranteed that IMMOBEL will find a buyer for the transfer of its assets or that the transfer price of the assets will reach a given level. IMMOBEL's inability to conclude sales can give rise to significant fluctuations of the results.

The policy of diversification implemented by IMMOBEL for the last 5 years has allowed it to reduce its concentration on and therefore its exposure to offices in Brussels with an increased portfolio of residential and landbanking projects, which should give it a revenue base and regular cash flows.

The development strategy adopted by IMMOBEL may prove to be inappropriate.

When considering property development investments, IMMOBEL makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to differ from reality, rendering IMMOBEL's strategy inappropriate with consequent negative effects for IMMOBEL's business, results of operations, financial condition and prospects.

IMMOBEL takes a prudent approach to the acquisition and development of new projects and applies precise selection criteria. Each investment follows a clear and strict approval process.

IMMOBEL may face a higher risk due to the expansion of its operations into Poland.

Since 2011 IMMOBEL acquired several offices/residential/commercial projects in Poland, which are either under development or will be developed, thereby confirming its strategy to further expand in Poland.

Although IMMOBEL has carried out development projects in Poland in the past, it has a more limited experience in managing projects outside of the Belux market and has a more restricted knowledge of the market and regulatory situation and requirements in this new market.

That is the reason why IMMOBEL does not launch itself on a new market until it can count on the expertise and network of a local partner on the spot, who can help it limit the risks linked to the new market.

IMMOBEL's development projects may experience delays and other difficulties.

Before acquiring a new project, IMMOBEL carries out feasibility studies with regard to urban planning, technology, the environment and finance, usually with the help of specialised consultants. Nevertheless these projects are always subject to a variety of risks, each of which could cause late delivery of a project and consequently increase the length of time before it can be sold, engender a budget overrun or cause the loss or decrease of expected income from a project or even, in some cases, its actual termination.

Risks involved in these activities include but are not limited to: (i) delays resulting from amongst other things adverse weather conditions, work disputes, construction process, insolvency of construction contractors, shortages of equipment or construction materials, accidents or unforeseen technical difficulties; (ii) difficulty in acquiring occupancy permits or other approvals required to complete the project; (iii) a refusal by the planning authorities in the countries in which IMMOBEL operates to approve development plans; (iv) demands of planning authorities to modify existing plans; (v) intervention by pressure groups during public consultation procedures or other circumstances; and (vi) upon completion of the development project, occupancy rates, actual income from sale of properties or fair value being lower than forecasted.

Taking into account these risks, IMMOBEL cannot be sure that all its development projects (i) can be completed in the expected timeframe, (ii) can be completed within the expected budgets or (iii) can even be completed at all. It is in the framework of controlling this risk and others that IMMOBEL has increased the diversification of its business/countries/clients, which allows it to reduce its concentration on any particular project or another.

Furthermore IMMOBEL has some projects where an asset under development is pre-leased or pre-sold to a third party and where IMMOBEL could incur substantial liabilities if and when such projects are not completed within the pre-agreed timeline.

IMMOBEL may be liable for environmental issues regarding its property development portfolio.

IMMOBEL's operations and property development portfolio are subject to various laws and regulations in the countries in which it operates concerning the protection of the environment, including but not limited to regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety.

Such laws and regulations may also require IMMOBEL to obtain certain permits or licenses, which it may not be able to obtain in a timely manner or at all. IMMOBEL may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property it currently owns or may have owned in the past.

As a property developer, IMMOBEL may also incur fines or other penalties for any lack of environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value.

IMMOBEL may lose key management and personnel or fail to attract and retain skilled personnel.

Loss of its managerial staff and other key personnel or the failure to attract and retain skilled personnel could hamper IMMOBEL's ability to successfully execute its business strategies.

IMMOBEL believes that its performance, success and ability to fulfil its strategic objectives depend on retaining its current executives and members of its managerial staff who are experienced in the markets and business in which IMMOBEL operates. IMMOBEL might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign, or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive schemes.

The unexpected loss of the services of one or more of these key individuals and any negative market or industry perception arising from such loss could have a material adverse effect on IMMOBEL's business, results of operations, financial condition and prospects.

The conduct of its management teams, in Belgium, Luxembourg and in Poland, is therefore monitored regularly by the CEO and the Remuneration & Appointments Committee (hereafter "RAC"), one of the organs of the Board of Directors.

IMMOBEL is subject to the risk of litigation, including potential warranty claims relating to the lease, development or sale of real estate.

In the normal course of IMMOBEL's business, legal actions, claims against and by IMMOBEL and its subsidiaries and arbitration proceedings involving IMMOBEL and its subsidiaries may arise. IMMOBEL may be subject to other litigation initiated by sellers or purchasers of properties, tenants, contractors and subcontractors, current or former employees or other third parties.

In particular, IMMOBEL may be subject to warranty claims due to defects in quality or title relating to the leasing and sale of its properties. This liability may apply to defects in properties that were unknown to IMMOBEL but could have, or should have, been revealed.

IMMOBEL may also be subject to claims by purchasers of its properties as a result of representations and warranties about those properties given by IMMOBEL at the time of disposal.

IMMOBEL makes sure to control these risks with a systematic policy of taking out adequate insurance cover.

IMMOBEL is exposed to risk in terms of liquidity and financing.

IMMOBEL is exposed to risk in terms of liquidity and financing which might result from a lack of funds in the event of non-renewal or cancellation of its existing financing contracts or its inability to attract new financing.

IMMOBEL does not initiate the development of a project unless financing for it is assured by both internal and external sources for the estimated duration of its development.

IMMOBEL gets its financing from several first-rate Belgian banking partners with which it has maintained longstanding good relations and mutual trust. During 2012, IMMOBEL renewed or negotiated credit lines for 520 MEUR (100 % participation) either alone or with partners, and raised on 13 February 2012 10 MEUR (complementary with the bond issue in mid-December 2011 in the form of a private placement).

IMMOBEL is exposed to risk linked to the interest rate which could materially impact its financial results.

Given its current and future indebtedness, IMMOBEL is affected by a short or long-term change in interest rates, by the credit margins taken by the banks and by the other financing conditions.

With the exception of the bond issue at the end of 2011, which is at a fixed rate, IMMOBEL's financing is mainly provided on the basis of short-term interest rates (based on Euribor rates for 1 to 12 months). In the context of a global programme of risk management coverage, IMMOBEL has set up a "hedging" policy aimed to provide adequate cover against the risk of interest rates on its debt with financial instruments.

Feasibility studies for each project are based on the predictions for long-term rates.

IMMOBEL is exposed to a currency exchange risk which could materially impact its results and financial position.

Following its entering in the Polish market, IMMOBEL is subject to currency exchange risks. There is the foreign currency transaction risk and the foreign currency translation risk.

IMMOBEL also makes sure whenever possible to carry out all of its operations outside the Eurozone in EUR, by having purchase, lease and sales contracts drawn up for the most part in EUR.

IMMOBEL is subject to regulatory risk.

Any development project depends on obtaining urban planning, subdivision, urban development, building and environmental permits. A delay in granting them or failure to grant them could impact on IMMOBEL's activities.

Furthermore, IMMOBEL has to respect various urban planning regulations. Local authorities or public administrations might embark on a revision and/or modification of these regulations, which could have a material impact on IMMOBEL's activities.

IMMOBEL is exposed to counterparty risk.

IMMOBEL has contractual relations with multiple parties, such as partners, investors, tenants, contractors, financial institutions, architects. The inability of such counterparty to live up to their contractual obligations could have an impact on IMMOBEL's operational and financial position. IMMOBEL pays great attention, through appropriate studies, to the choice of its counterparties.

Changes in direct or indirect taxation rules could impact the financial position of IMMOBEL.

IMMOBEL is active in Belgium, Luxemburg and Poland. Changes in direct or indirect fiscal legislation in any of these could impact IMMOBEL's financial position.

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

Since 1 January 2013, IMMOBEL has acquired, with two other partners, each for one third, the “société anonyme” under Luxembourg law PEF Kons Investment, owner of the “Galerie Kons”, situated opposite the Luxembourg railway station, as well as 50 % of a company holding a project in the city centre of Warsaw.

To the Directors’ knowledge there were no other important events after the closure of the financial year.

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

To the Directors’ knowledge, there should not be any circumstances likely to have any significant influence on the development of the Group.

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

In as much as it is necessary the Board of Directors reiterates that, given the nature of its business, the Group did not engage in any research and development activities during the year which has just ended.

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

The Board of Directors confirms that IMMOBEL used financial instruments intended to cover any rise in interest rates. The market value of these financial instruments was -2.13 MEUR at 31 December 2012.

VI. Evidence of the independence and competence of at least one member of the audit & finance committee (art. 96 § 1, 9° and 119, 6° Companies Code)

As proposed by the Board of Directors, the Shareholders appointed as Directors Mr Wilfried Verstraete (during the Extraordinary General Meeting on 29 August 2007) and ARSEMA sprl, represented by Mr Didier Bellens, (during the Ordinary General Meeting on 28 May 2009).

These Directors meet all of the criteria of independence in Articles 524 and 526ter of the Companies Code and sit on the Board of Directors and the Audit & Finance Committee of IMMOBEL as independent Directors. These Directors hold university degrees in Economics and Business Administration (MBA) and have held or continue to hold the roles of Chief Executive Officer in international groups.

Mr Maciej Drozd, the present CFO of Eastbridge Group, also has the necessary expertise in accounting and audit.

VII. Additional information

In as far as it is necessary, the Board of Directors reiterates:

- that IMMOBEL has not set up any branches (art. 96 § 1, 5° Companies Code; and
- that, given the results of the Company, there has been no reason to justify the application of continuity accounting rules (art. 96 § 1, 6° Companies Code).

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

- that during the past year the Board of Directors of the Company has, further to the merger by absorption of the company IMMOBILIËN VENNOOTSCHAP VAN VLAANDEREN, dated 23rd May 2012, decided to raise the share capital up to 60,302,318.47 EUR represented by 4,121,987 shares (article 608 Companies Code);
- that neither IMMOBEL, nor any direct subsidiary, nor any other person acting in his own name but on behalf of IMMOBEL or a direct subsidiary has bought or sold shares in IMMOBEL (art. 624 Companies Code).

VIII. Information to be inserted pursuant to article 524 of the Companies Code

The Board points out that it applied the procedure foreseen in Article 524 of the Companies Code when it took the decision concerning the operations contemplated as part of the Belair project, which is held by the companies RAC1, RAC2, RAC3 and RAC4. In particular, these involved the company RAC4 making a contribution in kind of parking spaces which it owns to the companies RAC1 and RAC2, the re-invoicing by RAC3 of certain historical costs to RAC1 and RAC2, as well as the issue of guarantees by RAC1, RAC2 and RAC4.

The companies RAC1, RAC2, RAC3 and RAC4 are each directly linked to the IMMOBEL Group as the latter directly holds 40 % of the shares representing the capital of these companies.

On 4 July 2012, the Board of Independent Directors issued an advice (cf. Appendix 1) on the contribution in kind and the re-invoicing of historic costs mentioned above.

On the basis of this report by the Board of Independent Directors and the report by the registered auditor, Jean-François Cats, who assisted the Board of Independent Directors in assessing the possible financial consequences of the operations contemplated for both the said companies, RAC1, RAC2, RAC3 and RAC4, and for the IMMOBEL Group, the Board of Directors of 30 August 2012 decided to approve the operations contemplated.

The Auditor made an assessment (cf. Appendix 2) of the accuracy of the information in the advice given by the Board of Independent Directors dated 4 July 2012 and in the minutes of the Board of Directors on 30 August 2012.

IX. Corporate Governance statement (art. 96 § 2 Companies Code), including the Remuneration Report (art. 96 § 3 Companies Code) and the description of the internal control systems and risk management (art. 119, 7° Companies Code)

The Corporate Governance Statement is part of this Director's report. (cf. page 14 of the Annual Report).

X. Takeover bid

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

1° The capital stock is 60,302,318.47 EUR represented by 4,121,987 shares, without any mention of par value, each representing an equal share of the capital stock (art. 4 of the Articles of Association)

2° The clause authorising the Board of Directors to increase the Company's capital by a maximum of 50,000,000 EUR (art. 13 of the Articles of Association), bearing in mind that the exercise of this power is limited in the case of a takeover bid by article 607 of the Companies Code, has expired on 7 December 2012. It is intended to renew this authorisation on the occasion of a next Extraordinary General Meeting.

3° - The Board of Directors was specially authorised for a term of 3 years dating from the Extraordinary General Meeting of 13 April 2011, to purchase or dispose of shares in the company when this purchase or disposal is necessary to prevent any serious imminent harm (art. 14 of the Articles of Association)

- concerning the nomination and replacement of the Members of the Board of Directors, the Articles of Association specify that the Board of Directors should be composed of at least 5 Members, appointed by the Ordinary General Meeting at the proposal of the RAC for a maximum of 4 years
- for the modification of the Articles of Association there are no regulations other than those established by the Companies Code.

XI. Management of the Company – Executive Committee

- During the Ordinary General Meeting on 23 May 2013, you will be able to express your opinion on the re-election of Mr Maciej Drozd as a Director of the Company for a period of 4 years, i.e. until the Ordinary General Meeting to be held in 2017.
- The Board of Directors of 30 August 2012 took note of the resignation of Mr Luc Luyten as Director of the Company and appointed Mr Dany Dwek as Member of the RAC.
- On 18 October 2012 the Board of Directors has noticed the resignation of Mr Laurent Wasteels as Member the Investment & Asset Management Committee and appointed him as Member of the RAC. The same Board of Directors appointed Mr Dany Dwek as new Member of the Investment & Asset Management Committee, to replace Mr Laurent Wasteels.
- During the Board Meeting held on 18 October 2012, Mrs Sophie Lambrighs was asked to sit as a new Member of the Executive Committee as of beginning January 2013.

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

Agreed at the Meeting of the Board of Directors on 11 March 2013

Baron BUYSSE
Chairman of the Board

Gaëtan Piret sprl
Managing Director

COMMITTEE OF INDEPENDENT DIRECTORS

Advice to the Board of Directors of 30th August 2012 on the envisaged transactions to be operated by joint subsidiaries of IMMOBEL

Brussels, 4th of July 2012

In conformity with the procedure provided for in article 524 Belgian Companies Code, we have analysed the operations envisaged.

Even if it may not have been the intention of the legislator to include, for the purpose of the above-mentioned article, the subsidiaries ("filiales") of a listed company in the notion of affiliated companies ("sociétés liées"), we applied article 524 §5 to the contemplated operations between RAC1, RAC 2, RAC3 and RAC4 (the "RAC companies"), companies involved in the development of real estate projects undertaken on the site of the Cité Administrative de l'Etat (the "BelAir" project), ; the RAC companies being joint subsidiaries of IMMOBEL, a listed company.

In the context of the 224 MEUR senior financing to be extended to RAC 1 and RAC 2, following security interests will be created and transactions will be operated between RAC companies, such as, amongst others:

- the contribution in kind of parts of Parking B, currently owned by RAC 4, contributing company, into RAC 1 and RAC 2, receiving companies;
- the re-invoicing, by RAC 3 in this context, of certain historical costs to RAC 1 (EUR 3,081,198.35) and RAC 2 (EUR 455,126.94)
- the issue of guarantees (mortgages, term mortgages and pledging of debts) by RAC 1 and RAC 2 in joint debiting;
- the pledging by RAC 4 of the shares held in RAC 1 and RAC 2 following the contribution operation.

We have called on Jean-François Cats, registered auditor, Member of RSM INTERAUDIT, to help us assess the possible financial consequences of the operations envisaged, both for IMMOBEL and for the RAC companies (in particular for RAC 4, the contributing company, and for RAC 1 and RAC 2, the receiving companies, as well as with regard to the afore-mentioned re-invoicing by RAC 3 of certain historical costs). As explained below, there are no financial consequences for IMMOBEL as long as its holdings remain identical (40 %) in the companies concerned.

From a financial point of view, the value of the contributions to receiving companies, RAC 1 and RAC 2, as at 31st December 2011 are set out in the table below:

RAC 1 (681 car parks in B)	7,190,000 EUR
RAC 2 (301 car parks in B)	5,110,000 EUR

The contributions in kind will be remunerated in new category C shares (after amendment of the articles of association of RAC 1 and RAC 2) as follows:

RAC 1	by issuing of 8 new category C shares, in counterpart for the capital increase with an amount of EUR 135,352.69 as well as a share premium of EUR 7,054,647.30
RAC 2	by issuing of 71 new category C shares, in counterpart for the capital increase with an amount of EUR 181,361.41 as well as a share premium of EUR 4,928,638.59

For RAC 1 and RAC 2, 40% joint subsidiaries of IMMOBEL, the interest of the operation is the opportunity of being able to complete the financing of real estate projects undertaken on the site of the Cité Administrative de l'Etat (the "BelAir" project). The interest for RAC 4, also a 40 % joint subsidiary, is to be able to realize part of its property assets stock intended for sale in the form of share participation in RAC 1 and RAC 2.

As the operations concern joint subsidiaries of IMMOBEL, all sister-companies in which IMMOBEL holds 40 %, the financial consequences for the IMMOBEL Group are rather limited, see inexistent, for following reasons:

1) non-dilution of the shareholders, as well as non-dilution of the representation in the management bodies, within the companies RAC 1, RAC 2 and RAC 4 (as long as its holdings remain identical in the companies concerned);
2) the re-invoicing of historical costs from RAC 3 to RAC 1 and RAC 2 is also neutral as regards the consolidated accounts of the IMMOBEL group (as long as its holdings in the companies concerned remains identical);
3) at consolidated level, the impact will remain neutral for the IMMOBEL l group (as long as he holds an equivalent number of shares in RAC 1, RAC 2, RAC 3 and RAC 4).

According the above-mentioned, the CID considers that the operations envisaged are not of a nature likely to cause obvious serious damage to the Company in the light of the policy pursued by the Company.

Laurent Wasteels
Independent
Director

Luc Luyten
Independent
Director

Arsema sprl
represented by Mr. Didier Bellens
Independent Director

Baron Buysse
Chairman of the Board,
Independent Director

ASSESSMENT OF THE STATUTORY AUDITOR

in accordance with article 524 of the Companies Code Decision of the Board of Directors dated 30 August 2012

To the board of directors

In the context of the contemplated transactions between the companies RAC 1 SA, RAC 2 SA, RAC 3 SA and RAC 4 SA (jointly "the RAC companies"), 40% jointly controlled subsidiaries of Compagnie Immobilière de Belgique SA, en abrégé Immobel SA (the "Company" or "Immobel"), our assessment is required in accordance with the requirements of article 524 of the Companies Code with respect to the faithfulness of the data included in the opinion dated 4 July 2012 of the committee of the independent directors, and in the minutes of the meeting of the board of directors held on 30 August 2012. This assessment will be attached to the minutes of the board of directors and will be included in the directors' report.

The proposed transactions are:

- The contribution in kind of parts of Parking B, currently owned by RAC 4 SA, the contributing company, into RAC 1 SA and RAC 2 SA, the receiving companies;
- The re-invoicing by RAC 3 SA of certain historical costs to RAC 1 SA (EUR 3,081.198,35) and RAC 2 SA (EUR 455,126.94);
- The issue of guarantees (mortgages, term mortgages and pledging of receivables) by RAC 1 and RAC 2 in joint;
- The pledging by RAC 4 SA of the shares held in RAC 1 SA and RAC 2 SA following the contribution in kind referred to above.

These transactions will take place in the context of the EUR 224 million senior financing granted to RAC 1 SA and RAC 2 SA, companies responsible for the development of real estate projects in "la Cité Administrative de l'Etat" (the « Belair » project).

In the frame of our mission, we have performed the following procedures:

a) we have obtained the report dated 4 July 2012 of the committee of independent directors and have compared the financial data included in this report with the report issued on 20 June 2012 by the independent expert Jean-François Cats (RSM InterAudit);

b) we have obtained the minutes of the meeting of the board of directors held on 30 August 2012 and have compared the conclusion with the conclusion of the committee of the independent directors.

Based on our procedures, our findings are as follows:

- with respect to item a) above, we have found that the financial data included in the report of the committee of the independent directors dated 4 July 2012 correspond to the report issued on 20 June 2012 by the independent expert Jean-François Cats;
- with respect to item b) above, we have found that the conclusion included in the minutes of the meeting of the board of directors held on 30 August 2012 corresponds to the conclusion of the committee of the independent directors; and therefore that
- the financial data included in the report of the committee of the independent directors and in the minutes of the meeting of the board of directors are faithful. This does not entail that we have assessed neither the value of the transactions nor the opportunity of the opinion of the committee of the independent directors or of the decision of the board of directors.

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

Diegem, 18 September 2012

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Laurent Boxus

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

REMUNERATION REPORT

Procedure for drawing up the remuneration policy

FOR THE DIRECTORS:

In 2012, 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).

The General Meeting of Shareholders decides about the remuneration of its Directors upon proposal of the Board of Directors.

The Remuneration & Appointments Committee (hereafter "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 2012.

FOR THE MEMBERS OF THE MANAGEMENT COMMITTEE:

For 2012, 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 the Company's Internet website (www.immobel.be).

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

The level and structure of remuneration for the Members of the Management Committee at IMMOBEL are reviewed annually, and are such that they allow IMMOBEL to recruit, retain and motivate qualified and competent professionals taking into account the nature and the extent of their individual responsibilities on an ongoing basis. A procedure exists for the evaluation of their performances: the 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, recognize and compensate both significant individual contributions and strong collective performances.

No changes were made to the remuneration policy in 2012. Provided that the Board of Directors applies the new rules regarding the deferral of the variable remuneration as from financial year 2012.

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 due to the reference shareholder representatives, is retroceded to the latter.
- Since financial year 2011, 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 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 2012 are shown in the table below. All of the amounts shown are gross, i.e. before the deduction of tax.

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 pro-

	PRESENCE AT BOARD	PRESENCE AT AFC	PRESENCE AT RAC	PRESENCE AT IAMC	REMUNERATION
Baron Buysse	6/6	4/4 (invited)	4/4 (invited)	4/4 (invited)	450 000 EUR[1]
GAETAN PIRET sprl[2]	6/6	4/4 (invited)	4/4 (invited)	4/4	Cfr. page 88
ARSEMA sprl[3]	6/6	4/4	4/4	-	50 000 EUR
Maciej Drozd	5/6	4/4	-	-	12 500 EUR
Maciej Dyjas	5/6	-	-	4/4	12 500 EUR
Dany Dwek	3/3		2/2	1/1	7 603 EUR
Marc Grosman	3/6	-	-	3/4	12 500 EUR
Luc Luyten	4/4	-	2/2	-	16 575 EUR
Marek Modecki	5/6	-	2/4	-	25 000 EUR
Wilfried Verstraete	5/6	4/4	-	4/4	50 000 EUR
Laurent Wasteels	6/6	-	-	-	25 000 EUR
Total gross remuneration					**661 678 EUR**

1. Including a participation for the leasing cost of a car
2. Represented by its permanent representative Mr Gaëtan PIRET
3. Represented by its permanent representative Mr Didier BELLENS

posal 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 2012

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 realized 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 2012 and on the realization of the individual targets of the Members of the Management Committee between 1 January and 31 December 2012, the variable part of the global remuneration paid for 2012, represented 30.10 % of its basic remuneration for the Managing Director and 32.91 % 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 are deferred; as such only half of the total variable remuneration is attributed in 2013 and the 3rd and 4th quarter of the variable for 2012 are 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 18)

	MANAGING DIRECTOR	OTHER MEMBERS
Basic remuneration	498 279.20 EUR	849 616.24 EUR
Variable remuneration	150 000.00 EUR	279 600.00 EUR
Individual pension commitment	None	53 414.54 EUR
Company car	24 000.00 EUR	23 097.50 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:

As from year 2013 the quantitative variable remuneration will be exclusively based on the Return on Equity.

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.

CONSOLIDATED ACCOUNTS *and Condensed Company Accounts*

CONTENTS

CONSOLIDATED ACCOUNTS

(IN THOUSANDS OF EUR)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	31-12-2012	31-12-2011
OPERATING INCOME		**133 706**	**81 146**
Turnover	2	126 771	76 101
Other operating income	3	6 935	5 045
OPERATING EXPENSES		**-114 319**	**-58 556**
Cost of sales	4	-95 135	-42 479
Personnel expenses	5	-7 999	-7 097
Amortisation, depreciation and impairment of assets (including reversals)	6	-675	614
Change in the fair value of investment property	13	377	6
Other operating expenses	7	-10 887	-9 600
OPERATING RESULT		**19 387**	**22 590**
Interest income		465	284
Interest expense		-6 529	-5 221
Other financial income		57	14
Other financial expenses		-784	-501
FINANCIAL RESULT	**8**	**-6 791**	**-5 424**
Share in the result of investments in associates	14	23	305
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		**12 619**	**17 471**
Income taxes	9	-910	-1 297
RESULT FROM CONTINUING OPERATIONS		**11 709**	**16 174**
RESULT OF THE YEAR		**11 709**	**16 174**
Share of non-controlling interests		-10	-10
SHARE OF IMMOBEL		**11 719**	**16 184**

	NOTES	31-12-2012	31-12-2011
RESULT OF THE YEAR		**11 709**	**16 174**
Other comprehensive income - items subject to subsequent recycling in the income statement		**827**	**-418**
Currency translation		1 083	-418
Currency translation - recycling in the income statement		-256	0
Other comprehensive income - items that are not subject to subsequent recycling in the income statement		**-304**	**59**
Actuarial gains and losses (-) on defined-benefit plans		-304	59
Deferred taxes		**-**	**-**
TOTAL OTHER COMPREHENSIVE INCOME		**523**	**-359**
COMPREHENSIVE INCOME OF THE YEAR		**12 232**	**15 815**
Share of non-controlling interests		-10	-10
SHARE OF IMMOBEL		**12 242**	**15 825**
NET RESULT PER SHARE (EUR) (DILUTED AND BASIC)	**10**	**2.84**	**3.93**
COMPREHENSIVE INCOME PER SHARE (EUR) (DILUTED AND BASIC)		**2.97**	**3.84**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	NOTES	31-12-2012	31-12-2011
NON-CURRENT ASSETS		7 693	5 844
Intangible assets	11	36	47
Property, plant and equipment	12	1 255	1 214
Investment property	13	2 663	2 286
Investments in associates	14	1 069	1 254
Financial assets available for sale	15	1 300	77
Deferred tax assets	16	1 117	717
Other non-current assets		253	249
CURRENT ASSETS		409 874	400 954
Inventories	17	359 924	327 863
Trade receivables	18	12 816	10 956
Tax receivables	9	376	5
Other current assets	19	9 840	15 166
Cash and cash equivalents	20	26 918	46 964
TOTAL ASSETS		417 567	406 798

EQUITY AND LIABILITIES	NOTES	31-12-2012	31-12-2011
TOTAL EQUITY	21	187 811	182 792
EQUITY SHARE OF IMMOBEL		**187 855**	**182 825**
Share capital		60 302	60 302
Retained earnings		127 024	122 517
Reserves		529	6
NON-CONTROLLING INTERESTS		**-44**	**-33**
NON-CURRENT LIABILITIES		136 144	112 644
Employee benefit obligations	22	605	299
Provisions	23	11	2 997
Financial debts	20	135 528	109 348
CURRENT LIABILITIES		93 612	111 362
Provisions	23	1 785	1 479
Financial debts	20	51 788	74 330
Trade payables	24	21 509	20 883
Tax liabilities	9	1 424	1 476
Derivative financial instruments	20	2 132	1 807
Other current liabilities	25	14 974	11 387
TOTAL EQUITY AND LIABILITIES		417 567	406 798

CONSOLIDATED STATEMENT OF CASH FLOW

	NOTES	31-12-2012	31-12-2011
Operating result		19 387	22 590
Amortisation, depreciation and impairment of assets	6	675	-614
Change in the fair value of investment property	13	-377	-6
Change in provisions	7, 23	-2 678	-872
Disposal of participating interests		-	59
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		**17 007**	**21 157**
Change in working capital	26	-21 725	-89 935
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		**-4 718**	**-68 778**
Paid interests	8	-10 016	-4 997
Paid income taxes	9	-1 733	-490
CASH FROM OPERATING ACTIVITIES		**-16 467**	**-74 265**
Disposal of associates	14	220	241
Repayment of capital and dividends collected from associates		-	6 509
Acquisitions of intangible, tangible and other non-current assets		-286	-144
CASH FROM INVESTING ACTIVITIES		**-66**	**6 606**
Increase in financial debts	20	81 442	90 922
Repayment of financial debts	20	-77 804	-5 424
Interest received	8	465	284
Other financing cash flows	8	-403	-246
Gross dividend paid		-7 213	-5 152
CASH FROM FINANCING ACTIVITIES		**-3 513**	**80 384**
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		**-20 046**	**12 725**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**46 964**	**34 239**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**26 918**	**46 964**

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of project company, are not considered as investing activities and are directly included in the cash flows from the operating activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	CAPITAL	RETAINED EARNINGS	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROLLING INTERESTS	TOTAL EQUITY
2011							
BALANCE AS AT 01-01-2011	**60 302**	**111 485**	**0**	**365**	**172 152**	**-23**	**172 129**
Total comprehensive income for the year	-	16 184	-418	59	15 825	-10	15 815
Dividends paid	-	-5 152	-	-	-5 152	-	-5 152
CHANGES IN THE YEAR	**-**	**11 032**	**-418**	**59**	**10 673**	**-10**	**10 663**
BALANCE AS AT 31-12-2011	60 302	122 517	-418	424	182 825	-33	182 792
2012							
BALANCE AS AT 01-01-2012	**60 302**	**122 517**	**-418**	**424**	**182 825**	**-33**	**182 792**
Total comprehensive income for the year	-	11 719	827	-304	12 242	-10	12 232
Dividends paid	-	-7 213	-	-	-7 213	-	-7 213
Other	-	1	-	-	1	-1	-
CHANGES IN THE YEAR	**-**	**4 507**	**827**	**-304**	**5 030**	**-11**	**5 019**
BALANCE AS AT 31-12-2012	60 302	127 024	409	120	187 855	-44	187 811

Following the merger on 23 May 2012 between IMMOBEL and Immobiliën Vennootschap van Vlaanderen, known for short as "INVESTIMMO", the registered capital is represented by 4,121,987 shares.

A dividend of 5,771 KEUR, corresponding to 1.40 EUR gross per share, was proposed by the Board of Directors of 11 March 2013 and will be submitted to the Shareholder's approval at General Assembly of Shareholders of 23 May 2013. The appropriation of the result has not been accounted for in the consolidated financial statements as per 31 December 2012.

ACCOUNTING PRINCIPLES AND METHODS

1. General information

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

2. Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. The Board of Directors settled the consolidated financial statements and approved their publication on 11 March 2013.

Standards and interpretations applicable for the annual period beginning on 1 January 2012

- Amendments to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* (applicable for annual periods beginning on or after 1 July 2011)

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2012

- IFRS 9 *Financial Instruments and subsequent amendments* (normally applicable for annual periods beginning on or after 1 January 2015)
- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Government Loans* (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013)

Application of IFRS 11 will result in review of the classification of interests in joint ventures. Joint ventures, currently consolidated applying the proportionate consolidation method will be consolidated using the equity method, which result in a decrease of the amounts of inventories and liabilities in the balance sheet.

3. Preparation and presentation of the financial statements

The consolidated financial statements are presented in thousands of EUR.

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

4. Consolidation rules

The consolidated financial statements include the financial statements of the Company and its subsidiaries, as well as interests in joint ventures consolidated using the proportionate method and in associated companies accounted for using the equity method.

All intragroup balances, transactions, revenue and expenses are eliminated.

SUBSIDIARIES

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

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

INTERESTS IN JOINT VENTURES

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

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

INTERESTS IN ASSOCIATES

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

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

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

DIFFERENT REPORTING DATES

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

BUSINESS COMBINATIONS AND GOODWILL

Goodwill

Goodwill represents the excess of the price of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition. Goodwill is reported as an asset and is not amortised but annually subject to an impairment in value test at reporting date (or more frequently if there are indications of loss in value). Impairment losses are recognised immediately under income and are not reversed in subsequent periods.

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

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

Negative goodwill

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

5. Foreign currencies

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN ENTITIES

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

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

TRANSACTIONS IN FOREIGN CURRENCIES IN GROUP COMPANIES

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

6. Intangible assets

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

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

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

7. Tangible assets

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

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

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

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

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

8. Investment property

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

9. Leases

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

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

FINANCE LEASE

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

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

OPERATING LEASE

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

10. Financial instruments

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

TRADE RECEIVABLES

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

CASH AND CASH EQUIVALENTS

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

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

CASH FLOWS

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Acquisitions and sales of projects, either directly through the purchase of sale of assets, or indirectly through the acquisition or sale of project companies, are considered as operating activities and are presented as part of the cash flows from operating activities.

Investing activities are the acquisition and disposal of longterm assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

The classification of cash outflows resulting from acquisition of project companies as operating cash flows resulted in an impact of 23.870 KEUR (see note 31).

SHAREHOLDERS' EQUITY

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

BANK BORROWINGS AND OVERDRAFTS

Interest-bearing bank borrowings and overdrafts are recorded at the cash amount, less any transaction costs. After the initial recording they are measured at amortised cost. Any difference between the received consideration and the expected exit value is recognised under income over the term of the borrowing using the effective interest rate.

TRADE PAYABLES

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

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

Derivative financial instruments are initially measured at cost and subsequently carried at their fair values. The method of recognising the unrealised result from derivatives depends on the nature of the hedged item. On the date a derivative contract is entered into, the instrument is designated either as a hedge of the fair value of recognised assets or liabilities (fair value hedge) or as a hedge of future cash flows (cash flow hedge). Changes in the fair value of derivative financial instruments designated as fair value hedge are recorded in profit and loss, in addition to the changes in the fair value of the hedged asset or liability. With respect to cash flow hedges, the changes in the fair value are recognised in the other elements of comprehensive income. The ineffective hedging portion is recorded directly in profit and loss. The changes in the fair value of derivative instruments that do not meet the hedge accounting requirements are recognised directly under income.

11. Construction contracts – Real Estate Development

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

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

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

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

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

12. Inventories

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

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

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

13. Provisions

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

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

WARRANTIES

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

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contingent assets are not recognized in the financial statements.

14. Post-employment benefits

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

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

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

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

15. Grants related to assets or Investment Subsidies

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

16. Revenue

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

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

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

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

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

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

17. Impairment in value of assets

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

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

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

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

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

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

18. Borrowing costs

Borrowing costs include interests on bank overdrafts and short- and long-term borrowings, amortisation of share premiums or repayment of borrowings, amortisation of accrued incidental borrowing costs. The costs are capitalised into the cost of qualifying assets. The fair value adjustements of financial derivatives associated to financial debts related to specific projects are capitalised, even if the derivative is not accounted as hedging instrument.

19. Taxes

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

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

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

Deferred tax liabilities are recognised for all taxable timing differences.

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

20. Discontinued operations

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

21. Main sources of incertainties related to the estimations

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

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

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

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

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

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

22. Temporary joint ventures

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

23. Segment reporting

A segment is a distinguishable component of the company, which generates revenues and costs.

The operating results are regularly reviewed by the Management Committee in order to monitor the performance of the various segments in terms of strategic goals , plans and budgets.

The company is composed of 3 segments: “offices”, “residential development” and “land development”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

1. Operating segments - Financial information by business segment

The segment reporting is presented in respect of the operational segments. The results and asset and liability items of the segment include items that can be attributed to a sector, either directly, or allocated on an allocation formula.

The core business of the Company, real estate development, includes the activities of "offices", "residential development" and "land development".

There are no transaction between the different sectors. The Group's activity is carried out in Belgium, Grand Duchy of Luxembourg and Poland. The breakdown of sales by country, depending on the country where the activity is executed.

INCOME STATEMENT

	TURNOVER		OPERATING RESULT	
	31-12-2012	31-12-2011	31-12-2012	31-12-2011
OFFICES				
Belgium	59 039	11 204	4 725	-1 186
Grand-Duchy of Luxemburg	-	-	842	494
Poland	19 091	-	8 590	150
SUBTOTAL OFFICES	**78 130**	**11 204**	**14 157**	**-542**
RESIDENTIAL				
Belgium	18 585	35 173	394	11 249
Grand-Duchy of Luxemburg	16 220	4 029	2 179	768
Poland	2 417	-	-	-
SUBTOTAL RESIDENTIAL	**37 222**	**39 202**	**2 573**	**12 017**
LANDBANKING				
Belgium	11 419	25 695	2 657	11 115
SUBTOTAL LANDBANKING	**11 419**	**25 695**	**2 657**	**11 115**
TOTAL CONSOLIDATED	126 771	76 101	19 387	22 590
Belgium	89 043	72 072	7 776	21 178
Grand-Duchy of Luxemburg	16 220	4 029	3 021	1 262
Poland	21 508	-	8 590	150

	31-12-2012	31-12-2011
Financial result	-6 791	-5 424
Share in the result of investments in associates	23	305
Income taxes	-910	-1 297
RESULT FROM CONTINUING OPERATIONS	**11 709**	**16 174**
NET RESULT	**11 709**	**16 174**

CASH FLOW ITEMS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2012				
Operating result	14 157	2 573	2 657	19 387
Amortisation, depreciation and impairment	219	378	78	675
Change in the fair value of investment property	-377	-	-	-377
Change in provisions	-2 620	-33	-25	-2 678
Change in working capital	3 286	-20 491	-4 520	-21 725
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	**14 665**	**-17 573**	**-1 810**	**-4 718**
CASH FROM INVESTING ACTIVITIES	**67**	**-65**	**-68**	**-66**
2011				
Operating result	-542	12 017	11 115	22 590
Amortisation, depreciation and impairment	-227	-434	47	-614
Change in the fair value of investment property	-6	-	-	-6
Change in provisions	-886	34	-20	-872
Disposal of participating interets	-	59	-	59
Change in working capital	-71 372	-1 092	-17 471	-89 935
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	**-73 033**	**10 584**	**-6 329**	**-68 778**
CASH FROM INVESTING ACTIVITIES	**6 428**	**241**	**-63**	**6 606**

FINANCIAL POSITION ITEMS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2012				
Segment assets	210 786	96 103	79 645	386 534
Unallocated items[1]	-	-	-	31 033
TOTAL ASSETS				**417 567**
Segment liabilities	23 901	10 022	4 961	38 884
Unallocated items[1]	-	-	-	190 872
TOTAL LIABILITIES				**229 756**
2011				
Segment assets	205 073	78 675	73 784	357 532
Unallocated items[1]	-	-	-	49 266
TOTAL ASSETS				**406 798**
Segment liabilities	18 931	14 104	4 010	37 045
Unallocated items[1]	-	-	-	186 961
TOTAL LIABILITIES				**224 006**

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

	BELGIUM	GRAND-DUCHY OF LUXEMBURG	POLAND	TOTAL
Segment assets 31-12-2012	279 053	47 920	59 561	386 534
Segment assets 31-12-2011	240 123	54 499	62 910	357 532
Non-current segment assets 31-12-2012	5 047	225	1 304	6 576
Non-current segment assets 31-12-2011	4 900	225	2	5 127

2. Turnover

The components of the turnover are as follows:

	31-12-2012	31-12-2011
Asset sales	125 324	75 591
Services fees	1 447	510
TOTAL TURNOVER	**126 771**	**76 101**

Turnover is allocated as follows per segment:

	31-12-2012	31-12-2011
Offices[1]	78 130	11 204
Residential Development[2]	37 222	39 202
Land Development[3]	11 419	25 695
TOTAL TURNOVER	**126 771**	**76 101**

The only clients representing more than 10% of the turnover are those resulting from the sale of the last phase of the *Forum* project in Brussels and the sale of the company Bitra Enterprise Sp.z.o.o.

These clients are part of the turnover “Offices”.

3. Other operating income

Other operating income is allocated by segment as follows:

	31-12-2012	31-12-2011
Offices	6 017	4 633
Residential Development	727	183
Land Development	191	229
TOTAL OTHER OPERATING INCOME	**6 935**	**5 045**

This heading includes rental income (3,990 KEUR compared to 3,122 KEUR in 2011) on properties available for sale or awaiting for development, recoveries of taxes and withholdings, reinvoicing of expenses and other miscellaneous reimbursements.

1. The “Offices” turnover is mainly influenced by the sale of the last phase of the *Forum* project in Brussels City, the phase two of the *Château-Rempart* project in Tournai and by the sale of 80% of the participating interests (50%) in the company Bitra Enterprise Sp. z o.o., which has a land of approximately 65,000 m², located in Warsaw, for office development.
2. The promotions *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Vallée du Maelbeek* and *Forum* in Brussels City, *Résidence Saint-Hubert* in Liège and *Green Hill* in the Grand-Duchy of Luxemburg contribute mainly to the “Residential Development” turnover.
3. Major recurrent sales (turnover more than 200 KEUR) of the year relate to the land development projects in *Bredene*, *Bolline*, *Chastre*, *Cortil Noirmont*, *Enghien*, *Eupen*, *Limbourg*, *Sart-Bernard*, *Soumagne*, *Temploux*, *Waterloo* and *Woluwe-Saint-Lambert*.

4. Cost of sales

Cost of sales is allocated as follows per segment:

	31-12-2012	31-12-2011
Offices	-58 768	-6 936
Residential Development	-30 512	-24 158
Land Development	-5 855	-11 385
TOTAL COST OF SALES	**-95 135**	**-42 479**

and are related to the turnover and the projects mentionned in note 2.

5. Personnel expenses

This heading includes salaries and fees of personnel, members of the Executive Committee and non-executive Directors.

They break down as follows:

	31-12-2012	31-12-2011
Salaries and fees of personnel and members of the Executive Committee	-6 676	-5 760
Salaries of the non-executive Directors	-656	-662
Social security charges	-483	-424
Pension costs - defined benefits plan	-123	-209
Other	-61	-42
PERSONNEL EXPENSES	**-7 999**	**-7 097**

The number of full time equivalents on 31 December, 2012 amounted 28 compared to 18 in 2011. The increase of the personnel expenses, also the number of personnel, is related to the Group's expansion in Poland.

6. Amortisation, depreciation and impairment of assets

Break down as follows:

	31-12-2012	31-12-2011
Amortisation of intangible and tangible assets	-251	-174
Impairment loss on participating interests available for sale	-77	-
Write down on inventory	-506	-471
Reversal of write down on inventory	158	928
Write down on trade receivables	-	-5
Reversal of write down on trade receivables	1	336
AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	**-675**	**614**

7. Other operating expenses

Break down as follows:

	31-12-2012	31-12-2011
Services and other goods	-9 631	-8 274
Other expenses	-3 894	-2 205
Provisions	2 638	879
OTHER OPERATING EXPENSES	**-10 887**	**-9 600**

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

	31-12-2012	31-12-2011
Rent and service charges, including mainly rent and service charges for the registered office	-679	-508
Third party payment, including in particular the fees paid to third parties and related to the turnover	-7 337	-6 301
Other services and other goods, including company supplies, advertising, maintenance and repair expenses, etc.	-1 615	-1 465
TOTAL SERVICES AND OTHER GOODS	**-9 631**	**-8 274**

Operating **lease obligations**:

	31-12-2012	31-12-2011
Total amount of payments recognised under expenses for the year	-429	-424
Total minimum payments to be made:		
- within one year	-416	-389
- after one year but within 5 years	-1 622	-1 465
- more than 5 years	-60	-408

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

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

	31-12-2012	31-12-2011
Audit fees at consolidation level	-190	-175
Fees for extraordinary services and special missions accomplished within the Group[1]:	-105	-28
- Other missions outside the audit mission	-105	-28

In addition to taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory, the **other expenses** of -3,894 KEUR include an indemnity of -1,537 KEUR paid in connection with a litigation related to the "Offices" sector. This indemnity was provisioned in the past, see below - use of provisions.

Main components of variations in provisions:

	31-12-2012	31-12-2011
Provisions related to the sales	2 638	861
Other provisions	-	18
TOTAL VARIATIONS IN PROVISIONS	**2 638**	**879**
Increase	-400	-267
Use	1 538	1 046
Reversal	1 500	100

A provision of 400 KEUR has been recognised to cover the risk of a litigation relating to prior year. The use of provisions are related to the other expenses - see above. The reversal of provision is mainly linked to an old construction project. Following a favorable outcome for IMMOBEL, the provision of 1,500 KEUR has been reversed.

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

8. Financial result

The financial result breaks down as follows:

	31-12-2012	31-12-2011
Cost of gross financial debt at amortised costs	-9 473	-6 210
Activated interests on projects in development	2 944	989
Fair value changes on financial instruments	-464	-241
Financial income from cash and cash equivalents	465	284
Other financial charges	-320	-260
Other financial income	57	14
FINANCIAL RESULT	**-6 791**	**-5 424**

Cost of gross financial debt at amortised costs	-9 473
Interest paid in 2012 related to 2011	-683
Interest related to 2012 payable in 2013	140
Paid interests (statement of cash flow)	**-10 016**

The increase in interest cost of financial debt is explained primarily by the financial charges linked to the bond issue of December 2011 for an amount of 40 MEUR at a rate of 7%.

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

9. Income taxes

Income taxes are as follows:

	31-12-2012	31-12-2011
Current income taxes for the current year	-1 308	-2 065
Current income taxes for the previous financial years	-2	53
Deferred taxes	400	715
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	**-910**	**-1 297**

Current income taxes	-1 310
Increase in taxes receivables	-371
- excess taxes paid	-353
- other miscellaneous	-18
Decrease in tax liabilities	-52
- estimate income taxes	746
- income taxes paid on previous years	-798
Paid income taxes (statement of cash flow)	**-1 733**

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

	31-12-2012	31-12-2011
Result before taxes	12 619	17 471
Share in the result of investments in associates	-23	-305
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF INVESTMENTS IN ASSOCIATES	**12 596**	**17 166**
THEORETICAL INCOME TAXE CHARGE AT 33,99 %	**-4 281**	**-5 835**
Tax impact:		
- non-taxable income	2 774	-
- non-deductible expenses	-239	-181
- use of taxes losses and notional interests deduction carried forward on which no DTA was recognised in previous years	1 312	5 595
- losses and notional interests deduction in 2012, on which no DTA is recognised	-507	-1 366
- recognition during the year of DTA on tax losses and notional interests deduction generated in prior years	-	445
Adjustment to current income taxes for the previous financial years & Other	31	45
TAX CHARGE	**-910**	**-1 297**
EFFECTIVE TAX RATE OF THE EXERCISE	**7,2 %**	**7,6 %**

10. Earnings per share

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

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

	31-12-2012	31-12-2011
Average number of shares considered for basic earnings and diluted earnings	4 121 987	4 121 934
Net result from continuing operations	11 709	16 174
Group’s share in the net result for the year	11 719	16 184
Net per share (in EUR):		
- result of the continuing operations	2,84	3,92
- Group's share in the net result of the year	2,84	3,93

11. Intangible assets

Intangible assets evolve as follows:

	31-12-2012	31-12-2011
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**184**	**144**
Acquisitions	47	40
Transfer to Property, plant and equipment	-36	-
ACQUISITION COST AT THE END OF THE YEAR	**195**	**184**
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**-137**	**-132**
Amortisation	-22	-5
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	**-159**	**-137**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**36**	**47**

12. Property, plant and equipment

Property, plant and equipment evolve as follows:

	31-12-2012	31-12-2011
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**1 742**	**1 682**
Acquisitions	234	104
Transfer from intangible assets	36	-
Disposals and retirements	-	-44
ACQUISITION COST AT THE END OF THE YEAR	**2 012**	**1 742**
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**-528**	**-404**
Depreciations	-229	-168
Disposals and retirements	-	44
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	**-757**	**-528**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**1 255**	**1 214**

Property, plant and equipment consist primarily of installation costs of the headquarters, amortized over the lease term, or 9 years.

13. Investment property

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

Investment property evolve as follows:

	31-12-2012	31-12-2011
FAIR VALUE ON 1 JANUARY	**2 286**	**2 280**
Change in the fair value recognized in the statement of comprehensive income	377	6
FAIR VALUE ON 31 DECEMBER	**2 663**	**2 286**

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

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

Key assumptions used to determine fair value:

	31-12-2012	31-12-2011
Rental price (EUR) per m² of offices	175	185
Discount rate	7.40 %	8.15 %

14. Investments in associates

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

	31-12-2012	31-12-2011
VALUE AS AT 1 JANUARY	**1 254**	**7 445**
Share in result	23	305
Acquisitions and reclassifications	12	13
Disposals and retirements	-220	-
Dividends paid by the associates	-	-4 634
Repayment of capital by the associates	-	-1 875
CHANGES FOR THE YEAR	**-185**	**-6 191**
VALUE AS AT 31 DECEMBER	**1 069**	**1 254**

The condensed financial statements of these entities are as follows:

	31-12-2012	31-12-2011
Total assets	10 990	11 474
Total liabilities	7 684	7 394
Net assets	3 306	4 080
Share in the net asset of the group IMMOBEL	853	1 055
Turnover	596	6 534
Net result of the year	136	1 651
Share of IMMOBEL in the net result of the year	23	305

The associates are listed under note 31.

15. Investments available for sale

The investments available for sale moved as follows:

	31-12-2012	31-12-2011
VALUE AS AT 1 JANUARY	**77**	**77**
Acquisition	1 300	-
Impairment loss	-77	-
CHANGES FOR THE YEAR	**1 223**	**0**
VALUE AS AT 31 DECEMBER	**1 300**	**77**

The book value as at 31 December 2012 of the participating interests available for sale is considered to be representative of their fair value.

16. Deferred tax assets

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable temporary differences, tax losses and tax credits carried forward. Changes in the deferred taxes in the balance sheet having occurred over the financial year are recorded in the statement of comprehensive income unless they refer to items directly recognised under the equity.

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

	IMPÔTS DIFFÉRÉS ACTIFS	
	31-12-2012	31-12-2011
Tax losses	1 012	717
Fair value on financial instruments	105	-
TOTAL	**1 117**	**717**

ON 1 JANUARY	**717**
Deferred tax recognised in the statement of comprehensive income	400
ON 31 DECEMBER	**1 117**

	31-12-2012	31-12-2011
TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	**56 203**	**33 327**
Expiring at the end of 2013	164	92
Expiring at the end of 2014	631	176
Expiring at the end of 2015	1 672	850
Expiring at the end of 2016	2 610	1 019
Expiring at the end of 2017	1 514	732
Expiring at the end of 2018	1 036	1 210
Expiring at the end of 2019	2 418	-
Not time-limited	46 158	29 248

17. Inventories

Inventories consist of buildings and land acquired for development and resale. Allocation of inventories by segment is as follows:

	31-12-2012	31-12-2011
Offices	199 296	190 381
Residential Development	88 881	71 500
Land Development	71 747	65 982
TOTAL INVENTORIES	**359 924**	**327 863**

Allocation of inventories by geographical area is as follows:

	31-12-2012	31-12-2011
Belgium	257 640	217 141
Grand-Duchy of Luxemburg	43 441	49 866
Poland	58 843	60 856
TOTAL INVENTORIES	**359 924**	**327 863**

The book value of inventories is as follows:

	31-12-2012	31-12-2011
INVENTORY AS AT 1 JANUARY	**327 863**	**240 769**
Purchases for the year	126 183	127 668
Disposals of the year	-96 718	-41 757
Borrowing costs	2 944	989
Reclassifications	-	-263
Write-offs recorded	-506	-471
Write-offs reversed	158	928
MOVEMENTS DURING THE YEAR	**32 061**	**87 094**
INVENTORY AS AT 31 DECEMBER	**359 924**	**327 863**
Book value of inventories which are pledged for bank loan securities	335 913	274 022

Break down of the movements of the year per segment:

	PURCHASES	DISPOSALS	BORROWING COSTS	TRANSFERS	NET WRITE-OFFS	NET
Offices	70 006	-58 621	2 792	-5 232	-30	8 915
Residential Development	43 278	-32 361	152	6 630	-318	17 381
Land Development	12 899	-5 736	-	-1 398	-	5 765
TOTAL	**126 183**	**-96 718**	**2 944**	**-**	**-348**	**32 061**

The purchases of the "Offices" segment mainly concern the projects *Belair*, *Black Pearl*, *Forum*, *Château-Rempart* and *Okraglak* (Poland); the disposals include the last phase of the *Forum* project, the phase two of the *Château-Rempart* project and the sale of the *Bitra* project (Poland).

The purchases and the sales of the "Residential" segment mainly relate to the projects *Bella Vita*, *Charmeraie*, *Vallée du Maelbeek*, *Forum*, *Green Hill* and *Saint-Hubert*. Purchases also include the acquisition of the company owner of the building *Parc Seny* in Auderghem (see note 31).

Break down of the movements of the year per geographical area:

	PURCHASES	DISPOSALS	BORROWING COSTS	TRANSFERS	NET WRITE-OFFS	NET
Belgium	109 061	-71 219	2 681	-	-24	40 499
Grand-Duchy of Luxemburg	7 719	-14 144	-	-	-	-6 425
Poland	9 403	-11 355	263	-	-324	-2 013
TOTAL	**126 183**	**-96 718**	**2 944**	**-**	**-348**	**32 061**

MARKET RISKS AND UNCERTAINTIES

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

The main risks and uncertainties are described in the Director's report.

18. Trade receivables[1]

Trade receivables refer to the following segments:

	31-12-2012	31-12-2011
Offices	3 422	2 174
Residential Development	3 470	2 893
Land Development	5 924	5 889
TOTAL	**12 816**	**10 956**

The analysis of the delay of payment at the end of 2012 arises as follows:

	31-12-2012
due < 3 months	4 112
due > 3 months < 6 months	216
due > 6 months < 12 months	367
due > 1 year	111

1. The book value of this account approximates its fair value.

CREDIT RISK

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

The customers are closely followed up and adequate impairments are recorded as to cover the amounts that are considered being not recoverable.

At 31 December 2012 there was no concentration of credit risk with a sole third party. The maximum risk amounts to the book value of the receivables.

The recorded impairments of trade receivables is as follows:

	31-12-2012	31-12-2011
BALANCE AT 1 JANUARY	**222**	**553**
Additions	-	5
Reversals	-1	-336
MOVEMENTS OF THE YEAR	**-1**	**-331**
BALANCE AT 31 DECEMBER	**221**	**222**

19. Other current assets[1]

The components of this account are:

		31-12-2012	31-12-2011
Other receivables		7 072	10 634
of which:	advances to joint ventures, associates and on projects in participation	2 193	4 205
	taxes (other than income taxes) and VAT receivable	2 118	3 518
	grants and allowances receivable	1 238	1 358
	other	1 523	1 553
Deferred charges and accrued income		2 768	4 532
of which:	on projects in developement	1 873	3 833
	other	895	699
TOTAL OTHER CURRENT ASSETS		**9 840**	**15 166**

and are related to the following segments:

	31-12-2012	31-12-2011
Offices	4 849	9 675
Residential Development	3 499	4 074
Land Development	1 492	1 417
TOTAL OTHER CURRENT ASSETS	**9 840**	**15 166**

1. The book value of this account approximates its fair value.

20. Information related to the net financial debt[1]

The Group's net financial debt is the balance between the cash & cash equivalents and the financial debts (current and non current). It amounts to -160,398 KEUR as at 31 December 2012 compared to -136,714 KEUR as at 31 December 2011.

	31-12-2012	31-12-2011
Cash and cash equivalents (+)	26 918	46 964
Non current financial debts (-)	135 528	109 348
Current financial debts (-)	51 788	74 330
NET FINANCIAL DEBT	**-160 398**	**-136 714**

The Group's gearing ratio (net financial debt / equity) is 85 % as at 31 December 2012 compared to 75% at the end of 2011.

AVAILABLE CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to 26,918 KEUR compared to 46,964 KEUR at the end of 2011, representing a decrease of 20,046 KEUR.

The available cash moved as follows:

	31-12-2012	31-12-2011
Term deposits with duration of maximum 3 months	-	2 191
Cash at bank and in hand	26 918	44 773
AVAILABLE CASH AND CASH EQUIVALENTS	**26 918**	**46 964**

The explanation of the change in available cash is given in the consolidated cash flow statement. Cash and cash equivalents are fully available, either for distribution to the shareholders or to finance projects owned by different companies.

FINANCIAL DEBTS

Financial debts increase with 3,638 KEUR, from 183,678 KEUR at 31 December 2011 to 187,316 KEUR at 31 December 2012. The components of financial debts are as follows:

	31-12-2012	31-12-2011
Bond issue maturity 21-12-2016 at 7 % - nominal amount 40 MEUR 31-12-2012 / 30 MEUR 31-12-2011	39 363	29 403
Credit institutions	96 165	79 945
NON CURRENT FINANCIAL DEBTS	**135 528**	**109 348**
Credit institutions	51 788	74 330
CURRENT FINANCIAL DEBTS	**51 788**	**74 330**
TOTAL FINANCIAL DEBTS	**187 316**	**183 678**
Amount of debts guaranteed by securities	147 953	154 275
Book value of Group's assets pledged for debt securities	338 576	276 808

1. The book value of this account approximates its fair value.

Financial debts evolve as follows:

	31-12-2012	31-12-2011
FINANCIAL DEBTS AS AT 1 JANUARY	**183 678**	**88 180**
Contracted debts	81 442	100 922
Repaid debts	-77 804	-5 424
FINANCIAL DEBTS AS AT 31 DECEMBER	**187 316**	**183 678**

All the financial debts are denominated in EUR.

IMMOBEL has completed on February 2012 an additional bookbuilding of 10 MEUR to the private placement of bonds of 15 December 2011, at the same conditions as the first placement of 30 MEUR, maturity December 2016 and bearing a coupon of 7% payable annually in arrears.

In March 2012, a bank syndicate has granted a specific funding of 224 MEUR (100%) in the framework of the *Belair* project, co-developed by IMMOBEL for 40 %; this credit is due in March 2014.

Except the bond, the financing of the Group and the financing of the Group's projects are provided based on a short-term rate, the 1 to 12 month euribor, increased by commercial margin.

IMMOBEL disposes at December 31, 2012 of 60 MEUR credit facility (corporate credit signed in May 2011), of which 10 MEUR used at end of December 2012, due in June 2014. Moreover, IMMOBEL disposes at December 31, 2012 of confirmed bank credit lines for 221 MEUR of which 138 MEUR used at end of December 2012. These credit lines (project financing credits) are specific for certain projects in development and include the part of IMMOBEL in the credit of the *Belair* project.

The table below summarizes the maturity of the financial liabilities of the Group:

DUE IN	2013	2014	2015	2016	TOTAL
Bond	-	-	-	40 000	40 000[1]
Corporate credit	-	10 000	-	-	10 000
Project Financing credits	51 788	44 445	41 720	-	137 953
TOTAL FINANCIAL DEBT	**51 788**	**54 445**	**41 720**	**40 000**	**187 953**

INTEREST RATE RISK

On the basis of the situation as per 31 December 2012, each change in interest rate of 1 % involves an annual increase or decrease of the interest charge on debts at variable rate of 1,480 KEUR.

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

At 31 December 2012, the derivative financial instruments have been concluded to hedge future risks and are the following:

	PERIOD	INSTRUMENTS	STRIKE	NOTIONAL AMOUNTS
	02/2011 - 06/2013	CAP bought	3.50 %	15 750
	06/2011 - 06/2014	CAP bought	4.00 %	36 000
	09/2012 - 09/2013	CAP bought	1.00 %	19 775
	07/2014 - 07/2017	CAP bought	2.00 %	20 000
	03/2010 - 03/2014	IRS bought	3.02 %	10 000
	03/2010 - 03/2014	IRS bought	3.07 %	8 000
	03/2010 - 03/2014	IRS bought	2.99 %	7 000
	06/2010 - 06/2013	IRS bought	2.88 %	20 000
	07/2012 - 07/2015	IRS bought	0.75 %	26 000
	03/2012 - 03/2014	IRS bought	0.94 %	89 600
TOTAL				**252 125**

1. The amount on the balance sheet, 39,363 KEUR, includes 637 KEUR charges to be amortized until maturity in 2016.

The fair value of derivatives is determined based on valuation models and interest rate futures ("level 2"). The change in fair value of financial instruments is recognized through the statement of comprehensive income as thos have not been designated as cash flow hedges.

	31-12-2012	31-12-2011
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Hedging instruments:		
- Bought CAP Options	80	20
- Bought IRS Options	-2 212	-1 827
TOTAL	**-2 132**	**-1 807**

	31-12-2012	31-12-2011
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	**-1 807**	**-1 824**
Changes during the period:		
- Premiums paid	139	258
- Change in the fair value recognised in the statement of comprehensive income	-464	-241
SITUATION AT 31 DECEMBER	**-2 132**	**-1 807**

No instrument has been documented as hedge accounting at 31 December 2012.

LIQUIDITY RISK

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

FINANCIAL COMMITMENTS

The Group is, for the majority of the mentioned financial debts, subject to a number of financial commitments. These commitments are taking into account the equity, the net financial debt and its relation with the equity and the inventories. At 31 December 2012, as for the previous years, the Group was in conformity with all these financial commitments.

RISK OF FLUCTUATION IN FOREIGN CURRENCIES

The Group does not currently hedge the foreign exchange rates risks on its development activities. However, the functional currency of the offices activity currently developped in Poland has been determined to be the EUR, thereby eliminating any exchange risk.

21. Equity

The equity amounts to 187,811 KEUR compared to 182,792 KEUR as at 31 December 2011, representing an increase of 5,019 KEUR. The explanation of the change in equity is given in the consolidated statement of changes in equity.

RISK MANAGEMENT RELATED TO THE CAPITAL

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

22. Pensions and similar obligations

The pensions and similar obligations cover the obligations of the Company as far as the group insurance is concerned. The amount recognised in the balance sheet represents the present value of obligations in terms of defined benefit pension plans less the fair value of plan assets.

	31-12-2012	31-12-2011
AMOUNTS RECORDED IN THE BALANCE SHEET		
Present value of funded defined benefit obligations	2 281	2 200
Fair value of plan assets at the end of the period	-1 676	-1 901
LIABILITIES RECOGNISED IN THE BALANCE SHEET	**605**	**299**
MOVEMENTS OF THE NET OBLIGATIONS IN THE BALANCE SHEET		
OBLIGATIONS AS AT 1 JANUARY	**299**	**346**
Total expense breaks down as follows:	81	115
- Cost of services rendered during the year	78	93
- Financial Cost	78	99
- Expected return on plan’s assets	-75	-77
Group contributions	-79	-103
Amount recognised in Statement of comprehensive income	304	-59
OBLIGATIONS AS AT 31 DECEMBER	**605**	**299**
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY	**2 200**	**2 222**
Cost of services rendered during the period	78	93
Employee contributions	27	37
Interest cost	78	99
Actuarial gains (losses)	254	-109
Paid benefits	-356	-142
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	**2 281**	**2 200**
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY	**1 901**	**1 876**
Expected return on plan's assets	75	77
Group contributions	79	103
Employee contributions	27	37
Actuarial gains (losses)	-50	-50
Paid benefits	-356	-142
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	**1 676**	**1 901**
Contribution of the employer expected for 2013 / 2012	76	104
ACTUAL RETURN ON THE PLAN ASSETS	**25**	**26**
ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS		
Discount rate	2.00 %	3.80 %
Expected rate of return on plan’s assets[1]	-	4.10 %
Expected salary growth rate	3.50 %	3.50 %
Average inflation rate	2.00 %	2.00 %

1. Replaced by the discount rate.

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

The actuarial loss recognized in the statement of other comprehensive income equals -304 KEUR. The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals 120 KEUR.

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

	2012	2011	2010	2009
Present value of defined benefit obligations	2 281	2 200	2 222	2 540
Fair value of plan assets at the end of the period	1 676	1 901	1 876	1 754
Deficit of financed plans	605	299	346	786
Experience adjustments on:				
- plan assets	77	223	136	1 168
- plan liabilities	-50	-50	-51	-83

23. Provisions

The components of provisions are as follows:

					31-12-2012	31-12-2011
Provisions related to the sales					1 620	1 278
Provisions for litigations					-	2 980
Other provisions					176	218
TOTAL PROVISIONS					**1 796**	**4 476**
	RELATED TO THE SALES	LITIGATIONS	SUBTOTAL	OTHER		
PROVISIONS AS AT 1 JANUARY	**1 278**	**2 980**	**4 258**	**218**	**4 476**	**5 360**
Increase	400	-	400	-	400	266
Use (other operating expenses)	-58	-1 480	-1 538	-	-1 538	-1 050
Reversal (other operating expenses)	-	-1 500	-1 500	-	-1 500	-100
Use (personnel expenses)	-	-	-	-42	-42	-
CHANGES FOR THE YEAR	**342**	**-2 980**	**-2 638**	**-42**	**-2 680**	**-884**
PROVISIONS AS AT 31 DECEMBER	**1 620**	**-**	**1 620**	**176**	**1 796**	**4 476**
From which current provisions					**1 785**	**1 479**

Allocation of this position by segment is as follows:

	31-12-2012	31-12-2011
Offices	1 004	2 988
Residential Development	697	1 062
Land Development	95	426
TOTAL	**1 796**	**4 476**

Changes of the provisions for the year	-2 680	
Changes of the provisions linked to employee benefit obligations	2	
Changes of the provisions (consolidated statement of cash flow)	**-2 678**	

These provisions made correspond to the best estimate of outgoing resources considered as likely by the Board of Directors. The Group has no indication on the final amount of disbursement or the timing of the disbursement, it depends on court decisions.

The provisions are made up based on the risks related to the sales and to the litigations, in particular when the recognition conditions of those liabilities are met. The provisions related to the sales mainly consist of rental guarantees, good end of execution...

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

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

24. Trade payables[1]

This account is allocated by segment as follows:

	31-12-2012	31-12-2011
Offices	13 893	12 441
Residential Development	5 231	6 156
Land Development	2 385	2 286
TOTAL TRADE PAYABLES	**21 509**	**20 883**

25. Other current liabilities[1]

The components of this account are:

	31-12-2012	31-12-2011
Personnel debts	736	611
Taxes (other than income taxes) and VAT payable	5 093	286
Advance on sales (mainly related to residential projects)	715	3 088
Advances from joint ventures and associates	1 436	2 313
Accrued charges and deferred income	1 550	1 052
Operating grants	2 263	2 263
Other	3 181	1 774
TOTAL OTHER CURRENT LIABILITIES	**14 974**	**11 387**

1. The book value of this account approximates its fair value.

Other current liabilities are related to the following segments:

	31-12-2012	31-12-2011
Offices	8 671	3 359
Residential Development	3 943	6 832
Land Development	2 360	1 196
TOTAL	**14 974**	**11 387**

Trade receivables and payables and other receivables and payables[1]

	31-12-2012	31-12-2011
Trade receivables	12 816	10 956
Other current assets	9 840	15 166
TOTAL OF TRADE RECEIVABLES AND OTHER CURRENT ASSETS	**22 656**	**26 122**
Trade payables	21 509	20 883
Other current liabilities	14 974	11 387
TOTAL OF TRADE PAYABLES AND OTHER CURRENT LIABILITIES	**36 483**	**32 270**
NET SITUATION OF RECEIVABLES AND PAYABLES	**-13 827**	**-6 148**

26. Change in working capital

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

	31-12-2012	31-12-2011
Inventories, including acquisition of entities that are not considered as business combinations	-30 765	-77 055
Trade receivables	-1 859	-744
Trade payables	626	4 916
Other current assets and liabilities	10 273	-17 052
CHANGE IN WORKING CAPITAL	**-21 725**	**-89 935**

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

1. The book value of this account approximates its fair value.

27. Main contingent assets and liabilities

	31-12-2012	31-12-2011
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	42 836	48 085
- construction contracts	215	215
- other assets	111	329
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	**43 162**	**48 629**
These guarantees consist of:		
- guarantees “Real estate trader” (acquisitions with registration fee at reduced rate)	13 615	13 615
- guarantees “Law Breyne” (guarantees given in connection with the sale of houses or apartments under construction)	11 667	7 036
- guarantees "Good end of execution" (guarantees given in connection with the execution of works)	17 769	16 718
- guarantees "Payment" and "Other" (successful completion of payment, rental...)	111	11 260
TOTAL	**43 162**	**48 629**
Mortgage power - Amount of inscription	59 631	49 036
Book value of Group’s assets pledged for debt securities related to investment property and inventory as a whole	338 576	276 308
BOOK VALUE OF PLEDGED GROUP’S ASSETS	**338 576**	**276 308**
Amount of debts guaranteed by above securities		
- Non current debts	96 165	79 945
- Current debts	51 788	74 330
TOTAL	**147 953**	**154 275**
Commitments for the acquisition of inventories	21 412	15 124
Commitments for the disposal of inventories	11 199	26 607
The commitments from which the value of acquisition or disposal can not be defined, because depending from future events (permit to obtain, number of m² to construct…), are not included.		

28. Information on related parties

The list of subsidiaries, joint ventures and associates is included under note 31.

The transactions between IMMOBEL, subsidiaries and joint ventures are eliminated in consolidation. The relationships with associates consist mainly of loans or advances, whose amounts are recorded in the balance sheet in the following accounts:

	31-12-2012	31-12-2011
Other current assets	1 253	1 229

1. The book value of this account approximates its fair value.

RELATIONSHIPS WITH SHAREHOLDERS - MAIN SHAREHOLDERS

	31-12-2012	31-12-2011
Cresida Investment S.à r.l.	24.99 %	25.00 %
JER Audrey S.à r.l.	5.53 %	5.53 %
Capfi Delen Asset Management n.v.	5.06 %	5.06 %
Fidea n.v.	3.46 %	3.46 %
KBC Assurances n.v.	-	1.73 %
Autres	60.95 %	59.22 %
Number of representative capital shares	4 121 987	4 121 934

RELATIONSHIPS WITH SENIOR EXECUTIVES

These are the remuneration of members of the Management Committee, of the Executive Committee and of the Board of Directors.

	31-12-2012	31-12-2011
Salaries	3 635	3 897
Post-employment benefits	91	81
Other Benefits	9	9
TOTAL	**3 735**	**3 987**

RELATIONSHIPS WITH OTHER RELATED PARTIES

	31-12-2012	31-12-2011
Amounts recognized as income - Services fees	1 007	0
Amounts recognized as income - Asset sales	491	-
Amounts recognized as expenses	472	276
Amounts capitalized on inventories	200	200
Amounts due to related parties	124	33
Amounts due by related parties	102	0

29. Events subsequent to reporting date

Since 1 January 2013, IMMOBEL acquired:

- with two oher partners, each for a third, the company under Luxembourg law PEF Kons Investment, owner of the complex "Galerie Kons", located in front of the train station of Luxembourg;
- 50 % of a company owner of a project in the city centre of Warsaw.

Except these acquisitions, no significant event that may change the financial statements occurred from the reporting date on 31 December 2012 up to 11 March 2013 when the financial statements were approvedby the Board of Directors.

30. Joint ventures

The companies jointly controlled are listed under note 31. The participating interests of the Group in these companies are reported using the proportionate consolidation method grouping the accounts line by line.

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

	31-12-2012	31-12-2011
Total non-current assets	1	2
Total current assets	122 245	117 200
Total non-current liabilities	36 454	7 565
Total current liabilities	27 915	42 718
Total income	20 793	6 970
Total charges	21 015	7 828

31. Subsidiaries, joint ventures and associates

Companies forming part of the Group as at 31 December 2012:

SUBSIDIARIES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
Cedet	-	Warsaw	100.00
Compagnie Immobilière de Lotissements (Lotinvest)	0451 565 088	Brussels	100.00
Compagnie Immobilière de Participations Financières (CIPAF)	0454 107 082	Brussels	100.00
Compagnie Immobilière de Wallonie (CIW)	0401 541 990	Wavre	100.00
Compagnie Immobilière Luxembourgeoise	-	Luxemburg	100.00
Entreprise et Gestion Immobilières (Egimo)	0403 360 741	Brussels	100.00
Espace Nivelles	0472 279 241	Brussels	100.00
Foncière Jennifer	0464 582 884	Brussels	100.00
Foncière Montoyer	0826 862 642	Brussels	100.00
Garden Point	-	Warsaw	100.00
IMMOBEL POLAND	-	Warsaw	100.00
Immobiliën Vennootschap van Vlaanderen	0403 342 826	Brussels	100.00
Immobilière Deka	0417 100 196	Brussels	100.00
Immo-Puyhoek	0847 201 958	Brussels	100.00
Katavia Invesment	-	Warsaw	100.00
Les Jardins du Nord	0444 857 737	Brussels	76.00
Okraglak Development	-	Warsaw	100.00
Project Papeblok	0831 193 097	Brussels	100.00
Quomago	0425 480 206	Brussels	100.00
SPI Parc Seny	0478 120 522	Brussels	100.00
The Green Corner	0443 551 997	Brussels	100.00
Torres Investment	-	Warsaw	100.00
Veldimmo	0430 622 986	Brussels	100.00
WestSide	-	Luxemburg	100.00

1. The % interest corresponds with the voting rights.

JOINT VENTURES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
Bella Vita	0890 019 738	Brussels	50.00
Château de Beggen	-	Luxemburg	50.00
Espace Trianon	0450 883 417	Embourg	50.00
Fanster Enterprise	-	Warsaw	50.00
Foncière du Parc	0433 168 544	Brussels	50.00
Gateway	0501 968 664	Brussels	50.00
Ilot Ecluse	0441 544 592	Gilly	50.00
Intergénérationnel de Waterloo	0890 182 460	Brussels	50.50
RAC 1	0819 582 791	Antwerp	40.00
RAC 2	0819 585 959	Antwerp	40.00
RAC 3	0819 588 830	Antwerp	40.00
RAC 4	0819 593 481	Antwerp	40.00
Société Espace Léopold	0435 890 977	Brussels	50.00
Temider Enterprise	-	Warsaw	50.00
Universalis Park	0891 775 438	Brussels	50.00
Vilpro	0437 858 295	Brussels	50.00

ASSOCIATES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
DHR Clos du Château	0895 524 784	Brussels	33.33
Espace Midi	0402 594 342	Brussels	20.00
Promotion Léopold	0439 904 896	Brussels	35.50

SCOPE OF CONSOLIDATION - NUMBER OF ENTITIES	31-12-2012	31-12-2011
Subsidiaries - Global method of consolidation	24	22
Joint ventures - Proportionate method of consolidation	16	17
Associates - Equity method	3	4
TOTAL	**43**	**43**

1. The % interest corresponds with the voting rights.

During the year 2012, following changes in the consolidation perimeter occurred:

Incoming companies
- Gateway - company incorporated, 50 % holding;
- Immobiliën Vennootschap van Vlaanderen - company incorporated, 100 % holding;
- Galt spv 23 Y sp. Z.o.o. - acquisition of 100 % of shares of the company;
- Immo-Puyhoek - acquisition of 100 % of shares of the company;
- SPI Parc Seny - acquisition of 100 % of shares of the company.

Fair values of assets and liabilities of acquired companies are:

	31-12-2012
Inventories	23 970
Other assets	253
Cash and cash equivalents	312
TOTAL ASSETS	**24 535**
Other liabilities	353
TOTAL LIABILITIES	**353**
PAID PRICE	**24 182**
Purchase price paid in cash	-24 182
Acquired cash	312
OPERATING CASH FLOW	**-23 870**

The acquisitions are not recognized as business combinations under IFRS 3 since the acquired assets and liabilities are not activities (“business”). The acquired assets and liabilities are therefore accounted for using the applicable standard (mainly IAS 2 - “Stock”). The cash outflows linked to the acquisitions of such project companies are classified as operating cash flows.

Outgoing companies
- Sale of 80 % of the participatin interests in the company Bitra (50 % holding);
- Investimmo - 100 % holding - merged by absorption by IMMOBEL;
- Harmonia - 100 % holding - merged by absorption by IMMOBEL;
- Lex 2000 - 50 % holding - merged by absorption by Société Espace Léopold;
- Esplanade 64 - 25 % holding - liquidation of the company.

The sales of project companies are considered as part of the normal business of the group and are therefore recorded as turnover and cost of sales. They are part of the operating cash flow. This accounting treatment is consistent with the purchase of project companies as described above.

STATEMENT FROM THE RESPONSIBLE PERSONS

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

- the Consolidated Financial Statements of NV IMMOBEL SA and its subsidiaries as of 31 December 2012 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies of the IMMOBEL Group as well as the subsidiaries included in the consolidation; and
- the Director's Report on the financial year ended at 31 December 2012 gives a fair overview of the development, the results and of the position of the IMMOBEL Group as well as the subsidiaries included in the consolidation, as well as a description of the principal risks and uncertainties faced by the IMMOBEL Group.

On behalf of the Board of Directors:

GAËTAN PIRET SPRL	Baron Buysse CMG CBE
CHIEF EXECUTIVE OFFICER	Chairman of the Board of Directors

STATUTORY AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

To the shareholders

As required by law, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the accompanying consolidated financial statements of Compagnie Immobilière de Belgique, en abrégé: IMMOBEL SA (the "company") and its subsidiaries (jointly the "group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of accounting principles and methods and notes to the consolidated financial statements. The consolidated statement of financial position shows total assets of 417.567 (000) EUR and the consolidated statement of comprehensive income shows a consolidated profit (group share) for the year then ended of 11.719 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Compagnie Immobilière de Belgique, en abrégé: IMMOBEL SA give a true and fair view of the group's net equity and financial position as of 31 December 2012, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the performance of our mandate.

Diegem, 12 March 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Laurent Boxus

Deloitte.

STATUTORY CONDENSED FINANCIAL STATEMENTS (IN THOUSANDS OF EUR)

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

In accordance with Belgian company law, the Directors' Report and Financial Statements of the parent company, IMMOBEL SA, together with the Statutory Auditor's Report, have been filed at the National Bank of Belgium.

They are available on request from:

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

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

STATEMENT OF FINANCIAL POSITION

	31-12-2012	31-12-2011
ASSETS		
FIXED ASSETS	**93 936**	**105 848**
Start-up costs	637	597
Intangible fixed assets	36	47
Tangible fixed assets	1 565	1 155
Financial fixed assets	91 698	104 049
CURRENT ASSETS	**176 264**	**207 813**
Stocks and contracts in progress	39 879	63 235
Amounts receivable within one year	128 930	109 170
Short term investments	0	192
Cash balance	7 086	34 128
Deferred charges and accrued income	369	1 088
TOTAL ASSETS	270 200	313 661
LIABILITIES		
SHAREHOLDERS' EQUITY	**189 467**	**183 645**
Capital	60 302	60 302
Reserves	10 076	10 075
Accumulated profits	119 089	113 268
PROVISIONS AND DEFERRED TAXES	**1 035**	**3 024**
Provisions for liabilities and charges	1 035	3 024
DEBTS	**79 698**	**126 992**
Amounts payable after one year	50 000	83 700
Amounts payable within one year	29 628	43 019
Accrued charges and deferred income	70	273
TOTAL LIABILITIES	270 200	313 661

STATEMENT OF COMPREHENSIVE INCOME

	31-12-2012	31-12-2011
Operating income	14 931	22 407
Operating charges	-11 070	-13 655
OPERATING PROFIT	**3 861**	**8 752**
Financial income	7 979	9 576
Financial charges	-5 396	-2 615
FINANCIAL RESULT	**2 583**	**6 961**
OPERATING PROFIT BEFORE TAXES	**6 444**	**15 713**
Extraordinary income	5 216	7 209
Extraordinary charges	-65	-3 996
EXTRAORDINARY RESULT	**5 151**	**3 213**
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	**11 595**	**18 926**
Taxes	-3	-4
PROFIT OF THE FINANCIAL YEAR	**11 592**	**18 922**
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	**11 592**	**18 922**

APPROPRIATION ACCOUNT

	31-12-2012	31-12-2011
PROFIT TO BE APPROPRIATED	**124 860**	**120 481**
Profit for the financial year available for appropriation	11 592	18 922
Profit carried forward	113 268	101 559
RESULT TO BE CARRIED FORWARD	**119 089**	**113 268**
Profit to be carried forward	119 089	113 268
PROFIT AVAILABLE FOR DISTRIBUTION	**5 771**	**7 213**
Dividends	5 771	7 213

SUMMARY OF ACCOUNTING POLICIES

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

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

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

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

Stocks are recorded at their purchase price or contribution value, including, in addition to the purchase price, the ancillary costs, duties and taxes relating to them. The infrastructure costs are recorded at their cost price. Realisation of stocks is recorded at the weighted average price. **Work in progress** is valued at cost price. Profits are, in principle, recorded on the basis of the percentage of completion of the work. Write-downs are applied as appropriate, according to the selling price or the market value. The sales and the purchases of properties are recorded at the signature of the notarial act in so far as the eventual conditions precedents are lifted and a clause of deferred property transfer is foreseen in the compromise under private signature

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

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

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

Amounts Payable are recorded at their nominal value.