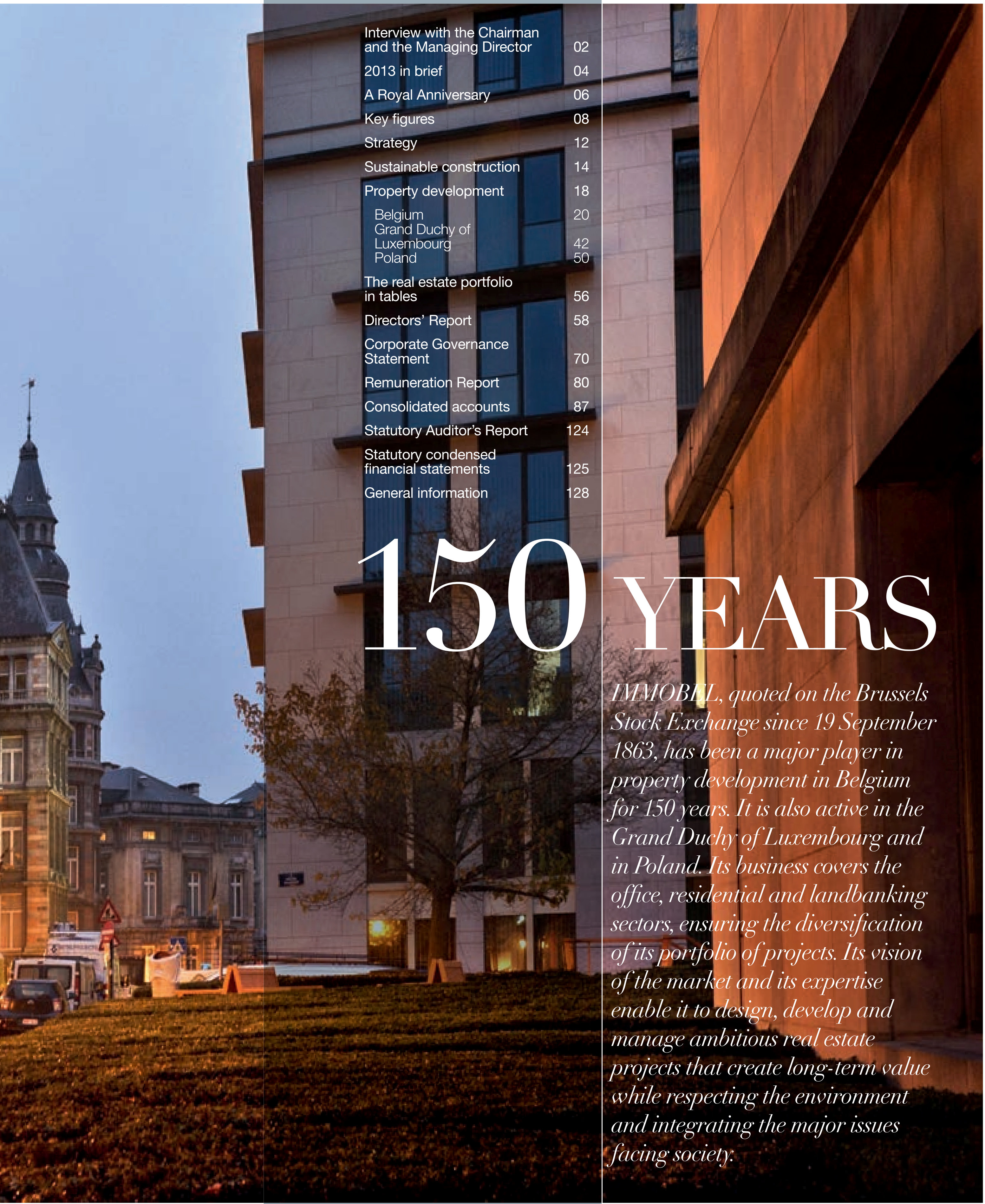
IMMOBEL

1863 - 2013

150 years



150 YEARS

IMMOBEL, quoted on the Brussels Stock Exchange since 19 September 1863, has been a major player in property development in Belgium for 150 years. It is also active in the Grand Duchy of Luxembourg and in Poland. Its business covers the office, residential and landbanking sectors, ensuring the diversification of its portfolio of projects. Its vision of the market and its expertise enable it to design, develop and manage ambitious real estate projects that create long-term value while respecting the environment and integrating the major issues facing society.

INTERVIEW
WITH THE CHAIRMAN AND THE MANAGING DIRECTOR

Gaëtan Piret[1], Managing Director & Baron Buysse CMG CBE, Chairman of the Board of Directors

In Europe, 2013 was marked both by a rise in stock prices and continuing worrying levels of unemployment. How has IMMOBEL evolved in this particular context?

Baron Buysse / Despite the unstable economic context that we experienced in 2013, our company stayed on course. In terms of results the year was difficult for IMMOBEL. But investors welcomed our determination to remain faithful to the strategy the company has been following for the last few years. The company's stock price rose 27% in one year. That is a great performance.

Gaëtan Piret / We were able to make some very interesting acquisitions. And a series of projects in which we have invested especially heavily have developed well, particularly in Warsaw and in Luxembourg, where we have completed the acquisition of the *Kons* project. We have obtained provisional acceptance from the occupant of *Belair 1*. Besides that, we have also obtained the permits for projects such as *Gateway* in Zaventem and *Cedet* in Warsaw.

Is the current economic situation a source of opportunities or a handicap in the lines of business where IMMOBEL is active ?

G.P. / The office market in Brussels has been sluggish for several years. It is more unfavourable now than it's been for twenty years. In this sector, we notice that the average rental vacancy in Brussels is 10%, a rate which is decreasing. The situation is more favourable in the Grand Duchy of Luxembourg and Poland, the two other countries where we have a presence. Demand in Warsaw has continued to be sustained, but there is an increase in rental vacancy. In the town centre of Luxembourg vacancy remains under 5%. As in Belgium, there is considerably less growth on the outskirts.

That said, I repeat what I said previously: the office rental market in Brussels is in decline. There is little demand. The only bright spot on the horizon is that there is a significant decrease in new buildings amongst the vacant rental stock. In Brussels the office market is clearly lagging behind those in Poland and Luxembourg. On the other hand, the residential and landbanking markets did relatively well in Belgium, although we did notice a decline in sales during the second half year. But prices remained stable. The sector benefitted from a combination of positive elements extrinsic to the property market.

1. sprl.

Though it is present in Belgium, Luxembourg and Poland, IMMOBEL is not yet active in each of its lines of business in all three countries. Is this a deliberate choice or a question of opportunity?

B.B. / It is not a deliberate choice. But we want to focus first on one segment per country - like offices in Poland, for example. Obviously we are attentive to the opportunities in the markets where we are present. In Luxembourg, therefore, we initially invested in an office project, before developing a residential or mixed project (offices, residential and retail). In Poland, having had a series of key offices projects, we are now interested in residential and landbanking as well.

2013 was a very special year for IMMOBEL, one in which it celebrated the150th anniversary of its foundation. What are your thoughts on the way in which the company has evolved since its creation?

G.P. / It would be fair to say that there has been both continuity and a break: continuity with regard to property development and the natural expansion of our activities, but a break as far as our new policy of going for geographic diversification is concerned. Nonetheless, we are still in the same business in the three countries where we have a presence.

B.B. / IMMOBEL has always participated in big, ambitious projects. That has been a constant throughout the company's history. Since its foundation IMMOBEL has invested in the transformation of entire areas of cities, with the erection or renovation of complete neighbourhoods. Today the company continues to be a major player in urban development, with projects like *Bella Vita* and *Belair*, for example.

G.P. / The company's stock market listing is another point of stability. IMMOBEL is the oldest Belgian company listed on the stock market. It has gone through all the financial and property crises by relying on unique competences. This element of continuity is a real asset for the company.

The year was marked by the realisation of a few emblematic projects for IMMOBEL. Which ones give you most satisfaction?

G.P. / *Belair* is exceptional. The project evolved a great deal in 2013 because we sold the first phase in June – on condition precedent of acceptance by the occupant and the purchaser – and the building was accepted by the occupant at the end of December. The *Bella Vita* project is progressing at top speed too. It is a magnificent project. We are constructing a real village, a place where people can meet and live. We're proud of *Green Hill*, as well. We're building 174 housing units, a number of which are already occupied. *Black Pearl* is also progressing positively. The first stone was laid and the structural work was nearly finished in 2013. The whole of *Lindepark*, in Tervueren, has been sold already, although the project has only just started. *Gateway*, on the Zaventem airport site, is likewise a very important development and has been completely pre-leased. The project was acquired in 2012 and work on the construction site began early in 2014. Apart from that, in terms of landbanking we have acquired 40 hectares in Ekeren, near Antwerp. We have made other important investments in Flanders too.

"THE COMPANY'S STOCK PRICE ROSE 27% IN ONE YEAR. THAT IS A GREAT PERFORMANCE."

For some time now we have been seeing the conversion of office complexes into residential areas. How is IMMOBEL positioning itself with regard to this development?

G.P. / Cities are evolving. Sometimes offices just don't belong any more in certain neighbourhoods. The residential market takes precedence. IMMOBEL has acquired expertise in dealing with this type of challenge, so it is a notable evolution in which IMMOBEL very quickly took an interest. But it is not a panacea. Some buildings do not lend themselves well to this sort of conversion. The price of this type of transformation and that of reconstruction are generally identical, and there are usually greater constraints with a conversion.

Are you satisfied with the results of the last financial year ?

B.B. / No, because our financial results are just stable. But, thanks to the strategic turnaround we initiated a few years ago, residential and landbanking have compensated for the disappointing results in the office market in Belgium. Moreover, in our business we are sometimes subject to deferment of the completion of a major sale. That was the case with *Belair*, the sale of which was postponed to the first quarter of 2014, although initially we hoped to complete at the end of 2013. Generally speaking, 2013 was a year in which we sowed a lot of seeds. We shall reap the results later.

What is the outlook for 2014 ? Are you confident about the future?

G.P. / We have a few nice projects that are nearing completion and that will bring growth to the company. We have a certain visibility on the next five years too. We are convinced of the pertinence of our choices, although no company is safe from projects that turn out to be less successful.

B.B. / For the reasons mentioned earlier, 2014 will be exceptional in terms of results. The office market will continue to be difficult in Belgium, but there are opportunities to be seized in residential and landbanking, in Belgium as well as in Luxembourg and Poland. Furthermore, we remain confident about the office market in Luxembourg and Poland. We look to the future with serenity. Once again, we would like to thank our employees, our partners and our shareholders for the confidence they demonstrate, every day, in our policies.

2013
IN BRIEF

2013 will go down in IMMOBEL's history as a very special year.

The company celebrated its one hundred and fiftieth anniversary at the Egmont Palace in the presence of His Majesty the King and numerous personalities from the world of politics, the judiciary, business and real estate.

Faithful to the desire to rise to the major urban challenges, which has guided it since its foundation, IMMOBEL has expanded its sphere of activity to include Luxembourg and Poland.

The company's strategy is based on geographic and sectoral diversification, which is the best defence against the vagaries of the market.

The operations carried out in 2013, some of which were particularly emblematic, are an illustration of this.

IMMOBEL develops, alone or in partnership, a portfolio of about 3 000 residential units, 310 000 m^2 of offices and 440 ha of land.

Q1

MULTIPURPOSE KONS PROJECT ON TRACK IN LUXEMBOURG

In partnership with two other companies, IMMOBEL is redeveloping what is currently the *Galerie Kons*, opposite the station in the City of Luxembourg. With a surface area of some 20 500 m², the site comprises various functions (offices, retail, residential and parking), all of which will be preserved in the redevelopment project. A long-term lease has been signed with ING Bank, which intends to set up its Luxembourg headquarters there.

CBD ONE: A STRATEGIC LOCATION IN THE CENTRE OF WARSAW

IMMOBEL has acquired 50% of a company that owns land located in the centre of Warsaw, opposite the Palace of Culture, with a view to developing a project consisting of approximately 18 000 m² of offices and retail.

SUCCESSFUL BOND PLACEMENT

On 19 March 2013 IMMOBEL carried out a private bond placement for a total of 60 MEUR. Due in March 2018, the bonds will yield a gross annual interest of 5.5%.

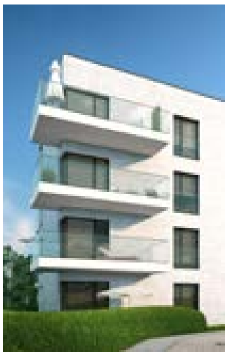
Q2

RAC 1: TRANSFER OF OWNERSHIP WITH CONDITIONS PRECEDENT

IMMOBEL and its partner have sold their stake in RAC 1 S.A., the company that holds the first phase of the *Belair* project. Hannover Leasing, a leader in structuring real estate assets in Germany, has acquired 100% of the shares in RAC 1, in association with an Asian partner, on condition precedent of acceptance of the building by the occupant and the purchaser.

LINDEPARK: THE FIRST STONE IS LAID

In 2013, the first stone of the *Lindepark* project in Tervuren was laid. The four buildings will comprise 60 apartments.



Q3

MERGER BY ABSORPTION OF LOTINVEST IN IMMOBEL

As part of the simplification of the IMMOBEL Group structures, the company has absorbed LOTINVEST, which was in charge of the landbanking business and some residential developments.

BLACK PEARL : AN INNOVATIVE BUILDING

The first stone of the passive office building *Black Pearl* was laid in the presence of the Minister for the Environment, Energy and Urban Renewal for the Brussels Region and the Alderman for Town Planning in the City of Brussels. At the heart of the European district, the building will have a surface area of 11 000 m² above ground.

LISTED ON THE STOCK EXCHANGE FOR 150 YEARS

Established in 1863, IMMOBEL is the oldest Belgian company still listed on the Brussels Stock Exchange (without considering the National Bank of Belgium). On 19 September 2013 it celebrated its one hundred and fiftieth anniversary on the stock market during a ceremony at the Brussels Stock Exchange.

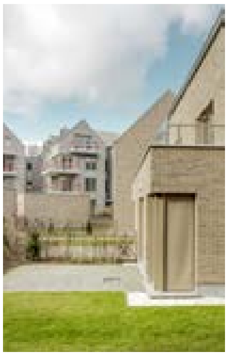
Q4

A ROYAL ANNIVERSARY

On 19 December, IMMOBEL organised an academic sitting to mark the 150th anniversary of its foundation. The event was graced by the presence of His Majesty the King. Two internationally reputed architects presented their visions for the future to the many guests.

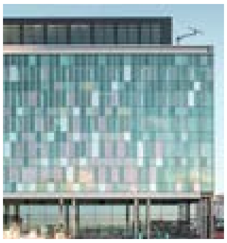
CHARMERAIE : A UNIQUE SITE

The show house of the *Charmeraie* project was inaugurated in the presence of the Mayor of Uccle and the Alderman for Town Planning. The complex, implanted on a unique site adjoining a classified Natura 2 000 green zone, will eventually comprise 39 houses and 32 apartments spread over two buildings.



FEDERAL POLICE TAKE DELIVERY OF BELAIR BUILDING

The Federal Police and the Belgian Buildings Agency have taken delivery of the *Belair* building. As of 2014 the Federal Police will occupy nearly 80 000 m² of offices and other dedicated premises there.

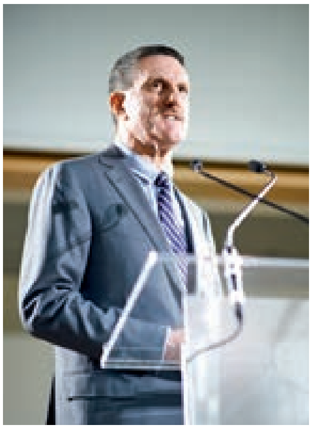


NEW CONVERSION OF OFFICES TO RESIDENTIAL

IMMOBEL has acquired the company holding the long-term lease rights on the *Chien Vert* office building (4 300 m²) in Woluwe St Pierre, with the intention of converting it into high-end residential accommodation. The building, opposite Woluwe Park, enjoys a strategic position in a protected environment.

A ROYAL ANNIVERSARY

Peter Wynne Rees,
City of London



His Majesty the King,
accompanied by
Baron Buysse, Gaëtan
Piret & Didier Reynders

left :
James von Klemperer,
KPF Associates

right :
Didier Reynders,
Minister Foreign
Affairs

On 19 December 2013 IMMOBEL organised an academic sitting to mark the 150th anniversary of its founding. The celebration took place in the Egmont Palace, in the presence of His Majesty the King and numerous personalities from the worlds of politics, the judiciary, business and real estate.

His Majesty the King,
Baron Buysse &
Gaëtan Piret

James von Klemperer,
KPF Associates

Two internationally-renowned architects (James von Klemperer and Peter Wynne Rees) spoke about their visions of urban planning and architecture.

James von Klemperer has degrees from the most prestigious universities in Architecture, Arts, History and Literature. As partner, he is in charge of design at Kohn Pedersen Fox Associates (KPF).

With 600 collaborators, KPF is one of the biggest architectural firms in the world. They are active in 35 countries and the many projects they have conceived have won over 300 highly acclaimed prizes.

KPF Associates has designed almost 40% of the highest buildings in the world. Their approach is embodied in the philosophy set out by Mr von Klemperer. The challenges we face now, which are associated with sustainable development, entail, according to Mr von Klemperer, inventive architectural solutions that combine new ways of integrating multiple purposes, public transport connections and the creation of open public spaces in our town centres.

Peter Rees is City Planning Officer of the City of London. For the last 30 years he has been in charge of planning and redevelopment in this international financial and business hub.

Mr Rees has degrees in Architecture and Town Planning from the best universities. He travels the world sharing his experience, which has earned him numerous awards.

A large audience at the academic sitting at the Egmont Palace

It is under his leadership that the City of London has seen the construction of buildings that have become iconic, such as the famous “Gherkin” (2004) and, more recently, the “Shard” (2010). The scale of these buildings is considerable.

The subject of his presentation, moreover, was “Is high rise building a priority for CBD”. In Mr Rees’s opinion, the City of London lacked the space to accommodate all the companies wanting to set up business there. To meet this challenge, a collection of office towers has been built to extend the financial and business centre - with success, as we all know. However, the quality of the areas, roads and leisure facilities introduced is essential. The mixture of functions is limited: offices and housing are not always compatible.

KEY FIGURES

PORTFOLIO

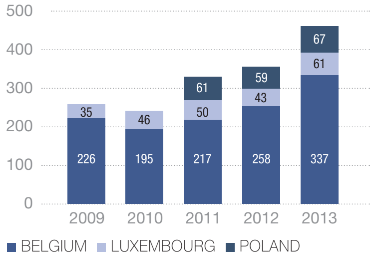
465 MEUR

A BALANCED PORTFOLIO OF PROJECTS

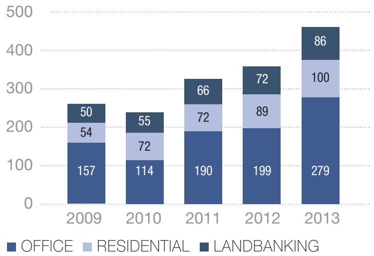
+78%

GROWTH OVER 5 YEARS

EVOLUTION OF THE PORTFOLIO BY COUNTRY (MEUR)



EVOLUTION OF THE PORTFOLIO BY SEGMENT (MEUR)

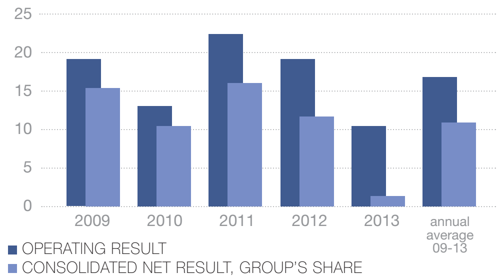


RESULTS

11.1 MEUR

AVERAGE NET RESULT OVER 5 YEARS (2009-2013)

OPERATING RESULT / NET RESULT (MEUR)



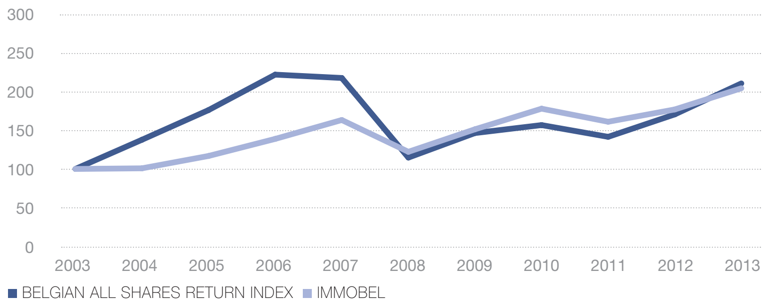
STOCK MARKET

148 MEUR
MARKET CAPITALIZATION BY END 2013

+27%
DURING 2013

+140%
BETWEEN BEGINNING 2009 AND END 2013

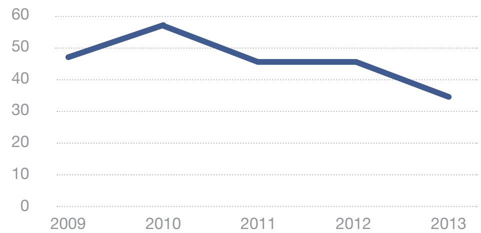
EVOLUTION OF IMMOBEL'S GROSS RETURN COMPARED TO THE BELGIAN STOCK MARKET OVER 10 YEARS



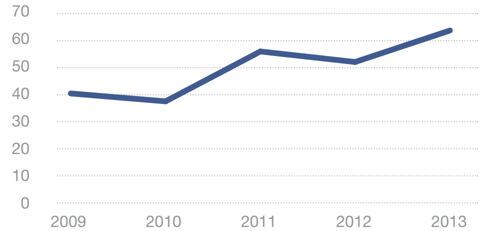
RATIOS

THE COMPANY FULFILLS ITS ENGAGEMENTS TOWARDS BANKS AND BOND HOLDERS

EQUITY / TOTAL ASSETS (%)



LOAN-TO-COST RATIO[1] (%)



1. Financial debts on inventories.

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (MEUR)

10.6MEUR
OPERATING RESULT

INCOME STATEMENT

	2009	2010	2011	2012	2013
Operating income	113.0	85.6	81.1	133.7	**65.1**
Operating expenses	-93.5	-72.4	-58.6	-114.3	**-54.5**
Operating result	**19.4**	**13.2**	**22.6**	**19.4**	**10.6**
Financial result	-4.0	-4.9	-5.4	-6.8	**-9.3**
Share in the results of associates	0.0	2.9	0.3	0.0	**0.2**
Result before taxes	**15.4**	**11.2**	**17.5**	**12.6**	**1.5**
Income taxes	-0.7	-0.7	-1.3	-0.9	**0.0**
Result from continuing operations	**14.7**	**10.5**	**16.2**	**11.7**	**1.5**
Result from discontinued operations	0.9	0.0	0.0	0.0	**0.0**
Result for the year	**15.6**	**10.5**	**16.2**	**11.7**	**1.5**
Share of IMMOBEL	**15.6**	**10.6**	**16.2**	**11.7**	**1.5**

FINANCIAL POSITION

	2009	2010	2011	2012	2013
ASSETS					
Non-current assets	**13.2**	**11.4**	**5.8**	**7.7**	**6.5**
Intangible assets and goodwill	0.0	0.0	0.0	0.0	**0.1**
Tangible assets and investment property	3.4	3.6	2.5	3.9	**3.6**
Financial assets	9.3	7.5	1.3	2.4	**1.1**
Other	0.6	0.3	1.0	1.4	**1.7**
Current assets	**345.3**	**292.1**	**401.0**	**409.9**	**520.4**
Inventories	260.3	240.8	327.9	359.9	**464.7**
Treasury	67.7	34.2	47.0	26.9	**31.4**
Other	17.3	17.1	26.1	23.1	**24.4**
Total assets	**358.5**	**303.5**	**406.8**	**417.6**	**527.0**
EQUITY AND LIABILITIES					
Equity	**168.7**	**172.1**	**182.8**	**187.7**	**183.2**
Non-current liabilities	**69.3**	**71.9**	**112.6**	**136.2**	**152.4**
Financial debts	58.8	65.6	109.3	135.5	**151.5**
Other	10.4	6.3	3.3	0.7	**0.9**
Current liabilities	**120.5**	**59.4**	**111.4**	**93.7**	**191.4**
Financial debts	44.9	22.5	74.3	51.8	**148.8**
Derivative financial instruments	2.2	1.8	1.8	2.1	**0.5**
Other	73.4	35.1	35.2	39.8	**42.2**
Total equity and liabilities	**358.5**	**303.5**	**406.8**	**417.6**	**527.0**

KEY CONSOLIDATED FIGURES

KEY FIGURES IMMOBEL GROUP (MEUR)

	2009	2010	2011	2012	2013
Cash flow[1]	17.2	8.5	14.0	8.0	**0.0**
Net result, Group's share	15.6	10.6	16.2	11.7	**1.5**
Equity, Group's share	168.7	172.2	182.8	187.7	**183.2**
Market capitalization	101.8	130.2	101.8	116.4	**148.4**

FIGURES PER SHARE (EUR)

	2009	2010	2011	2012	2013
Number of shares at year-end (thousand)	4 122	4 122	4 122	4 122	**4 122**
Cash flow	4.2	2.1	3.4	1.9	**0.0**
Net result, Group's share	3.8	2.6	3.9	2.8	**0.4**
Value of equity	40.9	41.8	44.4	45.6	**44.4**
Gross ordinary dividend	2.00	1.25	1.75	1.40	**0.00**
Net ordinary dividend	1.50	0.94	1.31	1.05	**0.00**

STOCK MARKET RATIOS

	2009	2010	2011	2012	2013
List price on 31 December (EUR)	24.70	31.58	24.70	28.25	**35.99**
Maximum quotation (EUR)	24.70	32.85	34.00	28.90	**37.43**
Minimum quotation (EUR)	11.03	23.02	23.86	24.15	**28.36**
List price/book value	0.6	0.8	0.6	0.6	**0.8**
Gross return for 1 year[2]	64.8%	36.0%	-17.8%	21.5%	**32.4%**
Gross ordinary dividend/ last list price	8.1%	4.0%	7.1%	5.0%	**0.0%**
Net ordinary dividend/ last list price	6.1%	3.0%	5.3%	3.7%	**0.0%**

32.4%

SHARE GROSS RETURN IN 2013

1. Net result without the non cash expenses (amortisation, depreciation charges, provisions ...) and the non cash income (fair value ...).
2. Gross return for 1 year: (last closing price + dividends paid during the last 12 months - first list price for the period)/ first list price for the period.

STRATEGY

Since it was founded, in 1863, property development has been at the heart of IMMOBEL's strategy.

Attentive to developments in the market, the company has diversified its activities to encompass **three lines** of business - office properties, the residential sector and landbanking - in **three countries**.

In addition to Belgium, IMMOBEL now exercises its expertise in Luxembourg, where it has had a presence since the early 2000s, and, since 2011, in Poland.

The company targets **three types** of clients: the state, the EU and/or institutional investors for large office complexes; private clients for residential property and land purchases; and private clients wishing to invest in housing.

40 to 50%

MARGIN FROM RESIDENTIAL AND LANDBANKING

DIVERSIFICATION

	BELGIUM	LUXEMBOURG	POLAND
OFFICE	X	X	X
RESIDENTIAL	X	X	
LANDBANKING	X		

DIVERSIFY OUR ACTIVITIES

So far, IMMOBEL has developed all three activities in Belgium, the office and residential segments in the Grand Duchy of Luxembourg, and the office market in Poland, including projects with a mix of retail too.

Today this diversification is bearing fruit. Previously, a multi-year average of close to 90% of profits generated by IMMOBEL came from our office activity; the balance was attributable to landbanking. In Belgium and Luxembourg profits generated by residential and landbanking have now increased to a multi-year average of 40 to 50% of the company's profits. Thanks to this diversification in terms of geography and markets, IMMOBEL currently manages a balanced portfolio that is less exposed to economic cycles and to the local market specifications, allowing it to cover its fixed costs in times of low activity in the offices segment.

TO BALANCE RISKS

IMMOBEL takes a prudent approach to the acquisition and development of its projects, applying precise selection criteria. These criteria address, among others, location, size and phasing, the architectural quality that can be deployed, the environmental characteristics that the project must meet, transport facilities and communication routes as well as profitability compared to estimated risk.

Moreover, IMMOBEL ensures it enters into partnerships for particularly large projects or those requiring specific added value. These partnerships are part of its goal of diversification.

1

BUSINESS
PROPERTY DEVELOPMENT

VISION
BUILDING THE FUTURE
ADDING VALUE

3

COUNTRIES
BELGIUM
GRAND DUCHY
OF LUXEMBOURG
POLAND

SEGMENTS
OFFICE
RESIDENTIAL
LANDBANKING

PROFILES
PUBLIC
PRIVATE
INVESTORS

SUSTAINABLE CONSTRUCTION

WE MEET PAUL MUYLDERMANS, HEAD OF PROJECT MANAGEMENT, WHO IS RESPONSIBLE FOR SUSTAINABLE CONSTRUCTION AT IMMOBEL, AND DAVID DE BORMAN, "ARIES CONSULTANTS"

Since its creation, 150 years ago, IMMOBEL has taken a long-term approach. The buildings constructed by the company are therefore also references in terms of sustainable development. IMMOBEL has always endeavoured to be a trailblazer in this respect and to anticipate the standards of tomorrow.

The projects carried out by the Group integrate the most innovative technologies. The wellbeing of the end-users and respect for the environment are what guide IMMOBEL in its activities. The company uses the BREEAM label as its reference, a label which certifies buildings' energy and environmental performance.

Sustainable development is sometimes a rather vague concept. What would your definition be?

David de Borman / Sustainable development is generally defined as development that meets the needs of the present without compromising the capacity of future generations to meet their own needs. I would add that the human element and technology are closely linked in any project of sustainable development.

Paul Muyldermans / As far as IMMOBEL is concerned, sustainable development includes all the elements in a construction or renovation process that add to the comfort of the end-user. The approach must be coherent and global, both ethical and critical. We are careful to engage in real dialogue with our partners in all our projects, in order to achieve the best compromises between aesthetic and rational choices.

269

HOUSING UNITS OF BELLE VITA FUELLED BY BIOMASS AND URBAN HEATING

In pragmatic terms, how does the notion of sustainable construction translate in IMMOBEL's line of business?

D.d.B. / There are three major aspects involved in the development of any project; they are economic, social and environmental. Every new construction or renovation requires decisions to be made regarding a series of criteria, such

"SUSTAINABLE CONSTRUCTION HAS ALWAYS BEEN AN INTEGRAL PART OF IMMOBEL'S PROFESSIONAL CONSIDERATIONS."

as the location of the building and the urban fabric surrounding it, the purpose for which the building will be used and the profile of the future occupants, the budget allocated to the site, the range of 'sustainable' instruments that can be developed as part of the project and, finally, the specifications necessary for possible certification.

P.M. / Sustainable construction has always been an integral part of IMMOBEL's professional considerations. Our reflexes have evolved along with the technologies. We endeavour to anticipate the legislation and the standards of tomorrow. For this reason we systematically consult a special technologies study bureau before submitting an application for an urban development permit. As a result of studies on buildings' energy performance, for example, we check the component elements of the facades. We carry out a considerable amount of research and studies in advance. When buying a building, moreover, one gives its envelope as much consideration as its interior. Does it get the sun? Will it overheat? We think of all the aspects affecting comfort inside it.

What new evolutions can be observed in terms of sustainable development in real estate?

D.d.B. / The legislation is evolving constantly. We constantly adapt. We have noticed that developers like IMMOBEL increasingly call on consulting bureaus very early in the development of a project. Aspects linked to the environment are taken into consideration well before a permit application is submitted. On the other hand, all big projects fall within the scope of certification programmes like Breeam and others. We have to respect specifications and procedures that are sometimes very complex.

P.M. / We have noticed that buyers give extra consideration to the relationship between extra costs and added value in ecological terms. They are sometimes reluctant to pay higher prices if the benefits expected in terms of a building's performance are not, in their eyes, sufficient. This is certainly true for housing. That said, between existing built stock, which accounts for around 90% of current buildings, and new build, the new buildings, even those that are 'reasona-

BELLA VITA
Waterloo
FCM Architects -
Baudouin Courtens &
Associés

bly good', are far superior to the older buildings in terms of energy performance. The expectations of the public sector concerning new build are generally higher. Sometimes the BREEAM label 'exceptional' is not enough. Passive buildings are the norm.

Is energy performance still the main preoccupation in terms of sustainable construction?

D.d.B. / Energy continues to be a major consideration for real estate designers. For example, building envelopes are insulated more and more. Heating, cooling, ventilation - the technologies evolve constantly. These days there are a variety of different types of heating: geothermics, heat pumps, pellet stoves and so on, whereas we used to be content with installing two boilers in parallel. Other elements, like mobility, are taken into account in every new project too now. Sustainable construction must be seen in a global context. *Belair*, for example, is a mixed development project. The needs of the various players, the technical and human aspects, are integrated into the consideration of the whole complex.

BLACK PEARL
Brussels (European District)
Art & Build

BELAIR
Brussels (City)
Studio Arne Quinze
- M. & J-M Jaspers
- J. Eyers & Partners

P.M. / The *Bella Vita* project in Waterloo is a good example of IMMOBEL's desire to offer alternative solutions where energy is concerned. The urban heating for the 269 housing units and the other service buildings that make up the complex is fuelled by biomass.

Besides the desire to optimise energy production in buildings, and the fact that better consideration is given to the general environment in which projects are built, what new avenues are being followed by real estate designers in their desire to build sustainably ?

D.d.B. / Personally, I am very aware of the question of "grey" water. There is a real potential to be exploited there, particularly in the residential sector. Shower water, for example, could be used for heat recuperation. Biodiversity is a new issue too. Besides green roofs, which are now compulsory for all new build in the Brussels Region, there is a desire to think more deeply about the development of green areas (choice of species for example). Traceability and choice of materials are likewise at the heart of new issues. This evolution is happening at a European level, in terms of labels and certificates in particular.

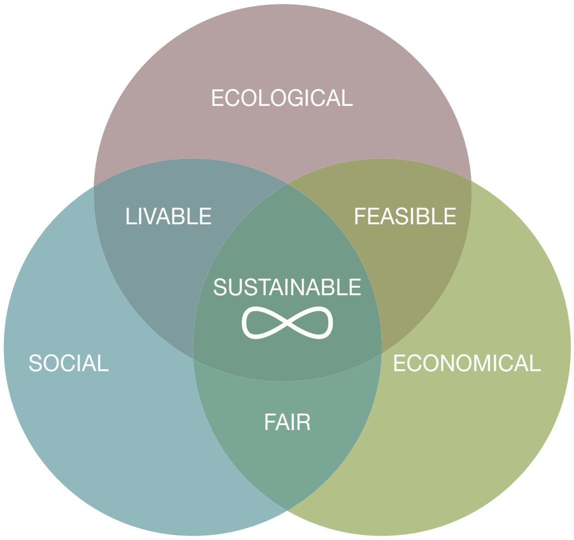
How is IMMOBEL positioning itself compared to its competitors where sustainable development is concerned? Is the company still a reference for the profession?

P.M. / We are clearly at the leading edge in terms of sustainable development. We have a voluntaryist policy in this respect and we make sure that all of the partners associated with the projects we develop share this vision. We endeavour to remain ahead of the regulations. With regard to electricity cables, for example, we anticipated the new standards. Standard cables can, in the event of fire, emit toxic smoke. The cables we lay do not have this drawback. We are particularly careful, as promoters, to integrate into our projects all the materials that represent positive advances for end-users and that are occupant-friendly in health terms.

D.d.B. / In the framework of the *Belair* project, in which I am personally involved as a consultant, I have been able to observe the lengths to which IMMOBEL goes to ensure that there is genuine dialogue with all the parties associated with the projects with which it is involved, including the authorities. IMMOBEL nurtures relationships with the local authorities and the neighbourhood in order to finetune its architectural, technological and urban planning choices. This is an integral part of the process of sustainable development. Moreover, IMMOBEL is in control of the most complex projects, which means it can be BREEAM certified for the buildings that necessitate a multidisciplinary approach. The specifications of the *Belair* complex, which is occupied by the federal police, were very specific because of its tenant. It includes labs, which entails treatment of waste water, a shooting range which necessitates special acoustics, a public area, offices where security is of primary importance, and so on.

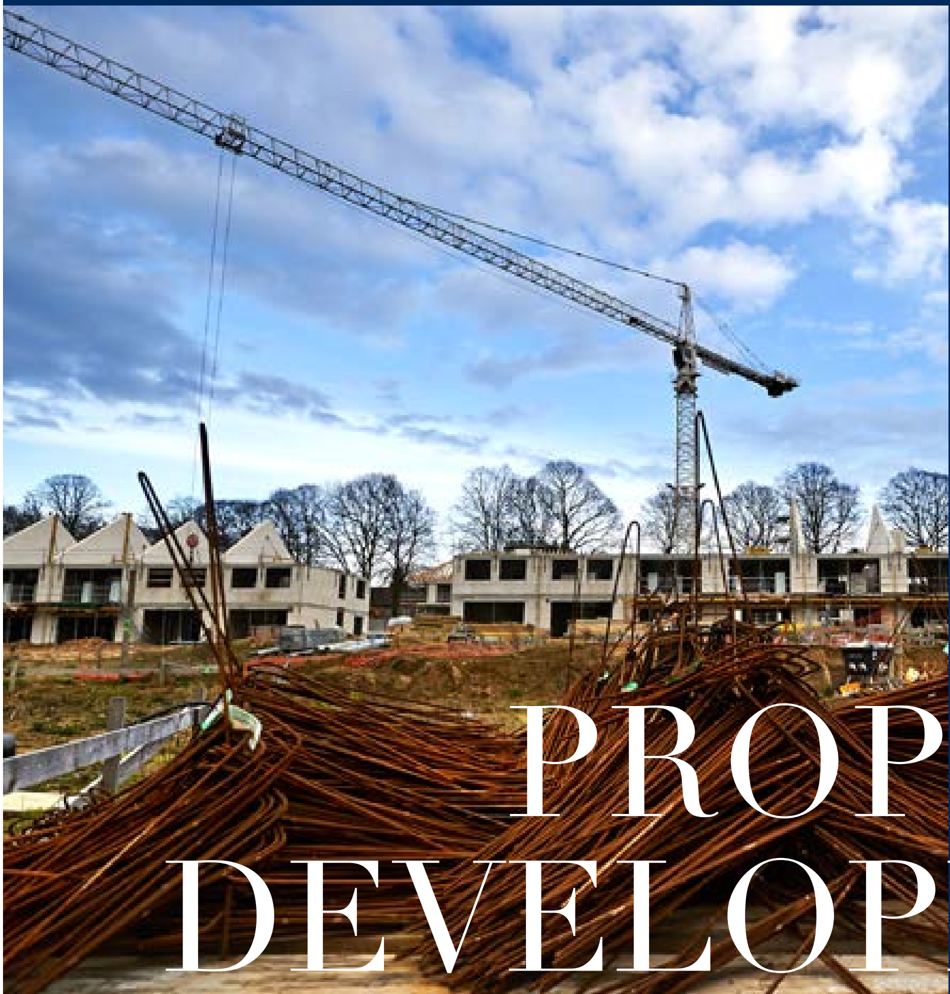
“WE ARE CLEARLY AT THE LEADING EDGE IN TERMS OF SUSTAINABLE DEVELOPMENT.”

“ALL OUR OFFICE PROJECTS UNDER CONSTRUCTION ARE BREEAM ‘VERY GOOD’ OR ‘EXCELLENT’ CERTIFIED.”



IMMOBEL has developed an expertise in the transformation of offices into housing. What are the difficulties that have to be dealt with in this type of conversion?

P.M. / In office buildings we are often faced with depths of 20 metres, although for housing the norm is 14 metres. That means we should find solutions to take full advantage of this difference. The great challenge is to bring light into these spaces. In the past the price per square metre for office property was higher than the price of housing. These days there is very little difference. So the transformation of offices into residential properties requires real architectural and technical knowhow in order to keep the sales prices competitive compared to those for new build. Sometimes it is better to knock everything down and rebuild. These are decisions that have to be taken on a case by case basis.



PROPERTY DEVELOPMENT

BELLA VITA
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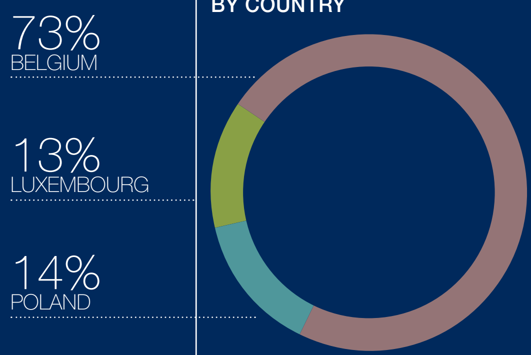
& Associés

BELGIUM

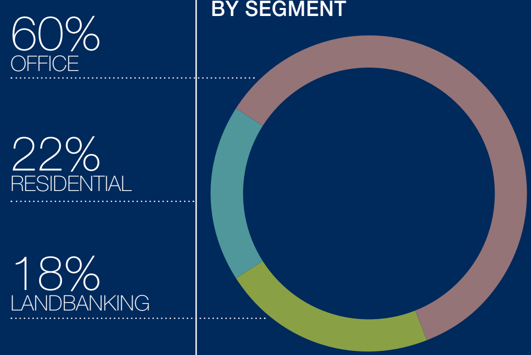
GRAND DUCHY OF LUXEMBOURG

POLAND

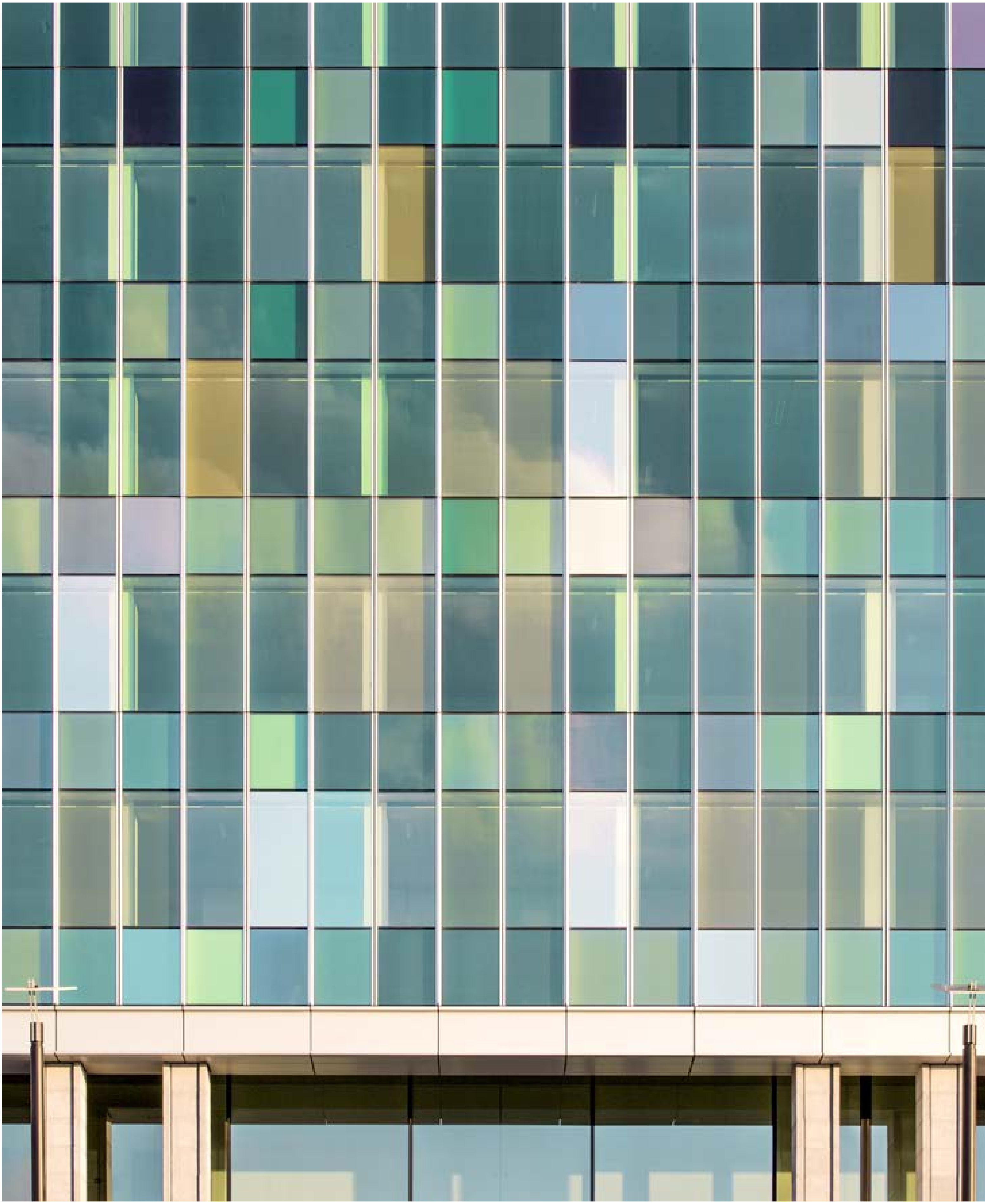
PORTFOLIO DISTRIBUTION[1] BY COUNTRY



PORTFOLIO DISTRIBUTION[1] BY SEGMENT



1. Based on Inventories value at 31-12-2013.



BELGIUM

238 500 m^2
OFFICE SPACE

2 800
RESIDENTIAL UNITS

440 HA
LANDBANKING[1]

1. Including lands acquired under conditions precedent.

BELAIR
Brussels (City)
Studio Arne Quinze -
M. & J-M Jaspers -
J. Eyers & Partners

MAIN PROJECTS

6 OFFICE PROJECTS
28 RESIDENTIAL PROJECTS

BELAIR

BRUSSELS (CITY)
150 000 m²

The landmark Cité Administrative de l'État is under redevelopment and will accomodate a diversity of functions.

BLACK PEARL

BRUSSELS
(EUROPEAN DISTRICT)
11 000 m²

PARC SENY

BRUSSELS (AUDERGHEM)
121 APARTMENTS
2 BUSINESS SPACES

Reconversion of offices into apartments.

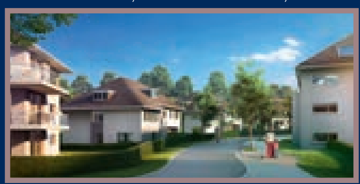
GATEWAY

ZAVENTEM
36 000 m²

Ideally situated offices in the heart of the airport and fully pre-rented.

BELLA VITA

WATERLOO
269 RESIDENTIAL UNITS,
RETIREMENT HOME,
POLYCLINIC, LOCAL SHOP, ETC...



An exceptional environment in the heart of Waterloo for this new way of living.

CHASTRE RUE DU CHÊNE

CHASTRE
42 RESIDENTIAL UNITS

163
BUILDING PLOTS DISTRIBUTED OVER THE WHOLE COUNTRY IN PORTFOLIO

CONTEXT

The Belgian real estate market is full of contrasts. The office sector is credited by new constructions while suffering from rental latency of less strategic locations and from old buildings. The residential and building plots markets benefit from constant interest, despite a precarious economic environment.

OFFICE[1]

RENTAL MARKET

BRUSSELS	2012	2013	12 MONTH OUTLOOK
Stock million m²	13.1	13.3	→
Total uptake (m²)	423 000	331 000	→
Availability rate	10.4%	10.1%	↘
- CBD	6.2%	5.9%	↘
- Outside CBD	17.6%	17.5%	↘
Deliveries (m²)	85 000	223 000	↘
Upmarket rents (EUR/m²/year)	285	285	→
Rent top quartile (EUR/m²/year)	219	210	→
Weighted average rents (EUR/m²/year)	172	169	→

5.9%

OFFICES VACANCY RATE IN THE CBD, AT ITS LOWEST FOR 5 YEARS

BRUSSELS

The rental market in Brussels is gradually returning to normal, despite the lack of activity by occupants in 2013. Availability is at its lowest for 5 years, a trend which has been especially noticeable in the CBD, where availability is down to only 5.9%. Production of high-risk developments remains limited, although a rise in the number of construction starts in the CBD has been evident since late 2012. Outside the CBD, speculative production remains very limited. Although availability has been in decline over the last few quarters, it nonetheless remains high in decentralised districts and on the outskirts. The trend towards converting old, partially or entirely vacant buildings continues and has contributed to the decrease in availability in the CBD and decentralised areas. The prospect of an economic upturn should lead to an improvement in demand from occupants, but we do not expect massive recovery as long as GDP growth remains fragile.

The volume of investment in all types of buildings in Belgium rose by 2% to around 2.24 billion EUR in 2012, above the average for the last 5 years, which was 1.8 billion EUR. Investments in offices increased by 47% compared to 2012, while investments in retail failed to repeat their 2012 record, with volume down by 15%. Demand is concentrated on core products that provide a safe income flow with a risk that is perceived to be low (such as offices leased long term and well established shopping centres). We also notice a rise in the number of transactions involving high yield secondary properties as well as a stable number of redevelopment transactions.

1. Source : Jones Lang LaSalle.

RENTAL MARKET

Uptake

The rental market in Brussels was hit especially hard by the general economic sluggishness in 2013, with uptake down by 21.7% compared to 2012 and a total volume of 331 000 m². This is the weakest rental uptake since 1993. It can be explained by the drop in activity in the private sector, as well as in the public sector: in 2013 the corporates carried out 326 transactions, which is a drop of 6% compared to 2012 and 13% lower than the ten year average. In terms of volume, corporate rental uptake dropped 19% despite a major double transaction by AXA, which on its own accounted for 15% of the uptake in 2013. However, rather than moving to new premises, some corporates have opted to renegotiate their lease, sometimes with a review of the rent, sometimes with a change in the surface occupied. As a percentage of the total uptake, corporates account for 70%, up on the 67% in 2012. Indeed, the Belgian public services, both federal and regional, have not been very active and account for only 8.7% of the uptake, as opposed to 10.2% in 2012 and an average of 18.4% over the last ten years. The European institutions have continued to be active, although less than in 2012, with their uptake down by 31% compared to 2012. The European institutions' share of the total uptake was 17%, as against 20% in 2012 and an average of 11% over the last ten years.

BRUSSELSTOWER
Brussels (City)
Jaspers, Eyers & Partners

BLACK PEARL
Brussels (European District)
Art & Build

Availability & offer

The reduction in availability is corroborated by a vacancy rate that has gone from 10.4% at the end of 2012 to 10.1% at the end of 2013. The trend is especially evident in the CBD, where the vacancy rate, at 5.9%, has dropped to below the 6% mark for the first time since Q4 2008. The historically low level of speculative deliveries and the continued conversion of old office buildings for other purposes explain this drop and compensate for the low level of activity on the leasing market. Outside the CBD, however, the vacancy rate remains high, at 17.5%, despite the fact that conversions continue; and new speculative deliveries have been at a standstill for several years. To be more precise, in decentralised districts availability is declining thanks to conversions and a certain upswing in demand, but it is still high, at 15%.

10.1%
AVERAGE VACANCY RATE

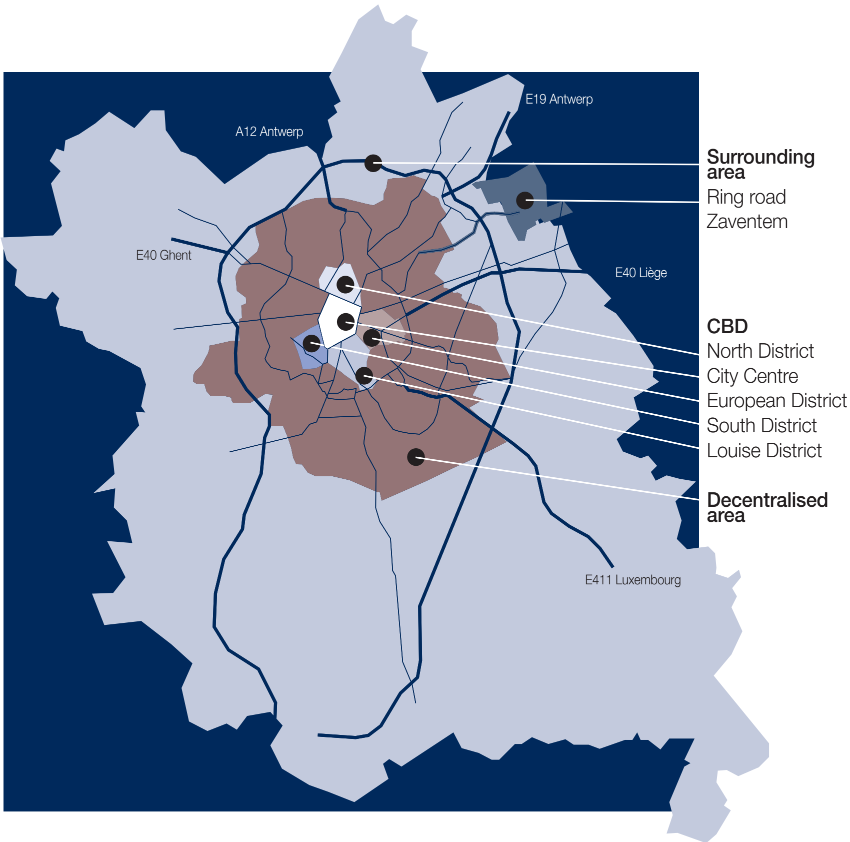
The situation is more problematic on the outskirts where, although speculative developments have also been at a standstill since 2008, the vacancy rate remains high, at 20.6% at the end of 2013. The trend towards conversions has not yet reached the outskirts.

Deliveries for 2014 are estimated at 103 000 m², of which 55 000 m² are speculative and located in the CBD, 34 000 m² are in the quartier Léopold, 13 000 m² in the Pentagone and 8 000 m² in the quartier Nord. In 2015, 177 000 m² are expected to be delivered including 115 000 m² that are speculative.

Rents

In 2013, nominal rents dropped slightly, as is demonstrated by the 4% reduction in rents in the upper quartile and the 2% reduction in the weighted average rent. Upmarket rents for exceptional buildings, on the other hand, have remained unchanged at 285 EUR/m² per annum.

Incentives have remained high and the analysis of a selection of transactions carried out in the course of the past year reveal an average delta of 15 to 25% between nominal rents and economic rents, with a trend towards stabilisation in districts outside the CBD and assumptions of a reduction in the CBD.



MOBILITY, ACCESSIBILITY BY PUBLIC TRANSPORT AND EFFICIENT WORKING SPACES ARE KEY FACTORS IN COMPANIES' CHOICES

Outlook

Several large-scale transactions on behalf of the Belgian public sector, including Actiris and the Flemish Community, are expected in 2014, Demand from the European institutions for office space will continue to be high, particularly as its building stock is aging and some of the leases are nearing expiry. The European Commission's real estate strategy tends to focus on buildings of over 20 000 m², with low energy consumption, situated in close proximity to public transport. In the medium term, a shortage of good quality property cannot be excluded in the CBD. There is uncertainty as to the demand from the private sector, which is very dependent on economic growth.

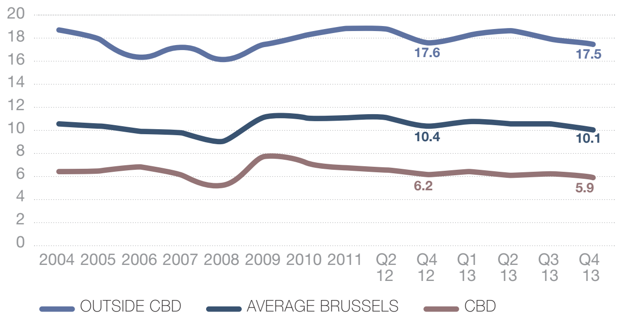
Mobility and accessibility by efficient public transport are key factors in companies' choices when it comes to relocation. The efficiency of the work spaces is also important. The average area per employee is decreasing. There is a general trend amongst a wider variety of occupants towards open plan and a growing number of companies envisage the flex desk option.

INVESTMENT MARKET
Volume of investment

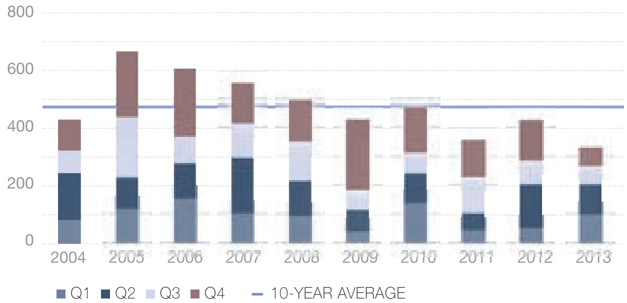
The total volume of investment in Belgium in 2013 came to 2.24 billion EUR, up by 2% over the year. The office sector recorded a hike of 47% compared to 2012, thereby surpassing the 25% average of the last 5 years. For its part, the retail sector has not repeated its 2012 record, and finished the year down 15%, although it was 36% above the average of the last 5 years. The industrial sector dropped 2% compared to 2012 and exceeded the average of the last 5 years by 8%, while remaining globally in line with the volumes of the last ten years. There was a drop of 60% in investments in retirement homes compared to 2012, which was a record year.

Belgian investors (73%) still account for the majority of the total investment volume, although some so-called 'local' investors actually represent foreign capital. Institutional investors, such as insurance companies and pension funds, account for 33% of the total volume. In 2013, they concentrated overwhelmingly on offices (88%) and on core products. The Sicafis increased their investments by 64% compared to 2012 and accounted for 22% of the total volume. Their investments were diversified, with 42% in offices, 26% in retail, 20% in industrial and 12% in retirement homes.

EVOLUTION OF VACANCY RATE (%)



TAKE-UP BY QUARTER (THOUSANDS OF M²)



VOLUME OF INVESTMENTS (MEUR)

	2012	2013	10 YEAR AVERAGE	TREND 2014
Offices	850	1 251	1 409	↗
Industrial	191	187	195	↘
Retail	755	646	504	↘
Retirement homes	302	120	149	↘
Other	96	31	130	↘
Total	**2 195**	**2 235**	**2 554**	↗

Private investors were active in more opportunistic acquisitions, in retail as well as offices and redevelopment transactions.

Yield

The yields on upmarket offices in the CBD with standard leases are in the range of 5.8% to 6.5%, or 20 basis points lower than in 2012. Outside the CBD, transactions by specialised investors remain limited and leave room for more opportunistic investors demanding higher yields. Well-leased good quality buildings fetch between 7.5% and 8%, or more. Yields on office buildings with long-term leases are also under pressure and may drop below the 5% mark.

Yields on upmarket industrial property have remained stable at 7%.

Demand for retail buildings remains high following strong competition between investors for all types of upmarket products, both in shopping centres and on high streets. Yields on high street properties are still under pressure and some very upmarket transactions have been signed at under 4.25%. There were few transactions involving shopping centres in 2013, so prime yields remained stable at between 5 and 5.25%. In 2013 several transactions involving portfolios of retail warehouses were registered. Yields for this type of building are also under pressure, given the competition between buyers, and are between 6.0% and 7.5%.

The retirement home market and its liquidity are fairly new, yields are estimated at between 5% and 6.5%. The same range applies to student homes, another segment of the market that is new and where liquidity is relatively low.

Outlook 2014

The recovery in the office investment market should continue in 2014, particularly with large-scale transactions involving core buildings. Liquid assets available to international institutional investors have increased and the latter are ready to diversify their investments across regional locations such as Brussels. The slight revival of development activity in all asset categories should contribute to an increase in liquidity in the office, retail and logistics markets.

Yields from real estate will continue to be attractive compared to those from other investment products. Although long-term interest rates have risen in the last twelve months, the difference between the rates for sovereign or corporate bonds and the returns on real estate remains favourable, as long as property is leased long term to creditworthy tenants (offices) or it is underpinned by the possibility of releasing it with attractive conditions (shopping centres in large towns, high street shops or logistics).

Where buildings do not have all these elements, private investors and family offices should continue to be active and to seize opportunities which, while they present a certain degree of risk, also have the potential for added value in the medium term.

Finally, there should continue to be a high level of transactions involving former office buildings for redevelopment, basically with the aim of converting them into mid to upmarket housing as well as retirement homes or even schools. The profitability of this type of transaction depends on the cost price of the building and the selling price in its new form. We think therefore that rigorous selectivity is essential, specifically where location is concerned.

YIELDS FROM REAL ESTATE WILL CONTINUE TO BE ATTRACTIVE COMPARED TO THOSE FROM OTHER INVESTMENT PRODUCTS

GATEWAY
Zaventem
Jaspers-Eyers - A2RC

WALLOON REGION

We consider the property market in Walloon Brabant to be part of the outskirts of Brussels. Liège, Charleroi and Namur are therefore the three major markets for office space in Wallonia, with a combined stock of approximately 1 million m².

At 21 000 m², total uptake in 2013 showed a drop of 37%. The region of Liege accounted for 40% of the transactions, and Hainaut 43%, thanks to the acquisition by the Ministry of Transport of 7 500 m² in Mons.

There were no deliveries in the three main markets in Wallonia in 2013. The main delivery expected in Wallonia is the Tour Paradis in Liège, which is scheduled for early 2015 and will be occupied by the federal Finance Ministry. The availability rate remains very low, at between 3% and 5% depending on the city.

Upmarket rents in Liège, Charleroi and Namur have remained stable at 135 EUR/m² per annum, 125 EUR/m² per annum and 160 EUR/m² per annum respectively.

The investment market in Wallonia was calm in 2013 and few office transactions were registered. However, we think that if the opportunity of a core product leased long term to a creditworthy tenant were to present itself, it would soon find a buyer.

FLEMISH REGION

The total stock in the Flemish Region, with the exception of the municipalities in Flemish Brabant, which are part of the outskirts of Brussels, is estimated to be about 4.5 million m², 40% of which are in Antwerp.

In 2013 the uptake of offices dropped by 32% to 155 500 m². Antwerp still occupies first place in the market with 40%, despite a drop in activity by occupants of about 31%, but Ghent, with an increase of 44% is fast catching up. Ghent now accounts for 33% of the total uptake in Flanders as against 16% in 2012. Because of the difficulties with mobility in Antwerp, competition with the other cities has been accentuated in recent years. In addition, Ghent, Aalst, Mechelen, Leuven and Hasselt rival it with new products situated along the motorways.

Once again the private sector drove the demand for offices. Although it is traditionally the mainstay of the market, the public sector was only responsible for 4% of the transactions in all of the cities together in 2013. Availability remains relatively high in Antwerp, at 12% at the end of 2013, while it is only 4.5% in Ghent. Availability is declining in Leuven, at 8.1% as opposed to 11% a year ago, but it has settled at 12% in Mechelen.

Developments in Antwerp are limited at the moment and no speculative deliveries are expected before 2015. In Ghent, however, speculative activity has been sustained, as is illustrated by projects under construction in the area round the new Artevelde stadium bordering the E40 motorway. Medium–sized projects are also under construction on the outskirts of Mechelen.

Upmarket rents have remained stable in the Antwerp CBD at 145 EUR/m² per annum. In the Ring district upmarket rents are also unchanged at 140 EUR/m² per annum. In Ghent, however, upmarket rents are up again by 3.4% and have currently reached 150 EUR/m² per annum, which is the highest level in Flanders. In Leuven they have fallen by 6.4% to 145 EUR/m² per annum, the same level as in Antwerp. And in Mechelen rents have remained unchanged at 140 EUR/m² per annum.

Incentives always constitute an important part of lease negotiations. Benefits equivalent to 8-10% reduction in the nominal rent are customary, which is significant but still below the level of the incentives conceded in the decentralised zones and on the outskirts of Brussels.

Several major investment transactions in core offices have been carried out in Flanders, in particular the AMCA building in Antwerp, which was sold to Befimmo, and the new Electrabel headquarters, which is likewise in Antwerp and was sold to Baloise Insurance.

Yields on core properties with traditional leases are between 6.75% and 7.5% in the Antwerp Ring district, Mechelen, Ghent and Leuven. For long-term leases yields are around 5%, similar to other parts of the country.

UNIVERSALIS PARK
Brussels (Ixelles)
Art & Build

RESIDENTIAL[1]

Exactly as 2012 had led us to expect, 2013 was marked by stability in the residential property market in Belgium as far as the number of transactions carried out.

DUINENZICHT
Bredene
Berkein

This stability in the level of activity was accompanied by a rise in sales prices for houses (+3.2% compared to 2012) and apartments (+2.1% compared to 2012).

In the Brussels Region, which we will discuss in more detail below, there was a slight decline in activity; but prices in the Brussels Region increased by 4.2% for apartments and 1.6% for houses.

THE OFFERING IN THE BRUSSELS REGION

Statbel data for the last few years indicates that the offering is likely to stabilise at around 2 000 to 2 200 apartments per year.

The building permits granted in 2013 represented approximately 2 200 apartments (based on the figures for building permits to 30 October 2013, extrapolated for the year).

These statistics also show the reduction, year on year, of the average living space, which is in the order of 75 m² these days.

However, a certain number of very large projects currently being studied should be carried out and could have a positive influence on the volume of the offering for 2014 and subsequent years. The impact of this increased volume on prices needs measuring.

DEMAND IN THE BRUSSELS REGION

The Brussels Region experienced demographic growth of 1.8%, or 19 766 people, in 2011 and 1.4%, or 15 786 people, in 2012. According to demographers, this trend will continue in the years to come. The increase in the urban population is a phenomenon that can be observed both in Europe and at the global level. The distinctive feature in Brussels, however, is that its geographic territory cannot be extended.

The question which immediately comes to mind is whether this new population has the means to

1. Source: Latour & Petit.

support the demand for new property. The evidence collected seems contradictory and makes it difficult to reach a conclusion.

On the positive side: the more expensive municipalities, i.e. Woluwe-Saint-Pierre, Woluwe-Saint-Lambert, Auderghem and Uccle are experiencing greater demographic growth than the average for the region.

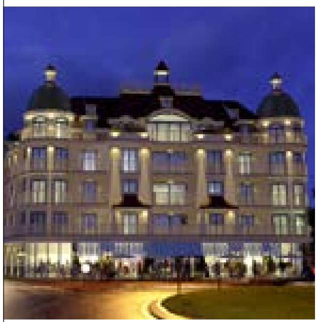
On the negative side: although the most expensive property is to be found in the Brussels Region, average taxable incomes here continue to lag further and further behind those in the other regions.

A large number of economists and financial institutions have raised the issue of the relatively high prices on the Belgian real estate market.

Nonetheless we can see that:

- where price structures are appropriate to the merits of a project, a high percentage of apartments (i.e. over 50%) are sold before the shell is finished,
- the proportion of investor-buyers (60%) is higher than that of owner-occupiers and this trend is more pronounced in the more sought-after municipalities (the East of Brussels and Uccle).

KONINGSLAAN
Knokke
HC Demytteraere
Architectenbureau



PÈRE EUDORE DEVROYE
Brussels (Etterbeek)
Accarain-Bouillot S.A.
Architectes Associés

ZUR ALTEN BRAUEREI
Eupen
Rademacker &
Schoffers Architecten

PRICES AND VOLUMES IN THE BRUSSELS REGION

Real estate activity in Brussels deteriorated somewhat in 2013, with a slight drop in transactions of 2.6% between 2012 and 2013. The figures for the last quarter of 2013 appear to indicate an improvement in 2014.

The median price of an apartment in Brussels was 190 000 EUR in 2013, a 2.7% rise compared to the median of 185 000 EUR in 2012.

The median prices of 3-bedroom apartments rose most strongly, with an increase of 8.9%, while the rise in prices of 2-bedroom apartments was in line with the average.

The average increase of 2.7% hides major disparities from one municipality to another, as the examples below demonstrate.

In Woluwe-Saint-Pierre we see a median price of 241 000 EUR, up 18.3% ; in Auderghem it is 220 000 EUR, up 4.8% ; while in Saint Gilles the median is 197 500 EUR, up 1.3%, and in Anderlecht it is stable, at 140 000 EUR.

In its newsletter on new residential property N°175, published on 25 October 2013, Square Info gave prices of 2 000 to 2 300 EUR per m² for the municipalities in the North and West of Brussels, 2 700 to 3 000 EUR per m² for the South of Brussels, 3 600 EUR per m² for the zone Woluwe-Saint-Lambert and 4 000 EUR for the best districts in the East of Brussels, such as Woluwe-Saint-Pierre.

NEW NICHES: THE MARKET FOR STUDENT HOUSING AND OFFICE CONVERSIONS

After the private investors, institutional investors have gone into buying buildings for students. This market offers immediate high returns but could reach its limits in the short term.

In the office sector more and more real estate players are acquiring obsolete office buildings with a view to converting them into housing.

FOUR RISKS THAT COULD HAVE A NEGATIVE IMPACT ON PROPERTY PRICES IN 2014

1. A change in the tax setup for private individuals with real estate assets and prospective real estate buyers.,
2. Interest rates are at an historic low.,
3. The austerity measures decided on both at the European level and the Belgian level are not without consequences for household buying power,
4. The tightening of the conditions imposed on the banks concerning their equity capital in the context of real estate operations. The immediate consequence of this measure will be to make credit harder to come by and more expensive.

CHARMERAIE
Brussels (Uccle)
Trio

CONCLUSION

Generally speaking, the market remains stable and even bullish where new properties are concerned.

There is an abundance of mainly negative and/or contradictory information going around, which could create a climate of uncertainty and impact the volume and prices of transactions in the months to come.

Nonetheless we notice that investors are very definitely present in the real estate market, particularly for new properties.

It is probable that the one-time voluntary disclosure scheme concerning previously undeclared assets has had an influence on investments in bricks in recent years.

Moreover, the buying power of a certain category of foreign buyers is still an important driver in the sector.

All these elements explain the global stability of the market at present, with a growth in prices for new build and a slight drop in prices for existing buildings in the old, unrenovated category.

LANDBANKING [1]

The figures we have for the first three quarters of 2013 confirm the trend seen in recent years: a decline in the number of transactions and an increase in average prices (+5%).

During this period the number of transactions came to 11 239 compared to 12 277 for the first three quarters of 2012. Only 1 298 ha were sold during the first three quarters of 2013 as opposed to 1 459 ha for the corresponding period in 2012.

Total revenues from sales of land for development have been relatively stable since 2005, although the number of transactions has declined by 40% in this eight year period and the area sold by 30%, testifying to a hike in prices per m² of nearly 50% during that time.

In the last 20 years the number of transactions and the area sold have fallen by around 60%, whilst average prices have increased fivefold.

As a result, the price of building plots continues to increase - faster than inflation. The scarcity, especially in the Flemish and Brussels regions, the length of the procedures required to obtain a land development permit, the weight of the fees and the low rate of interest on mortgages all contribute to this pressure on prices.

Important differences have been observed between average prices/m² in the three regions, with the Walloon region being considerably less expensive than the other two. The average price in Brussels should be weighted, given the low number of transactions.

DEINZE ASTENE
Deinze

1. Information regarding the first three quarters of 2013, source STATBEL, Belgian Federal Economy Ministry.

For the first three quarters of 2013, the difference between the Flemish and Walloon Regions can be summed up as follows: while the area sold in Wallonia was equivalent to 52% of the total sales, it accounted for only 24% of the total revenues. The remaining 48% of the land sold, which was in the Flemish Region, accounted for 75% of the total revenues.

The number of building permits obtained in 2013 will probably be slightly down on the number obtained in 2012 (24 750 permits granted for 46 802 housing units), but the number of housing units will undoubtedly be of the same order, if not higher, which confirms the trend towards a higher and higher proportion of multiple housing units rather than individual houses. We should not forget that in 2006 the permits granted represented a total of 61 083 housing units.

AVERAGE PRICE/M² (EUR)	1992	2000	2005	2011	2012	Q1-Q3 2013
Flemish Region	25.63	55.06	110.76	156.51	165.76	172.83
Brussels Capital Region	156.27	166.91	235.04	437.37	410.95	651.34
Walloon Region	14.06	18.27	32.50	48.74	48.95	50.41
BELGIUM	**23.42**	**38.54**	**71.27**	**102.57**	**105.15**	**110.39**

Demographic growth and the reduction in the size of households will make it necessary to put new residential developments on the market for which plots equipped with utilities will have to be developed.

Plots will increasingly be situated in or close to urban centres or means of transport.

×5

AVERAGE PRICE OF BUILDING PLOTS IN 20 YEARS

Often they will require the conversion of sites that were previously used for economic or industrial activities.

The regulatory measures adopted or being studied in the three regions of the country corroborate these observations. Adoption of the demographic regional zoning plan, PRAS, (published in the moniteur belge on 29 November and 06 December 2013) in the Brussels Capital Region permits the conversion of zones previously reserved for economic activity into residential zones.

Meanwhile, in the Walloon Region, a complete revision of the urban planning code CWATUPE is expected and it may be replaced by the territorial development code (CoDT). The regional development scheme (SDER) is also expected to be adopted.

In the Flemish Region, it should be noted, there was an important ruling by the Constitutional Court on 07 November 2013 annulling certain measures in the Decree on Land and Building Policy, including the abolition of the obligation to set aside land for social housing in the new permits. A second ruling widens the cancellation of other provisions, inextricably related to the "regulation of social security", included in the Flemish code of Planning.

ACTIVITY REPORT

OFFICE

The office market is a major part of IMMOBEL's development strategy. The Company favours the construction of exemplary buildings that meet the strictest architectural, technical and environmental standards.
IMMOBEL has always endeavoured to anticipate new standards and to be a pioneer in its field.

Likewise, the Company is rigorous in its selection of locations, so as to ensure it is present where the development opportunities are greatest, where the communications facilities and the interaction with the urban fabric are optimal. Logically, IMMOBEL has focused most often on central locations, in other words the CBD or equivalent.

Certain projects made a particular mark on IMMOBEL's activity in 2013. These are detailed below. A more comprehensive survey of the various projects under development is available on page 56.

BELAIR (RAC 1) / NEW LIFE FOR AN ICONIC BUILDING IN THE CENTRE OF BRUSSELS

THESE 79 500 M² OF OFFICES WERE DELIVERED TO THE OCCUPANT, PRE-SOLD, ON 30 DECEMBER 2013

This large and complex project, which is held in partnership, offers a total development potential of about 150 000 m², to be developed in four phases: 2 lots of offices (including RAC 1) and 2 lots of housing and services, including a school, a nursery and the restoration of the Jardins Péchère, etc.

BELAIR
Brussels (City)
Studio Arne Quinze -
M. & J-M Jaspers -
J. Eyers & Partners

79 500 m²
OF THE
150 000 m²
COMPLETED BY END 2013
FOR THE BELAIR PROJECT

This first phase of 79 500 m^2 was completed and accepted by both the lessee, the Belgian Buildings Agency, and the occupant, the Federal Police, at the end of 2013. The lease, for a term of 18 years, came into effect on 1 January 2014.

Furthermore, a pre-sale agreement for the project was signed mid-2013. SA RAC 1, the owner of the first phase, was sold to Hannover Leasing and its Asian partner, on condition precedent of provisional acceptance both by the occupant and by the purchaser. This final step was completed on 10 March 2014.

Here IMMOBEL and its partner have redeveloped an iconic building in the centre of Brussels (formerly the *Cité Administrative de l'Etat*), while at the same time creating an essential link between the upper and lower parts of the city, and ensuring that it will eventually fulfil a mixture of purposes, with public areas and collective utilities, shops, offices and housing, the renovation of the Jardins Péchère, and so on.

BLACK PEARL / A NEW PASSIVE BUILDING WITH A VERY SPECIAL DESIGN AT THE HEART OF THE EUROPEAN QUARTER.

IN 2013 GOOD PROGRESS WAS MADE WITH THE CONSTRUCTION OF THIS "EXEMPLARY BUILDING 2012"

The building is situated right at the heart of Brussels, at the corner of the rue Montoyer and the rue du Commerce, in the European Quarter, which is without doubt the best office location in Brussels, thanks in particular to the presence of the European institutions, embassies, etc.

BLACK PEARL :
'EXEMPLARY BUILDING 2012',
BREEAM 'EXCELLENT' AND
PASSIVE BUILDING

BLACK PEARL
Brussels (European District)
Art & Build

The project consists of the demolition of several existing old and obsolete buildings, and the construction of a new complex of about 11 000 m^2 that will meet the highest architectural, technical and environmental requirements.

The project's considerable qualities led the Brussels Capital Region to award Black Pearl the "Exemplary Buildings 2012" label. The building is considered to be "passive" and has gained the BREEAM certification "Excellent".

Construction work started in April 2012 and should be finished in Q4 2014. Some 46% of the construction work had been completed by the end of 2013 and the closed shell stage had almost been reached.

GATEWAY
Zaventem
Jaspers-Eyers - A2RC

GATEWAY / OFFICES IDEALLY SITUATED AT THE HEART OF THE AIRPORT

THE NECESSARY AUTHORISATIONS AND PERMITS WERE GRANTED IN 2013

Situated on the site of Brussels National Airport in Zaventem, the project consists of major renovation and the construction of new buildings on and around the old Terminal 58 to develop approximately 36 000 m² of superior standard offices.

The building has been completely pre-leased by Deloitte for a fixed term of 18 years.

The authorisations and permits have been obtained and construction should start in the course of the second quarter of 2014.

Here IMMOBEL and its partner are engaged in the sustainable conversion, in keeping with the original concept, of a property with a unique location at the heart of an airport, with one facade looking directly onto one of the runways, above a railway station. These new buildings will also feature an outstanding atrium.

RESIDENTIAL

Residential development is an essential component of IMMOBEL's business and it has not ceased to grow in importance over the years. Today it is right at the heart of IMMOBEL's development strategy.

LINDEPARK
Tervuren
M. & J-M Jaspers
- J. Eyers & Partners

In line with its stringent requirements in terms of building quality and environmental innovation, the Company is an avant-garde player in the residential sector.

Harmonious integration into the urban fabric or mixed outskirts, the gamble of intergenerational mixing, an architectural approach that is both contemporary and common to the majority of the projects, and anticipation of new environmental standards – all of our projects have to meet a majority of these criteria, which are guarantees of added value. This is how IMMOBEL imposes its vision and its leadership.

Certain projects made a particular mark on IMMOBEL's activity in 2013. These are detailed below. A more comprehensive survey of the various projects under development is available on page 57.

LINDEPARK / NEW APARTMENTS IN A GREEN AREA AT THE HEART OF THE TOWN CENTRE

ALL OF THE FIRST PHASE HAS BEEN SOLD ALTHOUGH CONSTRUCTION IS STILL IN THE EARLY STAGES

This new residential development, located in the centre of Tervuren, a green town situated to the east of Brussels, involves 60 apartments in two phases: 45 in phase one, 6 of which are destined for the local social housing association, and 15 in phase two.

Work on the first phase is underway and by the end of 2013 the ground floor level had been reached (equivalent to 14% of the work).

During 2013, sales were completed on 38 of the 39 apartments put up for sale in phase one. The sale of the last was signed in early February 2014.

IMMOBEL has made a successful start here on an architecturally and environmentally high-quality development in a green area at the heart of the town centre, close to the shops and main communication routes.

BELLA VITA / AN EXCEPTIONAL LOCATION FOR A NEW WAY OF LIVING

COMMERCIAL SUCCESS FOR THIS NEW INTERGENERATIONAL CONCEPT AT THE VERY HEART OF WATERLOO

The *Bella Vita* project, a 50% partnership, is situated in Waterloo, to the south of Brussels, on a site covering 15 ha. Close to the town centre and the station, the location is exceptional. The lively centre of Waterloo, with its shops, cafés, restaurants and banks, is in the immediate vicinity.

This site, a large part of which is classified, is being transformed into an intergenerational residential complex. Besides housing (apartments and houses) the project includes medical or paramedical facilities, a retirement and care home, a day nursery and other local services.

In 2013, sales contracts were signed on 100 of the 269 housing units. The dedicated areas for the retirement and care home and the day clinic were likewise sold in 2013.

By the end of 2013, 20% of the site had been built.

BELLA VITA
Waterloo
FCM Architects -
Baudouin Courtens
& Associés

Here IMMOBEL and its partner have launched an innovative intergenerational concept that is still unique on this scale in Belgium. It will offer a mixture of housing (new or completely renovated) and services of all kinds, and create a whole new district between the station and Waterloo town centre.

PARC SENY
Brussels (Auderghem)
A2RC

PARC SENY / AN OFFICE TO HOUSING CONVERSION

PERMIT APPLICATIONS HAVE BEEN SUBMITTED

The project consists of the transformation of old, obsolete offices into a complex of good-quality housing (121 apartments and two premises for the liberal professions). In Auderghem, set back from the Boulevard du Souverain, the project is in a green environment in the immediate vicinity of Herrmann Debroux metro station.

Some of the offices will not be vacated until the end of 2014. However, applications for permits have been submitted and work is scheduled to start in the first quarter of 2015.

Here IMMOBEL is participating in the conversion of (old) offices into housing in keeping with the neighbourhood in this green area, close to shops, the major communication routes and public transport.

CHARMERAIE / A NEW LOW-ENERGY DISTRICT IN UCCLE

THE HOUSES AND APARTMENTS IN THE FIRST PHASE HAVE BEEN COMPLETED

The *Charmeraie* project is situated in Uccle, in an ideal location in a green setting. It consists of the creation, in three phases, of a new close containing 39 houses and 32 apartments.

Marketing of the first phase (eight houses and a building with 14 apartments) resulted in the completion of sales on five apartments in 2013.

Here IMMOBEL and its partner are creating a new neighbourhood in the centre of Uccle, offering low-energy houses and apartments, in a green area adjacent to a Natura 2000 classified zone.

JARDIN DES SITTELLES
Woluwe-Saint-Lambert
Trio

IMMOBEL CREATES LOW-ENERGY HOUSES AND APRTMENTS IN THE CENTRE OF UCCLE, IN A UNIQUE GREEN AREA

JARDIN DES SITTELLES / A NEW NEIGHBOURHOOD CREATED IN A DECADE

THE LAST APARTMENTS HAVE BEEN BUILT AND SOLD

This global project consisted of the creation, in three phases, of a new neighbourhood in Woluwe-Saint-Lambert, in the immediate vicinity of the Place Dumon, close to shops, public transport and green areas.

The last phase, a building containing 17 apartments, was finished and completely sold in 2013.

Here IMMOBEL and its partner (20%) have, in the course of a decade, created a new neighbourhood, with 68 single-family houses and four buildings containing a total of 77 apartments in a much sought after residential district.

LANDBANKING

Historically IMMOBEL's business was landbanking. The Company has always been active in developing plots of land with excellent potential in good quality environments. This business is in full expansion.

CHASTRE RUE DU CHÊNE
Chastre

42

NEW HOUSING UNITS

Attentive to new trends in the market, the company is active in residential extension zones and prioritises proximity to towns, public transport and major communication routes in its choice of sites.

Certain projects made a particular mark on IMMOBEL's activity in 2013. These are detailed below. A more comprehensive survey of the various projects under development is available on page 56.

CHASTRE, RUE DU CHÊNE / A NEW LAND DEVELOPMENT PROJECT IN WALLOON BRABANT

42 NEW HOUSING UNITS TO BE BUILT SOON

Armed with an extensive portfolio of land in the Province of Walloon Brabant, the Company continued with its projects in Chastre, starting the parcelling up and development of a piece of land measuring 2.75 ha in the immediate vicinity of another landbanking project that was developed by IMMOBEL previously.

The project comprises the creation and equipment with utilities of 24 building plots. Of these, 22 are destined for the construction of detached and semi-detached houses, and two are destined for the construction of apartment buildings.

Work on the utilities has been finished and accepted.

The permit for the first building was granted on 22 January 2014.

Work on the first houses and the two apartment buildings will start in 2014.

Here IMMOBEL is participating in the creation of a new neighbourhood offering a variety of new detached and semi-detached houses and apartments in a highly desirable part of Walloon Brabant.

OLNE PRÉ LILAS / NEW PLOTS OF LAND IN THE PROVINCE OF LIÈGE

28 NEW DETACHED AND SEMI-DETACHED HOUSES TO BE BUILT SOON

IMMOBEL is starting a new land development project in the villages of Olne and Soumagne, in the Province of Liège, on a plot of land measuring 3.20 ha.

The project consists of creating and building utilities for 28 building plots destined for the construction of detached and semi-detached houses.

Work on the utilities was completed early in 2014 and has been accepted.

Seven plots have already been sold.

Here IMMOBEL is creating a new land development project offering a range of good-sized plots in a natural, hilly environment, well served by main roads, with small squares and high-quality green areas in a zone with residential status.

68 BUILDING PLOTS DESTINED FOR THE CONSTRUCTION OF TERRACED, SEMI-DETACHED AND DETACHED HOUSES, 17 OF THEM MODERATELY PRICED

GEEL GANSAKKER
Geel

GEEL GANSAKKER / A NEW DISTRICT IN THE PROVINCE OF ANTWERP

CLOSE TO 80 NEW RESIDENTIAL UNITS WILL BE PUT ON THE MARKET SOON

The project is located in the town of Geel, in the Province of Antwerp, on a 3.27 ha plot being developed between the Antwerpsedries and Gansakkerstraat.

It consists of creating and equipping 68 building plots destined for the construction of terraced, semi-detached and detached houses, 17 of them moderately priced (affordable housing), and a parcel intended to be used for a building containing ten social apartments.

Sale to private individuals will start once the infrastructure has been completed.

Work to equip the project with utilities should start mid-2014.

Here, in a prize municipality in the province of Antwerp, IMMOBEL will create, in partnership, a large development with a variety of different types of housing.

GRAND DUCHY OF LUXEMBOURG

28 700 m^2
OFFICE SPACE

210 RESIDENTIAL UNITS

GREEN HILL
Luxembourg City
(Dommeldange)
CBA - Christian Bauer
& Associés Architectes

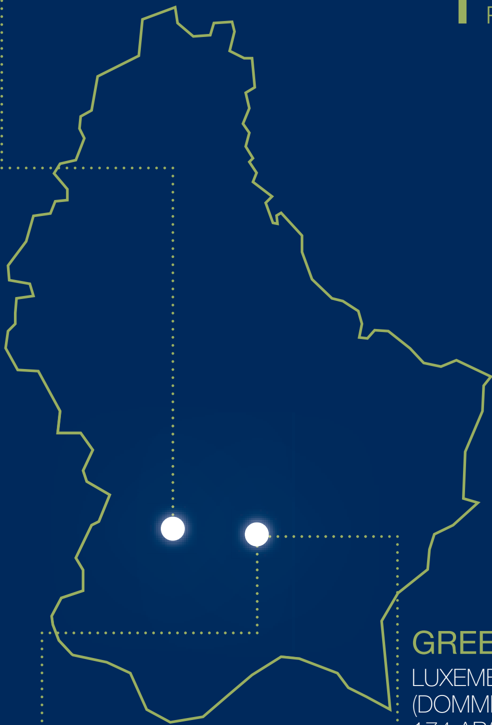
MAIN PROJECTS

2 OFFICE PROJECTS

1 RESIDENTIAL PROJECT

WESTSIDE VILLAGE
MAMER-CAPELLEN
11 700 m^2





GALERIE KONS
LUXEMBOURG CITY
20 500 m^2

New multi-functional development in front of railway-station.

GREEN HILL
LUXEMBOURG CITY
(DOMMELDANGE)
174 APARTMENTS



Dwellers of new green homes are settling in.

CONTEXT

In Luxembourg the office market achieved status quo in 2013 with an uptake of 146 000 m², which is more or less the same as in 2012. Once again the banking sector sustained the market with 34% of the total uptake, slightly less than in 2012, when the banks accounted for 37%.

LEASING MARKET

LUXEMBOURG	2012	2013	12 MONTH OUTLOOK
Stock (million m²)	3.5	3.5	↗
Total uptake (m²)	145 000	146 000	↗
Availability rate (%)	6.5%	5.1%	↗
Deliveries (m²)	73 000	71 000	↗
Upmarket rents (EUR/m²/month)	40	42	→
Investment volume (MEUR)	567	685	→
Upmarket yield (%)	5.75	5.75	→

OFFICE[1]

KEY FIGURES

The phase when the largest financial institutions were bringing all their employees into a limited number of high quality, easily accessible, more energy efficient buildings seems to be behind us now. The big unknown is the impact that the easing of bank secrecy will have on the results of financial institutions established in the Grand Duchy, and therefore on their requirements in terms of office space. In this respect the market is in wait-and-see mode for the moment. Meanwhile, Luxembourg is still welcoming new institutions, such as the China Construction Bank, which will have its offices on the Boulevard Royal in the CBD.

In 2013, the public sector in Luxembourg proved to be much more active than in 2012, with a share of total uptake that went from 2% to 14%. Administrative bodies showed a preference for large, new or renovated premises in easily accessible locations. The European institutions are back again too, with 12% of the uptake compared to 5% in 2012. The main transaction was the lease, by the European Parliament, of 10 076 m² in Kirchberg. This was the biggest transaction by a European institution in the last five years.

One fact worth noting is that because of the low availability of quality premises in the central districts, the demand has shifted to the Decentralised areas, with high availability of good quality properties. In 2013, 28% of the uptake was in Decentralised districts, as opposed to 22% in 2012, and an average of 24% over the last five years. This trend has not yet been observed in the Suburbs.

The low level of speculative deliveries - 14 000 m² in 2013 compared to 27 000 m² in 2012 - and sustained demand have weighed on availability in Luxembourg. At the end of December 2013, the vacancy rate had settled at 5.1%, the lowest level since the end of 2008.

1. Source : Jones Lang LaSalle.

The vacancy rate in the peripherie remains at very high level, around 20-25% depending on the areas.

Upmarket rents continued to increase in 2013, rising from 40 EUR/m²/year to 42 EUR/m²/year in the CBD.

The investment market went up by 21% in 2013, reaching 685 MEUR if transactions involving development and building plots are included, and 589 MEUR if we exclude them. 80% of the transactions involved office buildings, while 18% involved retail, and the remainder building plots.

Belgian and local investors continue to be the most active on the Luxembourg market, with 37% and 33% of the total volume respectively. French investors come next with 22% and then Germans with 5%.

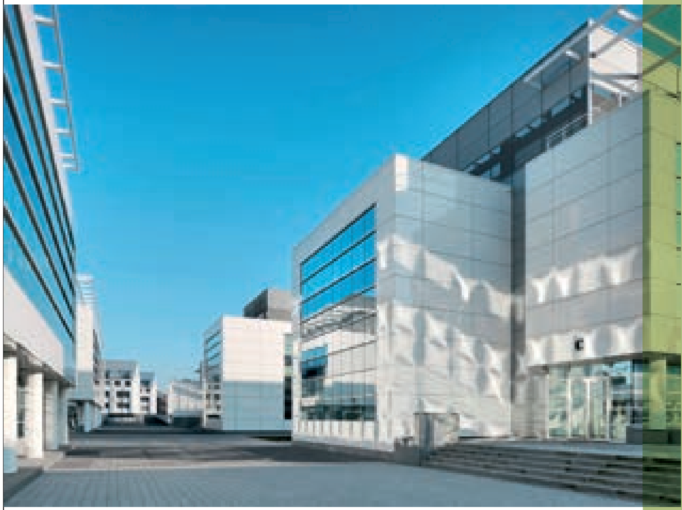
At 5.75% the yield on upmarket offices with standard leases has remained the same as last year. For long-term leases and high-quality properties yields may go down to 5%.

OUTLOOK 2014

For 2014, we expect a bigger uptake than in 2013, due in particular to the fact that KPMG and PwC will be moving into their new headquarters, located respectively in Kirchberg and at La Cloche d'Or. In the short term the offer remains limited: out of 77 000 m² of expected deliveries in 2014, only 19 000 m² are speculative. Availability should therefore continue to decline during the first half year, although it will increase again between now and the end of the year when KPMG and PwC's present headquarters are put back on the market. Rents for small premises in the CBD are likely to rise again in 2014, while average rents are expected to remain at levels similar to 2013.

5.1%
VACANCY FOR OFFICES

WESTSIDE VILLAGE
Mamer-Capellen
Assar Architects SARL



RESIDENTIAL[1]

Average prices per m² for apartments continued to rise in 2013, both for sales of existing apartments and for off-plan sales.

This increase is most noticeable for small apartments, under 50 m², with a +24% rise between Q3 2012 and Q3 2013, and for large apartments (over 100 m²), with a +15% rise between Q3 2012 and Q3 2013.

The average price, off-plan, in 2013 rose to 5 376 EUR per m²; existing apartments were selling for an average of 4 192 EUR per m².

1. Sources : Luxembourg Ministry of Housing, Observatoire de l'Habitat.

ACTIVITY REPORT

In the early 2000s IMMOBEL decided to establish itself in the Grand Duchy of Luxembourg, starting initially with its office development business.

GALERIE KONS
Luxembourg City
M3 Architectes

OFFICE

As in Belgium, the company favours the construction of exemplary buildings that meet the strictest architectural, technical and environmental standards. It is also careful to ensure a rigorous selection of sites, in order to be present where there are development opportunities and where major communication routes and interaction with the urban fabric are optimal.

Bearing in mind the particularities of the market, IMMOBEL is careful to associate with a local partner where necessary.

Certain projects made a particular mark on IMMOBEL's activity in 2013. These are detailed below. A more comprehensive survey of the various projects under development is available on page 56.

GALERIE KONS / A NEW MULTIPURPOSE DEVELOPMENT OPPOSITE THE STATION

ING BANK LUXEMBOURG WILL INSTALL ITS OFFICES THERE

Located right in the centre of Luxembourg City, opposite the station, this new multipurpose project is being developed in partnership (33%) and involves 20 500 m² (14 600 m² of offices, 3 500 m² of housing and 2 400 m² of retail).

The redevelopment of the present site will include the almost total demolition of the present buildings. The location is unique, opposite the station, in a neighbourhood that is undergoing radical transformation.

A long-term lease has been signed with ING Bank Luxembourg for 75% of the office space.

Applications for permits were filed in July 2013; work should start in the second quarter of 2014.

Here IMMOBEL and its partners are contributing to the conversion and reconstruction of (old) offices into new, architecturally and environmentally high quality offices at the heart of the city centre, opposite the station and therefore close to public transport and the major communication routes, while preserving the existing multipurpose nature of the complex.

RESIDENTIAL

In Luxembourg IMMOBEL is reaping the benefits of the expertise it has gained in the Belgian residential construction market. Local IMMOBEL teams adhere to the company's fundamental business principles: strategic locations, proximity to transport facilities, meticulous construction and finishing.
In addition, in order to integrate some of the particularities of the market, IMMOBEL is careful to associate itself, where necessary, with a partner.

GREEN HILL
Luxembourg City
(Dommeldange)
CBA - Christian Bauer & Associés Architectes

GREEN HILL / A NEW NEIGHBOURHOOD ON THE LUXEMBOURG HEIGHTS

NEW OCCUPANTS HAVE BEGUN TO MOVE IN

The *Green Hill* project is situated in Dommeldange, a district in the north of Luxembourg City, close to the centre and the Kirchberg Plateau.

IMMOBEL is engaged here in the development, within a 50% partnership and in phases, of 174 high-quality apartments in 14 buildings.

In addition to the sales that had been finalised previously, 57 sales were completed during 2013. By the end of the year only 20 apartments out of 174 were still available.

By the end of 2013 seven buildings out of the 14 had been completed and delivered (i.e. a total of 92 housing units out of the project's 174) and five others were under construction.

Here IMMOBEL and its partner are creating a new neighbourhood with considerable architectural, environmental and technical merit, and excellent visibility on the heights of Luxembourg.

174

APARTMENTS IN 14 BUIDINGS FOR THE GREEN HILL PROJECT

GREEN HILL
Luxembourg City (Dommeldange)
CBA - Christian Bauer & Associés Architectes

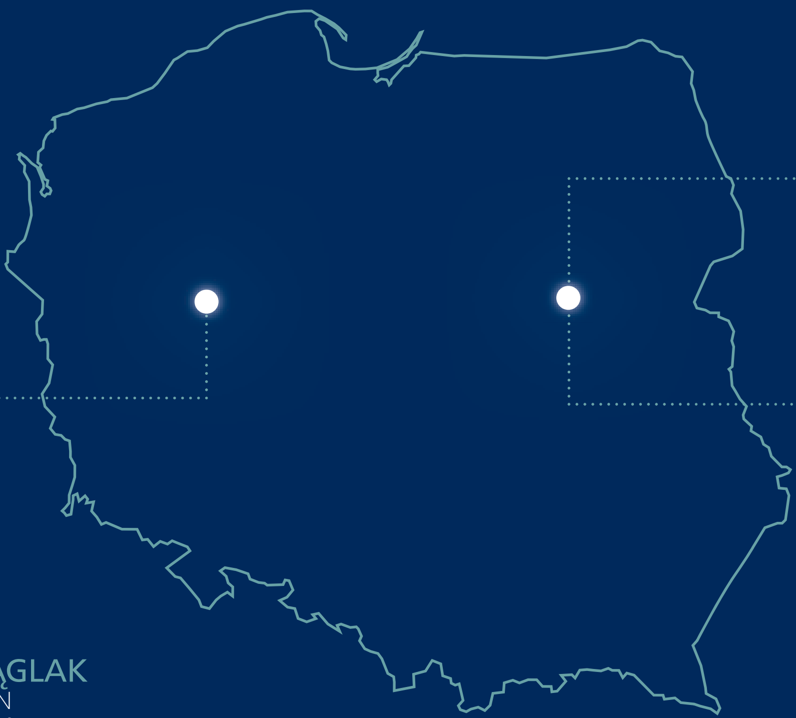
POLAND

47 100 m^2
OFFICE SPACE

OKRĄGLAK
Poznan
Rhode Kellermann
Wawrowsky

MAIN PROJECTS

3 IDEALLY
LOCATED OFFICE
PROJECTS



CEDET

WARSAW
21 200 m²

The valorisation of this well-known building in the center of Warsaw is to start in 2014.

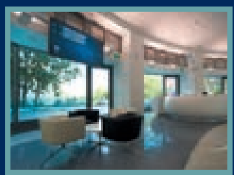
CBD ONE

WARSAW
18 000 m²

A new ambitious project in the center of Warsaw.

OKRĄGLAK

POZNAN
7 900 m²



The thorough renovation of this landmark has been followed by a 3/4 occupancy of the available space.

CONTEXT[1]

WARSAW, OFFICE PROPERTIES

In Warsaw the market for office properties was marked by sustained demand on the part of occupants for the whole of 2013, with a high level of gross take-up, equivalent to 633 000 m². This result is 4% higher than the already record volume in 2012.

Figures for net take-up (excluding contract renewals) climbed too, with a volume of transactions equivalent to 451 000 m² (up 3% on the year before), including nearly 40% in pre-leases.

By the end of 2013, taking into account the numerous new properties on the market (300 000 m², the highest figure since 2000), the vacancy rate reached 11.7% (up considerably compared to the 8.8% at the end of 2012).

The total inventory of modern offices in Warsaw therefore came to 4.1 million m².

The highest nominal rents in Warsaw remained stable in 2013, varying around 22-25 EUR/m²/month in the CBD, and approximately 14.50 EUR elsewhere.

POZNAN, OFFICE PROPERTIES

In Poznan, the market for office properties is equivalent to a total surface area of 314 500 m². The rate of availability increased in 2013 and is currently at 14.6% (as opposed to 10.3% at the end of 2012).

The highest nominal rents have remained stable, at around 14 to 15 EUR/m²/month.

Take-up in Poznan in 2013 reached 37 800 m².

LEASING MARKET

WARSAW	2012	2013	12 MONTH OUTLOOK
Stock (million m²)	3.9	4.1	→
Total uptake (m²)	608 000	633 000	→
Vacancy rate (%)	8.8%	11.7%	↗
Deliveries (m²)	268 000	300 000	→
Upmarket rents (EUR/m²/month)	22-25	22-24	↘

633 000 m²
OFFICE OCCUPANCY
IN 2013

THE POLISH INVESTMENT MARKET

The volume of office transactions remained stable in 2013, amounting to 0.9 billion EUR. Strong activity observed in the other real estate segments in Poland meant total transactions exceeded the 3 billion EUR threshold. This proves that good-quality real estate products in Poland continue to be sought after by investors.

The highest yields from offices remained stable at between 6.00% and 6.25%. The spread between yields from prime and secondary investments was approximately 125 to 250 base points. Yields should remain at this level in 2014, if not increase.

WARSAW, THE RESIDENTIAL MARKET

Despite the economic slowdown and the lack of new developments capable of meeting the demand, 2013 was even better than 2012 in terms of the number of transactions, which surpassed even the historically high level of 2007. In fact, the market was kept buoyant by very low interest rates (in the order of 2.5%) and relatively low sales prices (round 1 900 EUR/m² VAT included).

1. Sources: 2013 Market Reports by JLL, Knight Frank and REAS.

ACTIVITY REPORT

In 2010 IMMOBEL decided to establish itself long-term in Poland and make its second market there. With the aid of a local team of some fifteen employees, the Company applies the same strategy in Poland as it does in Belgium and Luxembourg.
IMMOBEL invests in urban centres, at the heart of public transport systems and the major communication routes.

OKRĄGLAK
Poznan
Rhode Kellermann
Wawrowsky

In Poland there are numerous opportunities to renovate – often obsolete – office buildings. Many possibilities to develop new projects exist too.

IMMOBEL differentiates itself by the high standard of its qualitative construction criteria.

In Poland, as in Luxembourg, IMMOBEL is careful to associate with a local partner, if it is deemed opportune, in order to take into account the particularities of the local market.

Certain projects made a particular mark on IMMOBEL's activity in 2013. These are detailed below. A more comprehensive survey of the various projects under development is available on page 56.

OKRĄGLAK / THOROUGH RENOVATION OF A BUILDING THAT IS ICONIC FOR THE CITY AND ITS INHABITANTS

OVER THREE QUARTERS OF THE OFFICES HAVE BEEN LEASED AND ARE OCCUPIED

The *Okrąglak* project consisted of the thorough renovation of an existing building, which is extremely well situated in the centre of Poznan, between the old city and the central station.

The renovation involved 7 100 m² of offices complemented by 800 m² of business premises.

By the end of 2013, 75% of the building had been leased and occupied.

IMMOBEL launched the development of this building, which is an icon both for the city and for its inhabitants, early in 2011, as part of the geographic expansion decided on in 2010. It is immediately recognisable by its circular form and characteristic staircase.

CEDET / A NEW HARMONIOUS ARCHITECTURAL COMPLEX IN THE VERY CENTRE OF WARSAW

THE PERMITS HAVE BEEN OBTAINED AND RESTORATION IS SCHEDULED TO START IN 2014

Early in 2011, IMMOBEL acquired an existing classified building that is particularly well situated, right in the centre of the CBD in Warsaw, for redevelopment as a high-quality multipurpose building with a surface area in the order of 21 200 m² of office and retail space.

The building permit was granted late in 2013. Work should start during 2014.

IMMOBEL launched this project as part of the geographic expansion decided on in 2010. It involves the redevelopment of a listed building that is an icon in the city, including the restoration of the front wing and the construction of a new section, to make this a harmonious architectural complex with high visibility along one of the main arteries in Warsaw.

CBD ONE
Warsaw
KiR Architects

21 200 m²

OFFICE AND RETAIL SPACES FOR CEDET, IN THE CBD OF WARSAW

CEDET
Warsaw
Rhode Kellermann
Wawrowsky & Andrzej
M. Choldzynski

CBD ONE / AN AMBITIOUS NEW PROJECT AT THE HEART OF THE CITY CENTRE

WARSAW CITY CENTRE WILL SOON HAVE 18 000 M² OF NEW OFFICES

In 2013 IMMOBEL acquired, in partnership (50%), a piece of land that is particularly well situated at the very centre of the CBD in Warsaw.

IMMOBEL will construct a high quality building there with a mixture of offices and retail, and a surface area of approximately 18 000 m².

In line with its philosophy, IMMOBEL is keen to develop a new building that meets the latest architectural, technical and environmental criteria right in the centre of the city, where it will have high visibility.

THE REAL ESTATE PORTFOLIO
IN TABLES

OFFICE

STATE OF PROGRESS OF PROJECT	TOWN/CITY	NAME OF PROJECT	STATE OF COMMERCIALISATION AND/OR CONSTRUCTION AT 31-12-13	TOTAL AREA, IN '000 M²	% OUR PARTICIPA-TION
Built - leased and for sale	Luxembourg	WestSide Village	76% of the offices have been leased and occupied	11.7	100%
	Poznan	Okrąglak	75% of the offices have been leased and occupied	7.9	100%
	Brussels	Belair (RAC 1)	100% of the building has been leased	79.5	40%
Construction in progress - for lease and for sale	Brussels	Belair (RAC 2)	Construction work should be completed by the end of 2014	9.5	40%
		Black Pearl	Construction work should be completed by the end of 2014	11.0	100%
Files under development, various stages of progress	Brussels	Brussels Tower	The dossier is being studied by potential occupants	59.6	50%
		Gateway	An 18-year lease has been signed with Deloitte for the whole project. The permit was obtained at the end of 2013. Work should start in March 2014	36.0	50%
		Universalis Park	The dossier is under analysis	43.0	50%
	Luxembourg	Galerie Kons	A long-term lease has been signed with ING Luxembourg for 70% of the project. A permit application has been submitted	17.0	33%
	Warsaw	Cedet	The permit was obtained at the end of 2013	21.2	100%
		CBD One	The dossier is under analysis	18.0	50%

LANDBANKING

		BRUSSELS	WALLONIA	FLANDERS	TOTAL
LAND STOCK AT 31-12-2013					
Under development	Area, in ha	3.2	70.3	3.7	77.2
	Number of projects	6	54	5	65
In reserve	Area, in ha	0.8	200.7	64.3	265.8
	Number of projects	2	63	13	78
Subject to conditions precedent	Area, in ha	-	62.4	5.6	68.0
	Number of projects	-	17	3	20
ACTIVITY 2013					
Acquisitions	Area, in ha	-	20.8	6.2	27.0
Sales	Net area, in ha	0.2	13.4	0.3	13.9
Permits applied for	Area concerned, in ha	0.6	107.7	18.3	126.6
Permits obtained	Area concerned, in ha	0.6	26.4	3.1	30.1
	Number of residential units concerned	75	337	38	450

RESIDENTIAL

STATE OF PROGRESS OF PROJECT	TOWN/CITY	NAME OF PROJECT	NUMBER OF RESIDENTIAL UNITS	NUMBER OF COMMERCIAL/ PROFESSIONAL UNITS	STATE OF COMMERCIALISATION AND/OR CONSTRUCTION	% OUR PARTICIPATION
Built - sales are in progress	Brussels	Hôtel Martyrs	40		Sales process in progress	100%
		South City Hotel	140		The hotel has been leased to Park Inn	10%
Construction and sales are in progress	Brussels	Etterbeek - Rue P.E. Devroye	12	1	7 apartments have been sold already	33%
		Belair RAC3	77		The project is under construction and being commercialised	40%
		Charmeraie, phase 1	22		7 apartments and 1 house have been sold	80%
	Bredene	Duinenzicht	49		24 apartments have been sold	50%
	Eupen	Zur Alten Brauerei	25	3	All except 1 apartment and 2 professional units have been sold	33%
	Tervuren	Lindepark, phase 1	45		All sold or subject to pre-sales agreement	100%
	Waterloo	Bella Vita	269		Half the residential units have been sold	50%
	Luxembourg	Green Hill	174		All except 9 apartments have been sold	50%
Files under analysis, at different stages of progress	Brussels	Belair RAC4	230		A permit application is in preparation	40%
		Jardins du Nord - Hôpital Français	79		The building permit was obtained mid-2013 - work is about to start	97%
		Etterbeek Residential	50		The building permit was obtained late 2013 - work should start mid-2014	50%
		Parc Seny	121	2	The permit application is in preparation	100%
		Charmeraie, phases 2 and 3	48		The permit application is in preparation	80%
		Chien Vert	46		The permit application is in preparation	100%
		Universalis Park, Lot 3 phase 3	860		The development permit application is in preparation	50%
		Universalis Park Lot 2			The development permit application is in preparation	50%
		Universalis Park Lot 3 Phase 2			A 27-year lease has been signed with Armonea (retirement home) on condition that the permit is granted. The permit application is in preparation.	50%
		Universalis Park Lot 3 Phase 1	140		The building permit application has been submitted	50%
	Tervuren	Lindepark, phase 2	15		The permit application is in preparation	100%
	Grez-Doiceau	PPP Gastuche	220		The development permit application has been submitted	50%
	Knokke	Koningslaan	43	2	The building permit application has been submitted	50%
	Nivelles	Îlot Saint-Roch	150		An analysis of possible developments is underway	100%
	Luxembourg	Galerie Kons	32	1	The permit application is in preparation	33%

DIRECTORS' REPORT

Ladies and Gentlemen,

We have great pleasure in presenting our report on the activities of the IMMOBEL Group during 2013.

In a still difficult economic environment, particularly in the real estate segment of offices in Brussels, IMMOBEL ended 2013 with an operating income of 10.6 MEUR, compared to 19.4 MEUR in 2012.

This income generated a net consolidated profit of 1.47 MEUR, compared to 11.7 MEUR in 2012.

I. BUSINESS DEVELOPMENT
(art. 96 § 1, 1° and 119, 1° Companies Code)

IMMOBEL GROUP BUSINESS

Sales for the year ended came to 53.85 MEUR compared to 126.77 MEUR in 2012.

Throughout 2013, IMMOBEL pursued its development plan in the various spheres of activity, Office, Residential and Landbanking, in 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 has acquired the Company, which holds the long-term lease rights to the "Chien Vert" (4 500 m²) building situated in Brussels (Woluwe-Saint-Pierre), in order to convert it into high-quality modern residential accommodation,
- IMMOBEL has acquired directly or indirectly different pieces of land representing a total of 26.6 ha with a view to develop them.

Sales, acceptances and deliveries

- The provisional acceptance of the building RAC 1 (approx. 80 000 m²) by the Building Authority on behalf of its occupant, Federal Police, sold under conditions precedent, has taken place on 30th December 2013 and the actual transfer of the ownership of shares of RAC 1 to Hannover Leasing as well as to a major Asian institutional investor was made on 10th March 2014,
- Works on Forum (residential part) were accepted in June 2013,
- IMMOBEL has sold 199 apartments and houses in the following projects: *Charmeraie, Espace Midi, Forum, Jardins des Sittelles, Père Eudore Devroye* and *Vallée du Maelbeek* in Brussels, *Lindepark* in Tervuren, *Duinenzicht* in Bredene, *Résidence Saint-Hubert* in Liege, *Bolline* in Eghezée, *Zur Alten Brauerei* in Eupen and *Bella Vita* in Waterloo,
- IMMOBEL has also sold a piece of land (12 447 m²) in Haren to the Centre Scolaire des Etoiles. as well as sold 101 building plots in developments in *Bredene, Chastre, Forchies-la-Marche, Montzen,* and *Sprimont*.

Permits and work

- The urban planning permit for the construction of 78 apartments and 80 parking plots in Berchem-Sainte-Agathe (*Jardins du Nord*) was delivered,
- The urban planning permits for the construction of 220 housing in Grez-Doiceau and 43 apartments in Knokke-Heist were introduced,
- The urban and environmental permits for the *Gateway* project have been obtained,
- The application for urban and environmental permits for the *Parc Seny* project were introduced for the transformation of offices into housing.,
- In addition to the infrastructural work already begun, construction work on the *Bella Vita* project started in April 2013,
- In the *Lindepark* project, work for the first phase of 45 apartments started in February,
- Work in *Black Pearl* and *Belair* projects (particularly related to RAC 1 and RAC 2) continued.

Landbanking

- Development permits were granted to grounds situated in *Eghezee, Grivegnée, Montzen, Soumagne, Raeren, Uccle, Walhain* and *Waremme*. Infrastructural work continues at various landbanking developments,

- As part of the simplification of the Group structures, Lotinvest, the company in charge of the Group's landbanking activities, was absorbed by IMMOBEL on 11th July 2013.

Following the transfers and leases cited below, sales for the "offices" activity in Belgium reached 8.96 MEUR for the past fiscal year compared to 59.03 MEUR in 2012. The operating income came to -1.95 MEUR in 2013 compared to 4.71 MEUR in 2012.

As far as the "residential" activity is concerned sales for the activity reached 17.41 MEUR in Belgium for the past fiscal year as opposed to 18.59 MEUR in 2012. The operating income generated was 4.67 MEUR in 2013 compared to 0.39 MEUR in 2012.

Sales for the "landbanking" activity in Belgium came to 15.11 MEUR for the past fiscal year compared to 11.42 MEUR in 2012.

The operating income generated was 5.30 MEUR as against 2.66 MEUR in 2012

b) Grand Duchy of Luxembourg

Acquisition

- IMMOBEL acquired, in partnership, PEF Kons Investment, the company that owns the *Kons* project situated opposite Luxembourg station, where it will be able to develop approximately 20 500 m² (offices, retail and residential accommodation).

Sales

- Sales of apartments in the *Green Hill* project (50% stake) continue. There have been 57 sales in 2013.

Leasing

- A long-term lease for 10 220 m² has been signed with ING, which will establish its new Luxembourg headquarters in the *Kons* project,

- Occupation of the *Westside Village* building exceeds 77%.

As for 2012, the activity "offices" in the Grand Duchy of Luxembourg does not generate any revenue for the last fiscal year. The operating income for the "offices" activity in the Grand Duchy of Luxembourg came to 1.82 MEUR for the past fiscal year (compared to 0.84 MEUR in 2012).

As far as "residential" is concerned, sales figures for the Grand Duchy of Luxembourg came to 9.10 MEUR compared to 16.22 MEUR in 2012. The operating income generated was 1.32 MEUR compared to 2.18 MEUR in 2012.

c) Poland

Acquisitions

IMMOBEL has acquired 50% of CBD International, company that owns plots of land situated in the centre of Warsaw (CBD), next to the crossing of Marszałkowska and Świętokrzyska Streets, with a view to develop a project comprising approximately 18 000 m² of office and retail space.

Sales

- On 28th August 2013, following receipt of zoning decision IMMOBEL has sold its participation in the residential project to be developed on 2 ha of land at Jana Kazimierza Street (Warsaw),

- IMMOBEL has also sold on 22nd May 2013 a plot of 5 696 sqm in *Gdańsk*, also suitable for residential development.

Both plots where part of the successful RUCH portfolio acquisition completed in 2011 (in Joint Venture with Griffin).

Completions and leasings

- Occupation of the *Okrąglak* building in Poznan was at the end of the year in excess of 77%.

Permits and works

IMMOBEL has obtained zoning decisions for:

- two residential projects situated in Warsaw, allowing development of residential sales area up to 50 000 m² and

- development of a commercial project with approximately 1 200 m² in Warsaw.

Concerning the project *Cedet* situated in Warsaw:

- after having obtained the conservatory building permit, IMMOBEL applied in July 2013 for the building permit allowing development of around 21 000 m² of office and retail space. The building permit has been obtained on 18th December 2013, and

- an amendment to the existing agreement has been concluded with Centrum Development & Investment Sàrl, ensuring minimum return on *Cedet* investment, in line with the one expected for similar development projects. IMMOBEL has additionally secured the right to cancel the transaction until 31st March 2015, in case valid and final building permit will not be obtained before 31st December 2014.

The “offices” activity in Poland does not generate any revenue for the last fiscal year (compared to 19.09 MEUR in 2012). The operational result amounted to -0.64 MEUR in 2013 compared to 8.59 MEUR in 2012.

The “residential” activity amounted to a turnover of 3.27 MEUR in Poland during the past fiscal year compared to 2.42 MEUR in 2012. The operating income amounted to 0.05 MEUR.

FINANCE

- IMMOBEL has conducted on 19th March 2013 a private placement of bonds for 60 MEUR, due in March 2018 and generating a gross annual interest of 5.5 %,
- During 2013, IMMOBEL obtained or renewed, alone or with its partners, credit lines for around 310 MEUR (100% participation) concerning 12 projects.

COMMENTS ON THE ANNUAL ACCOUNTS

1. Consolidated accounts

Income Statement

(MEUR)	31-12-2013	31-12-2012
Operating income	10.57	19.37
Financial result	-9.27	-6.79
Shares in the income of entities accounted for by the equity method	0.19	0.02
Result before tax	1.49	12.60
Taxes	-0.02	-0.91
Income from ongoing business	**1.47**	**11.69**
Income for the year	**1.47**	**11.69**
Group share of income	**1.47**	**11.70**

Balance sheet

(MEUR)	31-12-2013	31-12-2012
Inventories	464.7	359.9
Investments in associates and available for sale	1.1	2.4
Trade receivables and other assets	29.8	28.4
Cash	31.4	26.9
TOTAL ASSETS	**527.0**	**417.6**
Shareholder equity	183.2	187.7
Provisions	2.2	2.5
Long-term financial debt	151.5	135.5
Short-term financial debt	148.8	51.8
Trade payables and other liabilities	41.3	40.1
TOTAL EQUITY & LIABILITIES	**527.0**	**417.6**

2. IMMOBEL SA company results

Income statement

The operating profit amounts to 4.35 MEUR for the past financial year compared to 3.86 MEUR for the year closed at 31st December 2012.

The financial result amounts to -1.35 MEUR as opposed to 2.58 MEUR in 2012. This decrease is mainly due to the costs linked to the 60 MEUR bond issue at 5.5% in March 2013.

The exceptional result amounts to 0.51 MEUR compared to 5.15 MEUR en 2012.

IMMOBEL’s financial year ended with a net profit of 3.51 MEUR, compared to a net profit of 11.59 MEUR at 31st December 2012.

The Balance sheet

The Balance sheet total amounts to 365.45 MEUR compared to 270.20 MEUR for the financial year closed at 31st December 2012.

On 31st December 2013 equity came to 192.98 MEUR. It was 189.47 MEUR in 2012.

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year, amounts to 122.60 MEUR.

The Board of Directors proposes to the Ordinary General Meeting of 22nd May 2014 not to distribute a gross dividend and to defer the available income of 122.60 MEUR.

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 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 2013, IMMOBEL renewed or negotiated credit lines for 310 MEUR (100% participation) either alone or with partners, and raised on 19th March 2013 60 MEUR via a bond issue.

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 bond issues of 2011 and 2013, which are 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 art. 119, 2° Companies Code)

The Board of Directors reminds that the actual transfer of ownership of shares RAC 1 to Hannover Leasing and its partner took place on 10th March 2014.

Since 1st January 2014, 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 art. 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 -0.47 MEUR at 31st December 2013.

VI. EVIDENCE OF THE INDEPENDENCE AND COMPETENCE OF AT LEAST ONE MEMBER OF THE AUDIT & FINANCE COMMITTEE
(art. 96 § 1, 9° and art. 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 29th August 2007) and ARSEMA sprl, represented by Mr Didier Bellens, (during the Ordinary General Meeting on 28th 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.

M. Maciej Drozd, actuel CFO de Eastbridge Group, dispose quant à lui également des compétences requises en matière de comptabilité et d'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 decided not to increase the capital of IMMOBEL under the authorized capital (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 by Articles 523 and 524 of the Companies Code when it took the decision about the possible cancellation of the acquisition of shares of the Company Torres Investment Sp holding the Cedet project in Poland, from Centrum Development & Investment S.à r.l. (affiliate to IMMOBEL, through the reference shareholder of the Group, the Luxembourg company Cresida Investment S.à r.l.).

During 2013, the Committee of Independent Directors met on several occasions (20th, 25th and 27th June, 10th July, 22nd August and 9th September) in order to issue an opinion (cfr. Appendix 1) on the conclusion of the "Amendment N°5" to the initial agreements governing the sale of the shares aiming, in particular:

- to ensure minimum profitability in line with those expected for other development projects,
- elimination of the possibility of upward adjustment of the purchase price paid under the original agreements by the number of rental sqm obtained,
- the distribution (at 2/3 for IMMOBEL and 1/3 for CDI) of the potential excess return compared to the threshold itself above the guaranteed return, and
- to cancel the transaction ("Unwinding Option") until 31st March 2015, if planning permission is not obtained before 31st December 2014.

Based on various reports of the Committee of Independent Directors and the report of the Independent Expert, Jean-François Cats, who assisted the Board of Independent Directors in assessing the possible financial consequences of the operations contemplated for the IMMOBEL Group' proposed decision, the Board of Directors of 10th September 2013 has decided to enter into Amendment N°5 to the initial agreements previously amended.

The Auditor made an assessment of the accuracy of the information in the advice given by the Committee and in the minutes of the Board of Directors (cf. Appendix 2).

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 70 of the Annual Report).

X. TAKEOVER BID

Pursuant to article 34 of the Royal Decree of 14th 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 Board of Directors is authorized 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,
- **3°**- the Board of Directors was specially authorised for a term of 3 years dating from the Extraordinary General Meeting of 13th 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

- The Board of Directors of 14th January 2014 took note of the resignation of Mr. Dany DWEK:

  - as a Director of the Company and appointed Ms. Davina BRUCKNER to fill the vacancy. At the Ordinary General Meeting to be held on 22nd May you will have to decide on the final election of Ms. Davina BRUCKNER to complete the term of Mr. Dany DWEK, until the Ordinary General Meeting to be held in 2016,

  - as a Member of the Investment & Asset Management Committee and Remuneration and Appointments Committee. The same Board of Directors has appointed Ms. Davina BRUCKNER as a Member of the of Investment & Asset Management Committee, replacing Mr. Dany DWEK.

- At the Ordinary General Meeting to be held on 22nd May 2014, you will also be proposed to renew the terms of office of MM. Maciej DYJAS and Marc GROSMAN for a period of four years expiring at the Ordinary General Meeting to be held in 2018,

- Moreover, during this same General Meeting, you will also have to express an opinion on the reappointment of the Statutory Auditor, civil society under form of a SCRL Deloitte Reviseurs d'Entreprises. It is proposed to renew his mandate as Statutory Auditor for a period of 3 years ending after the Annual General Meeting to be held in 2017 for a fee of 93 900 EUR (excluding fees and disbursements) per year, indexed annually. The Statutory Auditor will be represented by Mr. Laurent Boxus as lead partner.

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

Agreed at the Meeting of the Board of Directors
on 27th March 2014.

Baron BUYSSE
Chairman of the Board

GAËTAN PIRET sprl
Managing Director

APPENDIX 1

COMMITTEE OF INDEPENDENT DIRECTORS

ADVICE TO THE BOARD OF DIRECTORS OF 10TH SEPTEMBER 2013 REGARDING THE CEDET PROJECT

Brussels, 9th September 2013

The Committee of Independent Directors met on 20th, 25th and 27th June 2013, 10th July, 22nd August and 9th September 2013.

The Committee has carefully reviewed the latest memo of the CEO and its annexes (being the Memo from Linklaters and the draft Amendment N°5, as well as the advice of the Independent Expert, being all together the "Documents").

As to the description of the nature of the decision and of the operation on which the Committee has to opine, the Committee referred to the memo of the CEO together with its annexes and it observed that it will have to make a recommendation on the possible follow up of the Cedet Project, and more particularly in view of the three options that are presently open in this respect, i.e. either to go on with the realization of the project on the basis of the initial agreements related thereto, or to exercise the "Unwinding Option" provided by the initial agreements as amended from time to time, or to conclude the Amendment N°5 to the initial agreements.

The Committee observed that the conclusion of the opinion of the Independent Expert is: "As independent expert, I consider that the 3rd Option (approval of the Amendment N°5) is neither of such a nature that it would result in an financial or other "manifestly abusive" damage for the Company, nor should it cause the Company a damage that should be otherwise balanced, particularly taking into account that,

a) the Company keeps the possibility to unwind the project if the building permit is not obtained, or obtained under unacceptable condition for the parties,
b) the new terms of performance of the contract between both parties are better defined (i.e. IRR definition),
c) the Amendment N°5 is a significant improvement compared to the original contractual terms,
d) the 3rd Option provides an acceptable economic profitability, at least 13% (an higher profitability is not excluded),
e) with regard to the financial guarantees obtain/negotiate from CDI/Eastbridge, there is no objective fact or reason to doubt their validity.

Considering that the building permit has not been obtained, it is not possible to estimate the financial consequences of the entire operation."

On the basis of all the data referred to above, the Committee considered that, from a business point of view, the 3rd Option, i.e. that the Amendment N°5 be concluded, is the better one to be adopted in the best interest of the Company and of all its Shareholders.

It is in particular observed, without prejudice to all other elements resulting from the Documents that the Committee has reviewed, that:

(i) Contrary to the 2nd Option, as a consequence of which the opportunity to realize a profit on the project is definitively lost, the 3rd Option maintains this opportunity, which is moreover supported, contrary to the 1st Option, by a "IRR Guarantee" as detailed and qualified in the Documents; according to the Committee, the fact that the IRR Guarantee is subject to some conditions, amongst others the absence of gross negligence in the running of the project, does not imply that the 1st or the 2nd Option should be preferred.

(ii) Contrary to the 1st Option, the 3rd one, in addition to the "IRR Guarantee" for the case where the project is continued up until its normal end (i.e. the realization of the "Permitting Process", the "Construction Process", the "Leasing Process" and the "Exit Process"), maintains an "Unwinding Option", as also detailed and qualified in the Documents, up until 31st March 2015, should the building permit not been obtained by 31st December 2014. According to the Committee, the fact that the new "Unwinding Option" is subject to some conditions, amongst others the absence of gross negligence in the running of the project does not imply that the 1st or the 2nd Option should be preferred.

As far as the three specific questions raised in Article 524 of the Belgian Company Code are concerned, the Committee refers to all the financial data presented in the Documents and observes in particular that (i) the IRR Guarantee could result in an economic margin of around 19.4 MEUR, and that, alternatively, the exercise of the new "Unwinding Option", as the case maybe, would result in an increased recovery compared to the application of the existing SPA of an amount of 1.261 MEUR (explained by the fact that the costs recovered are no longer capped at 750 KEUR), being 29.6 MEUR computed on the 4th September 2013.

On the basis of the above, the Committee concluded, referring to the wording of Article 524 of the Belgian Company Code, that neither is the 3rd Option of such a nature that it would result in a damage "manifestly abusive" for the Company, nor should it cause the Company a damage that should be otherwise balanced. For the sake of completeness, it added that (i) should the fact that a IRR of 13% couldn't be reached be considered as a possible damage in the meaning of Article 524 of the Belgian Company Code, such "damage" is adequately balanced by the "IRR Guarantee" as referred to above, and (ii) should the uncertainty that remains about the obtaining of the building permit be considered as a possible cause of damage for the Company in the meaning of Article 524 of the Belgian Company Code more particularly in comparison with the 2nd Option, such "damage" is adequately balanced by the new "Unwinding Option".

Resolution: The Committee recommended that the Board decides that the Amendment N°5 has to be accepted and concluded, together with its schedules, provided that all documents are signed by CDI and Eastbridge tomorrow before the Meeting of IMMOBEL's Board of Directors.

Marek Modecki
Independent
Director

Laurent Wasteels
Independent
Director

Wilfried Verstraete
Independent
Director

ARSEMA sprl
represented by
Mr. Didier Bellens
Chairman of the Committee

APPENDIX 2

ASSESSMENT OF THE STATUTORY AUDITOR

IN ACCORDANCE WITH ARTICLE 524 OF THE COMPANIES CODE – DECISION OF THE BOARD OF DIRECTORS DATED 10 SEPTEMBER 2013

To the board of directors,

Pursuant to a “Preliminary share purchase agreement” and an “Amendment to the preliminary share purchase agreement and a share purchase agreement” (hereafter jointly referred to as the “Share Purchase Agreement”) concluded respectively on 21 December 2010 and 2 February 2011 by and between (i) Centrum Development and Investments Sàrl (hereafter the “Seller” or “CDI”), a company governed by the laws of Luxembourg and a related party entity of Cresida Investment Sàrl, a company governed by the laws of Luxembourg and reference shareholder of Compagnie Immobilière de Belgique SA (hereafter “Immobel” or the “Company”), and (ii) Torres Investment Sp.Z.o.o. (hereafter the “Purchaser” or “Torres”), a company governed by the laws of Poland and wholly owned by Immobel, and (iii) Immobel (acting as guarantor of the Purchaser’s obligations), Torres purchased from CDI all the shares in the company governed by the laws of Poland Cedet Sp.Z.o.o. (hereafter “Cedet”). Cedet owns a real estate development project (office and retail) in Warsaw (Poland).

The Share Purchase Agreement, as amended from time to time based on discussions between CDI, Torres and Immobel, provides Torres with an unwinding option allowing it to sell all the shares in Cedet back to CDI if the building permit (as defined in the initial Share Purchase Agreement) is not obtained on or before a date defined in the Share Purchase Agreement as amended from time to time.

Since the building permit was not obtained on the defined date, Torres was in a position to exercise the unwinding option.

In the context of the potential exercise of this unwinding option (hereafter the “Transaction”), 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 advice dated 9 September 2013 of the committee of the independent directors, and in the minutes of the meeting of the board of directors held on 10 September 2013. This assessment will be attached to the minutes of the said board of directors and will be included in the directors’ report.

This assessment follows the other assessments we have previously issued on 25 September 2013 with respect to the decisions taken by the board of directors on 26 and 27 June 2013, and on 11 July 2013. These assessments confirmed the faithfulness of the data included in the advices of the committee of the independent directors, and in the minutes of the meetings of the board of directors.

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

a) we have obtained the advice dated 10 September 2013 of the committee of independent directors and have compared the financial data included in this advice with the report issued on 9 September 2013 by the independent expert RSM InterAudit SC SCRL, represented by Mr Jean-François Cats;

b) we have obtained the minutes of the meeting of the board of directors held on 10 September 2013 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) here above, we have found that the financial data included in the advice of the committee of the independent directors dated 9 September 2013 correspond to the report issued on 9 September 2013 by the independent expert RSM InterAudit SC SCRL;
- with respect to item b) here above, we have found that the conclusion included in the minutes of the meeting of the board of directors held on 10 September 2013 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 the value of the transaction nor the opportunity of the advice 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 transaction 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, 25 September 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 Bedrijfsrevisoren / Reviseurs d'Entreprises
Société civile sous forme d'une société coopérative à responsabilité limitée
Siège social: Berkenlaan 8b, B-1831 Diegem
TVA BE 0429.053.863 - RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

DECISION-MAKING BODIES

THE BOARD OF DIRECTORS

The "curriculum vitae" of each Director (or of its permanent representative) can be summarized as follows:

Baron Buysse

CMG CBE, 68, following an international career in London, where he was an Executive Director of BTR Ltd and Chief Executive Officer of Vickers Ltd, he is currently Chairman of Bekaert, a Bel20 company. It was he who initiated the Buysse Code on Corporate Governance for companies that are not listed on the stock market. He is also Director or Chairman of other organizations.

Gaëtan Piret

55, holds a Master's degree in Business Engineering from the ULB. He is PMD 1989 of the Harvard Business School, a Fellow Member of the Royal Institution of Chartered Surveyors (FRICS) and a Member of IPI. He joined the Compagnie Immobilière de Belgique in 1992 and has been Managing Director since 29 June 2007. In addition, he is, amongst other things, a Director of SITQ Les Tours SA (Caisse de Dépôt et Placement du Québec) and UPSI (Union Professionnelle du Secteur Immobilier).

Didier Bellens

58, has a degree in Economics and Business Administration from the ULB (Solvay Business School). He is a Member of the International Committee of NYSE. He was previously the CEO of the RTL Group and Managing Director of GBL (Groupe Bruxelles Lambert), as well as Managing Director of Belgacom for 10 years.

Maciej Drozd

49, obtained degrees from the Faculty of Philosophy and Sociology and the Faculty of Management of Warsaw University. He also has an MBA from the University of Illinois in Urbana-Champaign. He joined Eastbridge in 1995. Since June 2009, he has been a Director and the CFO of Eastbridge Group and a Member of the Supervisory Board of EM&F Group. Since 2002, he has been a Member of the Board of Directors and CFO of the Commercial Real Estate department of the Eastbridge Group. Previously he worked as CFO in various companies in Poland.

Dany Dwek[1]

55, has been active in real estate – predominantly in residential property, retail and offices – since 1985. Alone or in partnership (with Interparking and the Brussels Regional Development Agency (SDRB), amongst others), he has simultaneously initiated, developed and managed multiple successful ventures both in Belgium and internationally, especially in Central Europe and the US. Since 1992 he has been one of the initiators and developers involved in the conversion of landmark office buildings into residential projects in the financial district of Manhattan, New York. He was a shareholder and Member of the Supervisory Board of Eastbridge between 1994 and 2013.

Maciej Dyjas

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

Marc Grosman

58, supplemented his Master at the ISG business school with an MBA from Harvard Business School in 1982. Since 1978, he has been the cofounder and CEO of Celio, the number 1 in Europe for men's ready-to-wear fashion, which has 1 600 shops in 65 countries. Since 2006, he has been a majority shareholder of the women's ready-to-wear fashion label, Jennyfer. He is also a Member of the Supervisory Board of Eastbridge and Director of Bata Shoes.

Marek Modecki

55, holds a Master in Law from the University of Warsaw. He also studied International Law at the Max Planck Institute and Law at the University of Hamburg. He is currently Managing Partner at 21Concordia, an investment firm in Private Equity located in Warsaw, with offices in Paris and Milan. In 2006-2008 he worked as a Senior Banker for Concordia Espirito Santo Investment, a joint venture between Concordia and the Portuguese group Espirito Santo Group. He is currently a Member of the Supervisory Board of Pegas Nonwovens Ltd (Czech Republic) and Empik M&F SA.

Wilfried Verstraete

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

Laurent Wasteels

58, obtained a Master in Economic and Social Sciences (FNDP Namur) in 1981. He also followed the Entrepreneurial Management programme at the University of Boston. He is currently Director of the Compagnie Européenne de Constructions Immobilières SA and Manager of Antibes Investissements Sàrl. He also holds two public mandates in Monaco: he is Economic and Social Advisor to the Government of the Princedom of Monaco and Honorary Consul of the Kingdom of Belgium in Monaco.

1. Till 23rd December 2013.

Composition

NAME	FUNCTION	DATE FIRST APPOINTMENT	END MANDATE	PROFESSIONAL ADDRESS
Baron BUYSSE	Chairman of the Board (Independent)	13 November 2007	2016	c/o Bekaert SA Diamant Building Boulevard Auguste Reyers 80 1030 Bruxelles
Gaëtan PIRET[1]	Managing Director	10 May 1995	2015	Rue de la Régence 58 1000 Bruxelles
Didier BELLENS[2]	Director (Independent)	29 August 2007	2015	c/o Arsema sprl avenue Louis Vercauteren 25 1160 Bruxelles
Maciej DROZD	Director	8 September 2010	2013	c/o Eastbridge Group, c/o Global Asset Management Sp. z o.o. 104/122 Marszalkowska Street PL-00-017 Warsaw (Pologne)
Dany DWEK[3]	Director	24 May 2012	2016[3]	c/o Eastbridge Group, c/o Global Asset Management Sp. z o.o. 104/122 Marszalkowska Street PL-00-017 Warsaw (Pologne)
Maciej DYJAS	Director	8 September 2010	2014	c/o Eastbridge Group, c/o Global Asset Management Sp. z o.o. 104/122 Marszalkowska Street PL-00-017 Warsaw (Pologne)
Marc GROSMAN	Director	8 September 2010	2014	c/o Celio International SA South Center Titanium Place Marcel Broodthaers 8b2 1060 Bruxelles
Marek MODECKI	Director (Independent)	8 September 2010	2015	c/o Concordia Sp. z o.o. Aleje Jerzolimskie 65/79 PL-00-697 Warsaw (Pologne)
Wilfried VERSTRAETE	Director (Independent)	29 August 2007	2015	c/o Euler Hermes SA 1 Place des Saisons, F-92048 Paris-la-Défense-Cedex (France)
Laurent WASTEELS	Director (Independent)	8 September 2010	2015	c/o Wasteels S.à r.l. 5 allée Guillaume Apollinaire MC-98000 Monaco

1. In carrying out the functions concerned in the present report, Mr Gaëtan PIRET acts as the permanent representative of the company GAETAN PIRET sprl.
2. In carrying out the functions concerned in the present report, Mr Didier BELLENS acts as the permanent representative of the company ARSEMA sprl.
3. Has resigned as from 23rd December 2013.

Activity report

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

In principle the Board meets at least three times a year (in March, August and December). Additional meetings may be organized at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in August and the annual accounts in March, as well as the budgets in December. In 2013, the Board met on eleven occasions.

The Board of Directors of IMMOBEL will focus on gender diversity as of 2014 over the next few years, as the law won't apply to the Board until 1 January 2017 at the earliest or even later, in 2019. For this purpose, a Committee already met in 2012. In this context, during the extraordinary Meeting taking place on 14th January 2014, the Board of Directors proposed to Mrs. Davina Bruckner to become a Director.

THE COMMITTEES OF THE BOARD OF DIRECTORS

The Audit & Finance Committee

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

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

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

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

In 2013, the AFC met four times at the request of its Chairman.

The Remuneration & Appointments Committee

The main mission of the Remuneration & Appointments Committee (hereafter "RAC") is to make proposals to the Board of Directors concerning remuneration (elements of the remuneration of the Directors, the Members of the Management and Executive Committees, the managers and people in charge of day-to-day management; policy on employee share ownership, etc.) and concerning appointments (appointment or re-election of the Members of the Committees etc.). In application of the Law on Corporate Governance of 6 April 2010, the RAC draws up the Remuneration Report which the Board includes in the Statement on Corporate Governance, which will be discussed during the Annual General Meeting (see infra p. 80).

The RAC is made up of only non-executive Directors, a majority of whom are independent Directors and have the necessary expertise in remuneration policy.

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

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

Composition:
Didier BELLENS, Chairman,
Dany DWEK[4],
Marek MODECKI and
Laurent WASTEELS, Members.

In 2013, the RAC met two times at the request of its Chairman.

4. Till 23rd December 2013.
5. Till 23rd December 2013.

The Investment & Asset Management Committee

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

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

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

Composition:
Gaëtan PIRET, Chairman,
Dany DWEK[5],
Maciej DYJAS,
Marc GROSMAN and
Wilfried VERSTRAETE, Members.

In 2013, the IAMC met four times at the request of its Chairman.

The Committee of Independent Directors

Pursuant to the articles 523 and 524 of the Belgian Companies Code, a Committee of Independent Directors (hereafter mentioned "CID") has met in order to give advice upon the decision of the eventual unwinding of the acquisition of the shares of the company Torres Investment Sp. z.o.o. owning the Cedet project in Poland.

Composition:
Didier BELLENS, Chairman
Marek MODECKI,
Wilfried VERSTRAETE and
Laurent WASTEELS.

Baron Buysse and Gaëtan Piret were invited to take part on some particular IMMOBEL Meetings of this Committee.

The Committee was assisted, a.o. by Jean-François Cats, Company Auditor, in its decision on the possible financial consequences of the proposed decision for the IMMOBEL Group.

In 2013, the CID has met six times, upon convening notice of the Chairman.

THE MANAGEMENT COMMITTEE

The main roles of the Management Committee are:

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

Composition:
Gaëtan PIRET, Chairman,
Philippe HELLEPUTTE,
Christian KARKAN and
Philippe OPSOMER, Members.

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

In 2013, the Management Committee met four times at the request of its Chairman.

The curriculum vitae of the Members of the Management Committee can be summarized as follows:

Philippe Helleputte

62, joined IMMOBEL in 1977 as legal Advisor, after having worked 2 years for Coopers & Lybrand. He is, since 1984, responsible of the landbanking activities of the Group, Managing Director of Lotinvest Development, Director of various subsidiaries of IMMOBEL Group and Member of the Executive Committee since 1987. He holds a Master in Law (UCL), is Member of the IPI and General Counsel of the UPSI (Union Professionnelle du Secteur Immobilier).

Christian Karkan

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

Philippe Opsomer

51, joined IMMOBEL as CFO. After a career start in the banking sector, he joined Nestlé Belgium in April 1989 where he spent 9 years (in the Finance, Audit, IT and Logistics departments). In November 1997, he joined Econocom in Belux, where he spent 10 years in senior management jobs, in Belux & France, in Finance, Operations and IT. He left Econocom in November 2007 (being at that time CFO, Products & Services Benelux). He holds a Master's degree in Business Engineering (Solvay Business School 1987).

THE EXECUTIVE COMMITTEE

The role of the Executive Committee is to introduce efficient systems of internal control and risk management as well as to ensure the day-to-day management of operations. It draws up and implements the policies of IMMOBEL the Managing Director esteems to be of the competences of the Executive Committee.

Under the responsibility of the Managing Director, he:

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

Composition:

Gaëtan PIRET, Chairman,
Pierre DELHAISE[1],
Bartlomiej HOFMAN[2],
Philippe HELLEPUTTE[3],
Christian KARKAN[4],
Sophie LAMBRIGHS[5],
Jean-Louis MAZY[6],
Joëlle MICHA[7],
Paul MUYLDERMANS[8] and
Philippe OPSOMER[9], Members.

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

The curriculum vitae of the Members of the Executive Committee can be summarized as follows:

1. Head of Legal Services and Secretary of the Executive Committee.
2. Head of IMMOBEL Poland.
3. Head of Landbanking.
4. Permanent representative of REALEYDE DEVELOPMENT sprl, Head of Development.
5. Since 7th January 2013, Permanent representative of ZOU2 sprl, Advisor.
6. Permanent representative of JEAN-LOUIS MAZY sprl, Advisor.
7. Permanent representative of JOMI sprl, Head of Corporate Affairs and General Secretary of the Board of Directors and the Committees of the Board and its subsidiaries. She is also Compliance Officer at IMMOBEL.
8. Permanent representative of PAUL MUYLDERMANS bvba, Head of Project Management.
9. Permanent representative of ASAP CONSULTING sprl, Head of Finance and Secretary of the Management Committee.

Pierre Delhaise

63, joined IMMOBEL in 1984 as Legal Counsel after having worked for the office of Notary Marc Bernaerts in Brussels for 7 years, since the creation of the Institute. He is currently Head of Legal Services of IMMOBEL and a Member of the Association of the Company Lawyers. He holds a Master in Law (RUG), a Master in Notary Law (VUB) and a Master in European Law (ULB). He also holds a Common law certificate from St. Catherine's College (Cambridge).

Bartlomiej Hofman

39, joined the Group in 2011 as head of our Polish subsidiary (Head of IMMOBEL Poland) and is member of the RICS. Prior to joining IMMOBEL, he has worked, since 1999, for Knight Frank and DTZ, specializing in the office sector, and from 2005, he has worked for Austrian based investment fund Europolis. He holds a Master degree from Warsaw University in International Relations and a Postgraduate degree in Property Valuation from Warsaw Technical University.

Sophie Lambrighs

42, joined IMMOBEL in January 2013 as an Advisor and Member of the Executive Committee. She started her career in the building trade, where she held several positions both in Brussels and Paris, involving the design of buildings and works of art. In 2003 she joined the real estate department of Axa Belgium, initially as a Project Manager and later as an Investment Manager. She was also a Director of the real estate investment trust, Retail Estates, and a Member of the Investment Committee of Home Invest. She holds a Master's Degree in Civil Engineering (Construction) from the ULB and obtained an Executive Master in Management from Solvay Brussels School.

Jean-Louis Mazy

57, joined IMMOBEL in 2001 as internal Consultant and afterwards as Member of the Executive Committee. Prior to this, he was a Member of the Executive Committee of the real estate investment trust Cibix (1999-2001). He began his professional career as Inspector General of Finance (1979-1996) and was CFO of the P&V Group (from 1990 till 1997). He holds a Master's degree in Economics (ULB) and an Advanced Management Program (Harvard Business School).

Joëlle Micha

43, joined the Group in 2000 as Company Secretary of the real estate investment trust Cibix. Since 2007, she is Head of Corporate Affairs and Compliance Officer of IMMOBEL. Prior she worked as a Lawyer for Loeff Claeys Verbeke (currently Allen & Overy), as an authorised agent in a private bank, and at the FSMA (formerly BFIC) in the Markets Supervision department. She holds a Master in Law (UCL), a Master in Taxation (HEC-Liège) and she also obtained the "Certified European Financial Analyst" qualification (ABAF). She is a Company Director in Belgium and the Grand Duchy of Luxembourg.

Paul Muyldermans

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

The IFRS 7 likewise defines additional requirements with regards to management of risks related to financial instruments.

Nevertheless, the current Belgian legislative and normative framework specify neither the model of internal control to which the companies for which it is intended should conform, nor the modalities for implementing it (level of detail required).

IMMOBEL uses a system of risk management and internal control that was drawn up internally based on the "COSO" model of internal control.

The COSO methodology is organized around five elements:

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

THE INTERNAL CONTROL ENVIRONMENT

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

Precise definition of the company's objectives

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

A definition of the roles of the decision-making bodies

IMMOBEL has a Board of Directors, an IAMC, an AFC, an RAC, an Executive Committee and a Management Committee.

Responsibility for drawing up IMMOBEL's strategy and for controlling the way it does business belongs primarily to the Board of Directors. The main responsibilities of the different Committees have been mentioned above (cfr. Decision-making bodies).

Risk culture

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

Application of ethical standards and integrity

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

Measures geared to ensuring the level of competence

- Competence of the Directors: Given their experience, the Directors possess the competencies and qualifications necessary to assume their responsibilities, particularly in matters of finance, accounting, investment and remuneration policy,
- Competence of the Members of the Management Committee, the Members of the Executive Committee and other staff: a recruitment process geared to the profiles required, adequate training and a policy of remuneration and evaluation based on the achievement of realistic and measurable goals make it possible to ensure the competence of IMMOBEL's staff. A procedure dealing with remuneration policy for the Directors and the Members of the Management and Executive Committees: IMMOBEL has introduced a remuneration procedure that complies with the requirements of the CG Law of 6 April 2010 on Corporate Governance.

RISK ANALYSIS

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

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

CONTROL ACTIVITIES

The control activities correspond to the regulations and procedures used to deal with the principal risks identified. Amongst the main regulations and procedures established within IMMOBEL, we would like to mention the following:

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

INFORMATION AND COMMUNICATION

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

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

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

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

SUPERVISION AND MONITORING

The AFC is responsible for supervising internal control. Given the size and the activities of the Company and the Group, the AFC does not consider it necessary to create the position of internal auditor to assist it in this mission.

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

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

RULES AND PROCEDURES

TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIPS BETWEEN THE COMPANY, INCLUDING ASSOCIATED COMPANIES, WITH THE DIRECTORS, THE MEMBERS OF THE MANAGEMENT COMMITTEE, THE MEMBERS OF THE EXECUTIVE COMMITTEE AND THE OTHER STAFF

During 2013, the Directors have used the procedure in cases of conflict of interest, as laid down by Articles 523 and 524 of the Companies Code and described in the Corporate Governance Charter, within the framework of deliberation on the possible cancellation of the sale of shares of the company owning the Cedet building ("Unwinding option").

There has also been a transaction between a staff member of the Group and the company IMMOBEL.

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

COMMENTS ON THE MEASURES TAKEN BY THE COMPANY IN THE CONTEXT OF THE DIRECTIVE ON INSIDER TRADING AND MANIPULATION OF THE MARKET

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

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

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

When these people consider carrying out operations involving financial instruments issued by IMMOBEL, they must give the Compliance Officer prior notice in writing or by email of their intention to carry out this operation. Within 5 working days of reception of this prior notice the Compliance Officer will inform the persons concerned whether there is any reason to think that the operation under consideration constitutes insider trading. Should that be the case, it would be inadvisable to carry out the operation. These persons must notify the FSMA of any operations carried out on their own behalf and involving Company shares within five working days of the operation concerned being performed, this notification can be deferred, however, in conformity with the law, as long as the total sum of the operations carried out during the calendar year in progress does not exceed the threshold of 5 000 EUR.

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

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

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

LEGAL AND ARBITRATION PROCEDURES

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

INFORMATION ABOUT THE ISSUED CAPITAL

31 DECEMBER 2013	NUMBER	VOTING RIGHTS RELATED THERE TO
Ordinary shares	4 121 987	4 121 987

SHAREHOLDING STRUCTURE:

In application of article 29 of the Law of 2 May 2007 on the disclosure of shareholding in issuers whose shares are admitted to trading on a regulated market, IMMOBEL has been informed by the following Shareholders that they hold the following shares (17th October 2013):

SHAREHOLDERS	VOTING RIGHTS	% OF TOTAL SHARES
CRESIDA INVESTMENT S.à r.l. having its registered seat at L-1469 Luxembourg, rue Ermesinde 67	1 230 398	29.85%
CAPFI DELEN ASSET MANAGEMENT NV having its registered seat at 2020 Antwerp, Jan Van Rijswijcklaan 178	208 516	5.06%

ELEMENTS THAT COULD HAVE AN INFLUENCE IN CASE OF A TAKEOVER BID ON SECURITIES ISSUED BY THE COMPANY

The General Meeting of Shareholders of 23rd May 2013 authorized the Board of Directors to **increase the Company's capital** by a maximum amount of 50 000 000 EUR, in one or more occasions, dates and manner to be determined by the Board of Directors, and for a term of five years from the publication of this authorization in the Belgian Official Gazette.

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

By decision of the Extraordinary General Meeting of Shareholders of 13 April 2011 the Board of Directors is authorized, for a term of 3 years dating from said Extraordinary General Meeting, to purchase or dispose of shares in the company when this purchase or disposal is necessary to prevent any serious imminent harm. This authorization is granted for a period of three (3) years dating from publication of this authorization in the Annexes to the Belgian Official Gazette. Such authorization shall also be valid for the acquisition or the alienation of shares of the Company by a direct subsidiary according to article 627 of the BCC. The Board of Directors has full powers to cancel the shares acquired by the company in this way, to have the cancelation certified by notarial act and to amend and coordinate the Articles of Association to bring them into line with the decisions taken.

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

The Board of Directors has full powers to cancel the shares acquired by the company in this way, to have the cancelation certified by notarial act and to amend and coordinate the Articles of Association to bring them into line with the decisions taken.

The rules governing **the appointment and replacement of Directors and the amendment of the Articles of Association** shall be those provided by the Companies Code, as well as by the Corporate Governance Charter of IMMOBEL.

The **terms of change of control** contained in credit agreements with financial institutions were approved by the General Meeting of 23rd May 2013, pursuant to section 556 of the Companies Act.

OTHER CONTRIBUTORS

STATUTORY AUDITOR

The Statutory Auditor is Deloitte Reviseurs d'Entreprises, represented by Mr Laurent Boxus, which has its registered seat at 1831 Diegem, Berkenlaan 8B. The fixed fees payable to the Statutory Auditor Deloitte for examination and review of the Statutory and Consolidated

Accounts of IMMOBEL amounted to 93 900 EUR (excluding VAT). His fee for the revision of the statutory accounts of subsidiaries came to 91 100 EUR (excluding VAT).

CENTRAL PAYING AGENT

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

A. Coupons and income securities presented physically: 4.00% of the net amount of the coupon + 0.10 EUR per cut coupon + VAT

B. Coupons and income securities presented in a securities account: 0.20% of the net amount of the coupon + VAT

REMUNERATION REPORT

PROCEDURE APPLIED DURING 2013 FOR THE CREATION OF THE REMUNERATION POLICY

FOR THE DIRECTORS

In 2013, 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 Remuneration & Appointments Committee (hereafter "RAC") makes detailed proposals to the Board of Directors in respect of the remuneration of non-executive Directors,
- The General Meeting of Shareholders decides about the remuneration of its Directors upon proposal of the Board of Directors.

The level and structure of the remuneration of the non-executive Directors are determined on the basis of their general and specific responsibilities and market practice (and more specifically in other listed companies). This remuneration includes a basic remuneration for Membership of the Board and an additional remuneration for the participation in the meetings or for each Chairmanship of a Committee or of 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.

The Executive Directors' mandates as Member of the Board 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 2013.

FOR THE MEMBERS OF THE MANAGEMENT COMMITTEE

In 2013, the Company implemented the remuneration policy for the Members of the Management Committee 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 (bearing in mind that the final decision will be taken upon evaluation of the performance in view of the objectives/performances criteria). 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 in 2013 to the remuneration policy of the Members of the Management Committee.

PROCEDURE APPLIED IN 2013 FOR DETERMINING INDIVIDUAL REMUNERATION

FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

- The Board of Directors elects a Chairman from among its Members. The Chairman is designated on the basis of his knowledge, skills, experience and mediation strength. In particular, he must be respected and recognised by the financial world and public authorities (local, regional and federal), and as such have a network which will also command a respect of IMMOBEL on a geographical level,
- It is up to the Chairman, if necessary, with the support of the Committees set up by the Board of Directors, to assume the leading role in all initiatives aimed at ensuring the Board of Directors functions effectively in accordance with these Regulations,
- Since financial year 2011, the remuneration of the Chairman of the Board amounts to 200 000 EUR per year for its responsibilities as Chairman of the Board of IMMOBEL and 250 000 EUR 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,
- It is for the Chairman of the Board of Directors to:
  - establish a close relationship with the Managing Director, providing support and advice, while fully respecting the executive responsibilities of the Managing Director,
  - ensure the optimal composition of the Board of Directors. He/she initiates and conducts the process that governs:
    (i) the formulation of requirements in respect of independence, competency and qualifications of IMMOBEL's Directors,
    (ii) the appointment or re-election of Directors and of the Members of the Committees set up by the Board of Directors,
    (iii) the evaluation of the effectiveness of the Board of Directors as a whole.
  - monitor the quality and effectiveness of the activities of the Board of Directors:
    (i) by managing the calendar of meetings of the Board of Directors. The Chairman defines, in consultation with the Managing Director, the calendar of meetings of the Board of Directors and its Committees,
    (ii) by preparing, chairing and leading meetings of the Board of Directors,
    (iii) by continuously supervising and monitoring the quality of interaction and dialogue at the level of the Board of Directors. The Chairman ensures that the Board of Directors is kept fully informed of essential aspects of IMMOBEL's strategy, activities and financial situation.
  - chair and conduct the General Shareholders' Meetings and ensures that they run smoothly.

FOR THE OTHER 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 MM. Maciej Drozd and Maciej Dyjas, the reference shareholder representatives, is retroceded to the latter,
- 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.

FOR MEMBERS OF THE MANAGEMENT COMMITTEE

- The remuneration of the Members of the Management Committee is determined globally at gross rates. Consequently it does not only include the gross pro-rated remuneration from IMMOBEL, but also that for any contractual office or representative function in the companies in which IMMOBEL has holdings, be they majority or otherwise,
- Individual remuneration is fixed by the Board of Directors, on the recommendations of the RAC, following a proposal by the Managing Director. Variable remuneration is foreseen for the Members of the Management Committee: their remuneration is linked to the results of the Company, taking into account the performance evaluation criteria relating to targets, the evaluation period and the method of evaluation,
- The variable remuneration is defined, upon proposal of the RAC, during the Board of Directors establishing the Annual Accounts per 31 December of the past year.

THE AMOUNT OF REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, TO NON-EXECUTIVE DIRECTORS BY IMMOBEL OR BY AN ASSOCIATED COMPANY (UNCHANGED DURING 2013)

The individual sums of remuneration given directly or indirectly to (non-executive) Directors in 2013 are shown in the table below. All of the amounts shown are gross, i.e. before the deduction of tax.

	PRESENCE					REMUNERATION
	AT BOARD	AT AFC	AT RAC	AT IAMC	AT CID	
Baron Buysse	10/11	4/4 (invited)	2/2 (invited)	4/4 (invited)	3/6 (invited)	200 000 EUR[1]
Baron Buysse	Supervisory Board					250 000 EUR[2]
GAËTAN PIRET sprl[3]	11/11	4/4 (invited)	2/2 (invited)	4/4	5/6 (invited)	See page 83
ARSEMA sprl[4]	9/11	4/4	2/2	-	6/6	50 000 EUR
Maciej Drozd	11/11	4/4	-	-	-	12 500 EUR
Maciej Dyjas	10/11	-	-	2/4	-	12 500 EUR
Dany Dwek[5]	10/11		2/2	4/4	-	12 500 EUR
Marc Grosman	5/11	-	-	4/4	-	12 500 EUR
Marek Modecki	10/11	-	1/2	-	6/6	25 000 EUR
Wilfried Verstraete	7/11	4/4	-	4/4	4/6	50 000 EUR
Laurent Wasteels	9/11	-	1/2	-	6/6	25 000 EUR
Total gross remuneration						650 000 EUR

1. For his services for IMMOBEL (Belgium).
2. For his services for IMMOBEL Poland.
3. Represented by its permanent representative Mr Gaëtan PIRET.
4. Represented by its permanent representative Mr Didier BELLENS.
5. Has resigned on 23rd December 2013.

REMUNERATION OF THE MANAGING DIRECTOR AND THE OTHER MEMBERS OF THE MANAGEMENT COMMITTEE RELATED TO FINANCIAL YEAR 2013

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 exclusively based on the level of Return on Equity,
- 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 variable qualitative remuneration is based on two types of criteria:

- the optimal realization of the projects as well as the management and control of the risks. These elements are analyzed in perspective with for instance the permits, leases, sales, financings, etc,

- the personal implication, motivation and implementation of decision towards the appropriate development of the projects and the Company.

THE RELATIVE IMPORTANCE OF THE VARIOUS COMPONENTS OF REMUNERATION

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 global performance of the Company during 2013 and on the realization of the individual targets of the Members of the Management Committee between 1 January and 31 December 2013, the variable part of the global remuneration (qualitative and quantitative) paid for 2013, represented 40.10% of its basic remuneration for the Managing Director and 21.60% for the other Members (If the targets were reached at 100%, the variable part of the global remuneration could have been 44.40% for the Managing Director and 38% for the other Members).

Pursuant to the Law, and for financial year 2013 (variable due in 2014), in case the variable remuneration of a Member of the Management Committee exceeds 1/4 of his total remuneration, it should be deferred in time; as such, only half of the total variable remuneration is attributed in 2013 and the 3rd and 4th quarter of the variable for 2013 is attributed, insofar the targets linked to this variable remuneration were attained, respectively over a period of two years (2013-2014) and over a period of three years (2013-2014-2015). For this deferral, the quantitative criterion that has been taken in account is the accrued Return on Equity for the 2 or 3 years concerned.

REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, TO THE MANAGING DIRECTOR AND OTHER MEMBERS OF THE MANAGEMENT COMMITTEE

	MANAGING DIRECTOR CHAIRMAN OF THE MANAGEMENT COMMITTEE	MEMBERS[1] OF THE MANAGEMENT COMMITTEE
Basic remuneration	507 146.70 EUR	868 534.75 EUR
Variable remuneration	203 139.93 EUR	187 642.87 EUR
Individual pension commitment	Néant	54 833.80 EUR
Company car	24 000.00 EUR	23 176.85 EUR
Other benefits	None	None

1.Christian Karkan, Philippe Helleputte, Philippe Opsomer.

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 of the Management Committee (Managing Director), as they apply to all the employees: professional expenses incurred must be justified post by post. The Company is not responsible for private expenses.

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.

NUMBER AND MAIN FEATURES OF (OPTIONS ON) SHARES/WARRANTS – INCENTIVES

The mandate as Member of the Management Committee does not entail entitlement to shares, share options or any other rights to acquire shares.

INFORMATION REGARDING REMUNERATION POLICY FOR THE TWO FINANCIAL YEARS TO COME

As in 2013, the quantitative variable remuneration will be exclusively based on the Return on Equity, whereas the qualitative variable remuneration will be determined in function of the responsibilities, the mission and the targets achieved during the reviewed financial year.

SHARES AND SHARE OPTIONS

Remuneration of the Members of the Management Committee entails no entitlement to shares and/or share options or any other rights to acquire shares.

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
Philippe HELLEPUTTE	18 months
Christian KARKAN	18 months
Philippe OPSOMER	12 months

RIGHT OF RECOVERY

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	31-12-2013	31-12-2012 RESTATED
OPERATING INCOME		**65 114**	**133 706**
Turnover	2	53 847	126 771
Other operating income	3	11 267	6 935
OPERATING EXPENSES		**-54 543**	**-114 333**
Cost of sales	4	-35 152	-95 135
Personnel expenses	5	-7 982	-8 013
Amortisation, depreciation and impairment of assets (including reversals)	6	-435	-675
Change in the fair value of investment property	13	-60	377
Other operating expenses	7	-10 914	-10 887
OPERATING RESULT		**10 571**	**19 373**
Interest income		293	465
Interest expense		-9 193	-6 529
Other financial income		71	57
Other financial expenses		-441	-784
FINANCIAL RESULT	**8**	**-9 270**	**-6 791**
Share in the result of investments in associates		189	23
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		**1 490**	**12 605**
Income taxes	9	-20	-910
RESULT FROM CONTINUING OPERATIONS		**1 470**	**11 695**
RESULT OF THE YEAR		**1 470**	**11 695**
Share of non-controlling interests		-1	-10
SHARE OF IMMOBEL		**1 471**	**11 705**

	NOTES	31-12-2013	31-12-2012 RESTATED
RESULT OF THE YEAR		**1 470**	**11 695**
Other comprehensive income - items subject to subsequent recycling in the income statement		**-99**	**827**
Currency translation		-99	1 083
Currency translation - recycling in the income statement		-	-256
Other comprehensive income - items that are not subject to subsequent recycling in the income statement		**-208**	**-330**
Actuarial gains and losses (-) on defined-benefit plans		-208	-330
Deferred taxes		**-**	**-**
TOTAL OTHER COMPREHENSIVE INCOME		**-307**	**497**
COMPREHENSIVE INCOME OF THE YEAR		**1 163**	**12 192**
Share of non-controlling interests		-1	-10
SHARE OF IMMOBEL		**1 164**	**12 202**
NET RESULT OF IMMOBEL PER SHARE (EUR) (DILUTED AND BASIC)	**10**	**0.36**	**2.84**
COMPREHENSIVE INCOME OF IMMOBEL PER SHARE (EUR) (DILUTED AND BASIC)		**0.28**	**2.96**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	NOTES	31-12-2013	31-12-2012 RESTATED	31-12-2011 RESTATED
NON-CURRENT ASSETS		**6 517**	**7 693**	**5 844**
Intangible assets	11	95	36	47
Property, plant and equipment	12	1 024	1 255	1 214
Investment property	13	2 603	2 663	2 286
Investments in associates	14	1 097	1 069	1 254
Financial assets available for sale	15	0	1 300	77
Deferred tax assets	16	1 444	1 117	717
Other non-current assets		254	253	249
CURRENT ASSETS		**520 447**	**409 874**	**400 954**
Inventories	17	464 655	359 924	327 863
Trade receivables	18	9 063	12 816	10 956
Tax receivables		391	376	5
Other current assets	19	14 944	9 840	15 166
Cash and cash equivalents	20	31 394	26 918	46 964
TOTAL ASSETS		**526 964**	**417 567**	**406 798**

EQUITY AND LIABILITIES	NOTES	31-12-2013	31-12-2012 RESTATED	31-12-2011 RESTATED
TOTAL EQUITY	**21**	**183 177**	**187 731**	**182 752**
EQUITY SHARE OF IMMOBEL		**183 168**	**187 775**	**182 785**
Share capital		60 302	60 302	60 302
Retained earnings		122 710	127 010	122 517
Reserves		156	463	-34
NON-CONTROLLING INTERESTS		**9**	**-44**	**-33**
NON-CURRENT LIABILITIES		**152 396**	**136 224**	**112 684**
Employee benefit obligations	22	916	685	339
Provisions	23	30	11	2 997
Financial debts	20	151 450	135 528	109 348
CURRENT LIABILITIES		**191 391**	**93 612**	**111 362**
Provisions	23	1 295	1 785	1 479
Financial debts	20	148 757	51 788	74 330
Trade payables	24	20 729	21 509	20 883
Tax liabilities		309	1 424	1 476
Derivative financial instruments	20	473	2 132	1 807
Other current liabilities	25	19 828	14 974	11 387
TOTAL EQUITY AND LIABILITIES		**526 964**	**417 567**	**406 798**

CONSOLIDATED STATEMENT OF CASH FLOW

	NOTES	31-12-2013	31-12-2012 RESTATED
Operating result		10 571	19 373
Amortisation, depreciation and impairment of assets	6	435	675
Change in the fair value of investment property	13	60	-377
Change in provisions	7, 23	-448	-2 664
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		**10 618**	**17 007**
Change in working capital	26	-100 567	-21 725
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		**-89 949**	**-4 718**
Paid interests	8	-9 730	-10 016
Paid income taxes	9	-1 477	-1 733
CASH FROM OPERATING ACTIVITIES		**-101 156**	**-16 467**
Disposal of associates	14	1 300	220
Acquisitions of intangible, tangible and other non-current assets		-104	-286
CASH FROM INVESTING ACTIVITIES		**1 196**	**-66**
Increase in financial debts	20	125 915	81 442
Repayment of financial debts	20	-15 631	-77 804
Interest received	8	293	465
Other financing cash flows	8	-370	-403
Gross dividend paid		-5 771	-7 213
CASH FROM FINANCING ACTIVITIES		**104 436**	**-3 513**
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		**4 476**	**-20 046**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**26 918**	**46 964**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**31 394**	**26 918**

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
2012							
BALANCE AS AT 01-01-2012	**60 302**	**122 517**	**-418**	**424**	**182 825**	**-33**	**182 792**
Restatement IAS19 revised	-	-	-	-40	-40	-	-40
BALANCE AFTER RESTATEMENT	**60 302**	**122 517**	**-418**	**384**	**182 785**	**-33**	**182 752**
Total comprehensive income for the year	-	11 705	827	-330	12 202	-10	12 192
Dividends paid	-	-7 213	-	-	-7 213	-	-7 213
Other	-	1	-	-	1	-1	-
CHANGES IN THE YEAR	**-**	**4 493**	**827**	**-330**	**4 990**	**-11**	**4 979**
BALANCE AS AT 31-12-2012	**60 302**	**127 010**	**409**	**54**	**187 775**	**-44**	**187 731**
2013							
BALANCE AS AT 01-01-2013	**60 302**	**127 010**	**409**	**54**	**187 775**	**-44**	**187 731**
Total comprehensive income for the year	-	1 471	-99	-208	1 164	-1	1 163
Dividends paid	-	-5 771	-	-	-5 771	-	-5 771
Other	-	-	-	-	-	54	54
CHANGES IN THE YEAR	**-**	**-4 300**	**-99**	**-208**	**-4 607**	**53**	**-4 554**
BALANCE AS AT 31-12-2013	**60 302**	**122 710**	**310**	**-154**	**183 168**	**9**	**183 177**

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 27th March 2014.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2013

- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013),
- IAS 19 (revised 2011) *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013),
- 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* (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 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),
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013).

Those standards did not have a significant impact on the financial statements. IAS19 impact is presented in the notes.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2013

- IFRS 9 *Financial Instruments* and subsequent amendments (not yet endorsed in EU),
- 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 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016),
- 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 (2010-2012) (normally applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU),
- Improvements to IFRS (2011-2013) (normally applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU),
- 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 19 *Employee Benefits – Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU),
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 36 – *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset* (applicable for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 39 – *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014),
- IFRIC 21 – Levies (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU).

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.

The impacts on the 2013 financial statements are given in note 30.

Application of IFRS12 will result in additional disclosures, mainly with respect of joint ventures. Other standards are not expected to have a significant impact on the financial statements.

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 pro-rata 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 31 534 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

ESTIMATES

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.

JUDGEMENTS

The group determines whether it has control, joint control or significant influence over investments; it must also determine when such control or influence is lost (eg when a project company is sold to a third party).

Upon acquiring control over a company, the group determines whether the acquisition is a business combination or not (in most instances, project companies acquisitions are not business combinations).

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”.

(IN THOUSANDS OF EUR)

CHANGE IN ACCOUNTING METHOD: APPLICATION OF IAS 19 AMENDED “EMPLOYEE BENEFITS”

As of January 1, 2013, the group applied the principles described in IAS 19 revised “Employee Benefits” which implies several changes on the accounting methods related to the pension benefits which includes:

- the recognition in balance sheet of all pension benefits given to the Group’s employees. The “corridor” method and the possibility to recognize in the income statement the cost of services incurred during the average acquisition period of the rights by the employees are no longer available,
- interest income from pension plan assets is now calculated using the discount rate used to calculate obligations with respect to defined-benefit plans,
- the impacts of the amendments in pension plans must be recorded in income statement,
- the consequences of the new estimates must be recorded in other elements of the comprehensive income: actuarials gains and losses on the pension obligation, over-perfomance (under-performance) of the plan assets, which is the gap between the effective return of the plan assets and the return calculated based on the actualization rate of the actuarial liability, and the variation of the ceiling effect of the assets. Those impacts are presented in the group comprehensive income.

The comparative financial statements have been modified in accordingly. The impacts on the financial statements are the following:

	31-12-2011 PUBLISHED	IMPACT IAS 19 R	31-12-2011 RESTATED	31-12-2012 PUBLISHED	IMPACT IAS 19 R	31-12-2012 RESTATED
EQUITY, INCLUDING :	**182 792**	**-40**	**182 752**	**187 811**	**-80**	**187 731**
Report from previous year	122 517		122 517	127 024	-14	127 010
Reserve for defined benefit plans	424	-40	384	120	-66	54
LIABILITIES, INCLUDING :						
Employee benefit obligations	299	40	339	605	80	685

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 segment, 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 depends on the country where the activity is executed.

INCOME STATEMENT

	TURNOVER		OPERATING RESULT	
	31-12-2013	31-12-2012 RESTATED	31-12-2013	31-12-2012 RESTATED
OFFICES				
Belgium	8 958	59 039	-1 953	4 711
Grand-Duchy of Luxemburg	-	-	1 822	842
Poland	-	19 091	-638	8 590
SUBTOTAL OFFICES	**8 958**	**78 130**	**-769**	**14 143**
RESIDENTIAL				
Belgium	17 410	18 585	4 666	394
Grand-Duchy of Luxemburg	9 098	16 220	1 318	2 179
Poland	3 275	2 417	52	-
SUBTOTAL RESIDENTIAL	**29 783**	**37 222**	**6 036**	**2 573**
LANDBANKING				
Belgium	15 106	11 419	5 304	2 657
SUBTOTAL LANDBANKING	**15 106**	**11 419**	**5 304**	**2 657**
TOTAL CONSOLIDATED	**53 847**	**126 771**	**10 571**	**19 373**
Belgium	41 474	89 043	8 017	7 762
Grand-Duchy of Luxemburg	9 098	16 220	3 140	3 021
Poland	3 275	21 508	-586	8 590

	31-12-2013	31-12-2012 RESTATED
Financial result	-9 270	-6 791
Share in the result of investments in associates	189	23
Income taxes	-20	-910
RESULT FROM CONTINUING OPERATIONS	**1 470**	**11 695**
NET RESULT	**1 470**	**11 695**

CASH FLOW ITEMS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2013				
Operating result	-769	6 036	5 304	10 571
Amortisation, depreciation and impairment of assets	320	61	54	435
Change in the fair value of investment property	60	-	-	60
Change in provisions	137	-592	7	-448
Change in working capital	-85 726	-4 400	-10 441	-100 567
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	**-85 978**	**1 105**	**-5 076**	**-89 949**
CASH FROM INVESTING ACTIVITIES	**1 238**	**-23**	**-19**	**1 196**
2012				
Operating result	14 143	2 573	2 657	19 373
Amortisation, depreciation and impairment of assets	219	378	78	675
Change in the fair value of investment property	-377	-	-	-377
Change in provisions	-2 606	-33	-25	-2 664
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**

FINANCIAL POSITION ITEMS

	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2013				
Segment assets	292 013	109 037	91 334	492 384
Unallocated items[1]	-	-	-	34 580
TOTAL ASSETS	**-**	**-**	**-**	**526 964**
Segment liabilities	20 233	19 276	5 896	45 405
Unallocated items[1]	-	-	-	298 382
TOTAL LIABILITIES	**-**	**-**	**-**	**343 787**
2012				
Segment assets	210 786	96 103	79 645	386 534
Unallocated items[1]	-	-	-	31 033
TOTAL ASSETS	**-**	**-**	**-**	**417 567**
Segment liabilities	23 945	10 042	4 977	38 964
Unallocated items[1]	-	-	-	190 872
TOTAL LIABILITIES	**-**	**-**	**-**	**229 836**

	BELGIUM	GRAND-DUCHY OF LUXEMBURG	POLAND	TOTAL
Segment assets 31-12-2013	292 013	109 037	91 334	492 384
Segment assets 31-12-2012	279 053	47 920	59 561	386 534
Non-current segment assets 31-12-2013	4 845	225	3	5 073
Non-current segment assets 31-12-2012	5 047	225	1 304	6 576

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.

2. TURNOVER

Turnover is allocated as follows per segment:

	31-12-2013	31-12-2012 RESTATED
Offices	8 958	78 130
Residential Development[1]	29 783	37 222
Land Development[2]	15 106	11 419
TOTAL TURNOVER	**53 847**	**126 771**

In 2013, there are no sales transactions with an individual client representing more than 10% of the turnover.

3. OTHER OPERATING INCOME

Other operating income is allocated by segment as follows:

	31-12-2013	31-12-2012 RESTATED
Offices	7 983	6 017
Residential Development	2 907	727
Land Development	377	191
TOTAL OTHER OPERATING INCOME	**11 267**	**6 935**

This heading includes rental income (6 543 KEUR compared to 3 990 KEUR in 2012) on properties available for sale or awaiting for development, recoveries of taxes and withholdings, reinvoicing of expenses and other miscellaneous reimbursements.

4. COST OF SALES

Cost of sales is allocated as follows per segment:

	31-12-2013	31-12-2012 RESTATED
Offices	-6 552	-58 768
Residential Development	-22 087	-30 512
Land Development	-6 513	-5 855
TOTAL COST OF SALES	**-35 152**	**-95 135**

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

1. The promotions *Bella Vita* in Waterloo, *Charmeraie* in Brussels (Uccle), *Vallée du Maelbeek* and *Forum* in Brussels (City), *Lindepark* in Tervueren and *Green Hill* in the Grand-Duchy of Luxemburg contribute in particular to the “Residential Development” turnover. IMMOBEL has also sold two assets destined for residential development located in Poland (Warsaw and Gdansk).
2. During 2013 land sales constitued 99 transactions. They involved 13.9 ha net (IMMOBEL Group share), in urban planning zones. Major recurrent sales (turnover more than 200 KEUR) of the year relate to the land development projects in *Berloz, Bredene, Chastre, Enghien, Eupen, Limbourg, Lontzen, Montzen ,Rhisnes, Sart-Bernard, Soumagne, Sprimont, Stavelot, Temploux, Uccle* and *Waterloo*.

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:

	31-12-2013	31-12-2012 RESTATED
Salaries and fees of personnel and members of the Executive Committee	-6 521	-6 676
Salaries of the non-executive Directors	-650	-656
Social security charges	-521	-483
Pension costs - defined benefits plan	-213	-137
Other	-77	-61
PERSONNEL EXPENSES	**-7 982**	**-8 013**

The number of full time equivalents on 31 December, 2013 amounted 27 compared to 28 in 2012.

6. AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

Break down as follows:

	31-12-2013	31-12-2012 RESTATED
Amortisation of intangible and tangible assets	-274	-251
Impairment loss on investments in associates	-120	-
Impairment loss on participating interests available for sale	-	-77
Write down on inventory	-14	-506
Reversal of write down on inventory	-	158
Write down on trade receivables	-27	-
Reversal of write down on trade receivables	-	1
AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	**-435**	**-675**

7. OTHER OPERATING EXPENSES

Break down as follows:

	31-12-2013	31-12-2012 RESTATED
Services and other goods	-9 577	-9 631
Other expenses	-1 808	-3 894
Provisions	471	2 638
OTHER OPERATING EXPENSES	**-10 914**	**-10 887**

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

	31-12-2013	31-12-2012 RESTATED
Rent and service charges, including mainly rent and service charges for the registered office	-720	-679
Third party payment, including in particular the fees paid to third parties and related to the turnover	-6 526	-7 337
Other services and other goods, including company supplies, advertising, maintenance and repair expense of properties available for sale or awaiting for development	-2 331	-1 615
TOTAL SERVICES AND OTHER GOODS	**-9 577**	**-9 631**

Operating **lease obligations**:

	31-12-2013	31-12-2012 RESTATED
Total amount of payments recognised under expenses for the year	-422	-429
Total minimum payments to be made:		
- within one year	-417	-416
- after one year but within 5 years	-1 257	-1 622
- more than 5 years	-	-60

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**:

	31-12-2013	31-12-2012 RESTATED
Audit fees at consolidation level	-185	-190
Fees for extraordinary services and special missions accomplished within the Group[1]:	-98	-105
- Other missions outside the audit mission	-98	-105

The **other expenses** of -1 808 KEUR mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory. The figures of 2012 included an indemnity of -1.5 MEUR paid in connection with a litigation.

Main components of variations in provisions:

	31-12-2013	31-12-2012 RESTATED
Provisions related to the sales	466	2 638
Other provisions	5	-
TOTAL VARIATIONS IN PROVISIONS	**471**	**2 638**
Increase	-179	-400
Use	32	1 538
Reversal	618	1 500

8. FINANCIAL RESULT

The financial result breaks down as follows:

	31-12-2013	31-12-2012 RESTATED
Cost of gross financial debt at amortised cost	-12 531	-9 473
Activated interests on projects in development	1 680	2 944
Fair value changes on financial instruments	1 659	-464
Financial income from cash and cash equivalents	293	465
Other financial charges & income	-371	-263
FINANCIAL RESULT	**-9 270**	**-6 791**

Cost of gross financial debt at amortised cost	-12 531	-9 473
Interest related to 2012 / 2011 paid in 2013 / 2012	-140	-683
Interest related to 2013 / 2012 payable in 2014 / 2013	2 941	140
Paid interests (statement of cash flow)	**-9 730**	**-10 016**

The increase in interest cost of financial debt is explained primarily by the financial charges linked to the bond issue in March 2013 for an amount of 60 MEUR at a rate of 5.5%.

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

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:

	31-12-2013	31-12-2012 RESTATED
Current income taxes for the current year	-298	-1 308
Current income taxes for the previous financial years	-49	-2
Deferred taxes	327	400
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	**-20**	**-910**

Current income taxes	-347	-1 310
Increase in taxes receivables	-15	-371
Decrease in tax liabilities	-1 115	-52
Paid income taxes (statement of cash flow)	**-1 477**	**-1 733**

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

	31-12-2013	31-12-2012 RESTATED
Result before taxes	1 490	12 605
Share in the result of investments in associates	-189	-23
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF INVESTMENTS IN ASSOCIATES	**1 301**	**12 582**
THEORETICAL INCOME TAXE CHARGE AT 33.99%	**-442**	**-4 277**
Tax impact:		
- non-taxable income	-	2 774
- non-deductible expenses	-215	-239
- use of taxes losses and notional interests deduction carried forward on which no DTA was recognised in previous years	1 937	1 312
- losses on which no DTA is recognised	-1 394	-511
- recognition during the year of DTA on tax losses generated in prior years	151	-
Adjustment to current income taxes for the previous financial years & Other	-57	31
TAX CHARGE	**-20**	**-910**
EFFECTIVE TAX RATE OF THE YEAR	**1.6%**	**7.2%**

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:

	31-12-2013	31-12-2012 RESTATED
Average number of shares considered for basic earnings and diluted earnings	4 121 987	4 121 987
Net result from continuing operations	1 470	11 695
Group’s share in the net result for the year	1 471	11 705
Net per share (in EUR):		
- result of the continuing operations	0.36	2.84
- Group's share in the net result of the year	0.36	2.84

11. INTANGIBLE ASSETS

Intangible assets evolve as follows:

	31-12-2013	31-12-2012 RESTATED
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**195**	**184**
Acquisitions	75	47
Transfer to Property, plant and equipment	-	-36
ACQUISITION COST AT THE END OF THE YEAR	**270**	**195**
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**-159**	**-137**
Amortisation	-16	-22
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	**-175**	**-159**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**95**	**36**

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment evolve as follows:

	31-12-2013	31-12-2012 RESTATED
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**2 012**	**1 742**
Acquisitions	27	234
Transfer from intangible assets	-	36
ACQUISITION COST AT THE END OF THE YEAR	**2 039**	**2 012**
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**-757**	**-528**
Depreciations	-258	-229
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	**-1 015**	**-757**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**1 024**	**1 255**

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:

	31-12-2013	31-12-2012 RESTATED
FAIR VALUE ON 1 JANUARY	**2 663**	**2 286**
Change in the fair value recognized in the statement of comprehensive income	-60	377
FAIR VALUE ON 31 DECEMBER	**2 603**	**2 663**

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:

	31-12-2013	31-12-2012 RESTATED
Rental price (EUR) per m² of residential (2013) / offices (2012)	115	175
Discount rate	6.75%	7.40%

14. INVESTMENTS IN ASSOCIATES

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

	31-12-2013	31-12-2012 RESTATED
VALUE AS AT 1 JANUARY	**1 069**	**1 254**
Share in result	189	23
Acquisitions and reclassifications	-	12
Disposals and reclassifications	-41	-220
Impairment loss on investments in associates	-120	-
CHANGES FOR THE YEAR	**28**	**-185**
VALUE AS AT 31 DECEMBER	**1 097**	**1 069**

The condensed financial statements of these entities are as follows:

	31-12-2013	31-12-2012 RESTATED
Total assets	10 030	10 990
Total liabilities	6 137	7 684
Net assets	3 893	3 306
Share in the net asset of the group IMMOBEL	1 042	853
Turnover	2 813	596
Net result of the year	586	136
Share of IMMOBEL in the net result of the year	189	23

The associates are listed under note 31.

15. INVESTMENTS AVAILABLE FOR SALE

The investments available for sale moved as follows:

	31-12-2013	31-12-2012 RESTATED
VALUE AS AT 1 JANUARY	**1 300**	**77**
Disposals	-1 300	0
Acquisition	-	1 300
Impairment loss	-	-77
CHANGES FOR THE YEAR	**-1 300**	**1 223**
VALUE AS AT 31 DECEMBER	**0**	**1 300**

The book value as at 31 December 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:

	DEFERRED TAX ASSETS	
	31-12-2013	31-12-2012 RESTATED
Tax losses	1 313	1 012
Residential projects	131	105
TOTAL	**1 444**	**1 117**

	DEFERRED TAX ASSETS	
	31-12-2013	31-12-2012 RESTATED
ON 1 JANUARY	**1 117**	**717**
Deferred tax recognised in the statement of comprehensive income	327	400
ON 31 DECEMBER	**1 444**	**1 117**

	31-12-2013	31-12-2012 RESTATED
TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	**76 302**	**56 203**
Expiring at the end of 2013	-	164
Expiring at the end of 2014	226	631
Expiring at the end of 2015	623	1 672
Expiring at the end of 2016	2 671	2 610
Expiring at the end of 2017	1 744	1 514
Expiring at the end of 2018	3 024	1 036
Expiring at the end of 2019	-	2 418
Not time-limited	68 014	46 158

17. INVENTORIES

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

	31-12-2013	31-12-2012 RESTATED
Offices	278 720	199 296
Residential Development	100 541	88 881
Land Development	85 394	71 747
TOTAL INVENTORIES	**464 655**	**359 924**

Allocation of inventories by geographical area is as follows:

	31-12-2013	31-12-2012 RESTATED
Belgium	336 718	257 640
Grand-Duchy of Luxemburg	60 901	43 441
Poland	67 036	58 843
TOTAL INVENTORIES	**464 655**	**359 924**

The book value of inventories is as follows:

	31-12-2013	31-12-2012 RESTATED
INVENTORY AS AT 1 JANUARY	**359 924**	**327 863**
Purchases for the year	130 275	126 183
Disposals of the year	-27 210	-96 718
Borrowing costs	1 680	2 944
Write-offs recorded	-14	-506
Write-offs reversed	-	158
MOVEMENTS DURING THE YEAR	**104 731**	**32 061**
INVENTORY AS AT 31 DECEMBER	**464 655**	**359 924**
Book value of inventories which are pledged for bank loan securities	431 442	335 913

Break down of the movements of the year per segment:

	PURCHASES	DISPOSALS	BORROWING COSTS	NET WRITE-OFFS	NET
Offices	77 946	-	1 489	-11	79 424
Residential Development	31 947	-20 475	191	-3	11 660
Land Development	20 382	-6 735	-	-	13 647
TOTAL	**130 275**	**-27 210**	**1 680**	**-14**	**104 731**

The purchases of the "Offices" segment mainly concern the projects *Belair* and *Black Pearl*. Purchases also include the acquisition of 33.33% of the company PEF Kons Investment, which owns the "*Galerie Kons*" in the Grand Duchy of Luxembourg and 50% of the company CBD International owning lands located in the Central Business District of Warsaw (see note 31).

The purchases and the sales of the "Residential" segment mainly relate to the projects *Bella Vita, Charmeraie, Forum, Green Hill, Lindepark* and *Jardin des Sittelles*. Purchases also include the acquisition of the company Euroffice 461 Leasehold, which holds the long term-lease right to the *Chien Vert* building situated in Woluwe-Saint-Pierre (see note 31).

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

	PURCHASES	DISPOSALS	BORROWING COSTS	NET WRITE-OFFS	NET
Belgium	94 469	-17 057	1 680	-14	79 078
Grand-Duchy of Luxemburg	25 050	-7 590	-	-	17 460
Poland	10 756	-2 563	-	-	8 193
TOTAL	**130 275**	**-27 210**	**1 680**	**-14**	**104 731**

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:

	31-12-2013	31-12-2012 RESTATED
Offices	2 577	3 422
Residential Development	3 639	3 470
Land Development	2 847	5 924
TOTAL	**9 063**	**12 816**

The analysis of the delay of payment at the end of 2013 arises as follows :

	31-12-2013	31-12-2012 RESTATED
due < 3 months	2 483	4 112
due > 3 months < 6 months	32	216
due > 6 months < 12 months	866	367
due > 1 year	781	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 2013 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:

	31-12-2013	31-12-2012 RESTATED
BALANCE AT 1 JANUARY	**221**	**222**
Additions	27	-
Reversals	-	-1
Reclassifications	-14	-
MOVEMENTS OF THE YEAR	**13**	**-1**
BALANCE AT 31 DECEMBER	**234**	**221**

19. OTHER CURRENT ASSETS[1]

The components of this account are:

	31-12-2013	31-12-2012 RESTATED
Other receivables	11 656	7 072
of which: advances to joint ventures, associates and on projects in participation	4 635	2 193
taxes (other than income taxes) and VAT receivable	3 248	2 118
grants and allowances receivable	2 255	1 238
other	1 518	1 523
Deferred charges and accrued income	3 288	2 768
of which: on projects in developement	2 756	1 873
other	532	895
TOTAL OTHER CURRENT ASSETS	**14 944**	**9 840**

and are related to the following segments:

	31-12-2013	31-12-2012 RESTATED
Offices	7 599	4 849
Residential Development	4 668	3 499
Land Development	2 677	1 492
TOTAL OTHER CURRENT ASSETS	**14 944**	**9 840**

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 -268 813 KEUR as at 31 December 2013 compared to -160 398 KEUR as at 31 December 2012.

	31-12-2013	31-12-2012 RESTATED
Cash and cash equivalents (+)	31 394	26 918
Non current financial debts (-)	151 450	135 528
Current financial debts (-)	148 757	51 788
NET FINANCIAL DEBT	**-268 813**	**-160 398**

The Group's gearing ratio (net financial debt / equity) is 147% as at 31 December 2013 compared to 85% at the end of 2012.

AVAILABLE CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to 31 394 KEUR compared to 26 918 KEUR at the end of 2012, representing an increase of 4 476 KEUR.

The available cash moved as follows:

	31-12-2013	31-12-2012 RESTATED
Term deposits with an initial duration of maximum 3 months	-	-
Cash at bank and in hand	31 394	26 918
AVAILABLE CASH AND CASH EQUIVALENTS	**31 394**	**26 918**

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 112 891 KEUR, from 187 316 KEUR at 31 December 2012 to 300 207 KEUR at 31 December 2013.

The components of financial debts are as follows :

	31-12-2013	31-12-2012 RESTATED
Bond issue maturity 21-12-2016 at 7% - nominal amount 40 MEUR	39 523	39 363
Bond issue maturity 28-03-2018 at 5.5% - nominal amount 60 MEUR	58 856	-
Credit institutions	53 071	96 165
NON CURRENT FINANCIAL DEBTS	**151 450**	**135 528**
Credit institutions	146 150	51 788
CURRENT FINANCIAL DEBTS	**146 150**	**51 788**
SUBTOTAL	**297 600**	**187 316**
Bonds - not yet due interest	2 607	-
TOTAL FINANCIAL DEBTS	**300 207**	**187 316**

Amount of debts guaranteed by securities	199 221	147 953
Book value of Group's assets pledged for debt securities	434 045	338 576

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

Financial debts evolve as follows:

	31-12-2013	31-12-2012 RESTATED
FINANCIAL DEBTS AS AT 1 JANUARY	**187 316**	**183 678**
Contracted debts	125 915	81 442
Repaid debts	-15 631	-77 804
FINANCIAL DEBTS AS AT 31 DECEMBER	**297 600**	**187 316**

All the financial debts are denominated in EUR.

IMMOBEL issued, in March 2013, a bond for an amount of 60 MEUR. The bonds will be redeemed in March 2018 at 100% of their principal amount and bear a coupon of 5.50%, payable annually in arrears.

Except the bonds, 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, 2013 of 60 MEUR credit facility (corporate credit signed in May 2011), of which 13.5 MEUR used at end of December 2013, due in June 2014.

Moreover, Immobel disposes at December 31, 2013 of confirmed bank credit lines for 241 MEUR of which 186 MEUR used at end of December 2013. These credit lines (project financing credits) are specific for certain projects in development.

At December 31, 2013, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to 434 MEUR.

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

DUE IN	2014	2015	2016	2018	TOTAL
Bonds	-	-	40 000	60 000	100 000[1]
Corporate credit	13 500	-	-	-	13 500
Project Financing credits	132 650	42 291	10 780	-	185 721
TOTAL FINANCIAL DEBT	**146 150**	**42 291**	**50 780**	**60 000**	**299 221**

INTEREST RATE RISK

On the basis of the situation as per 31 December 2013, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of 1 992 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 2013, the derivative financial instruments have been concluded to hedge future risks and are the following:

	PERIOD	INSTRUMENTS	STRIKE	NOTIONAL AMOUNTS
	06/2011 - 06/2014	CAP bought	4.00%	36 000
	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
	07/2012 - 07/2015	IRS bought	0.75%	26 000
	03/2012 - 03/2014	IRS bought	0.94%	89 600
TOTAL				**196 600**

1. The amount on the balance sheet, 98 379 KEUR, includes 1 621 KEUR charges to be amortized until maturity in 2016 and 2018.

The fair value of derivatives is determined based on valuation models and future interest rates (“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.

	31-12-2013	31-12-2012 RESTATED
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Hedging instruments:		
- Bought CAP Options	100	80
- Bought IRS Options	-573	-2 212
TOTAL	**-473**	**-2 132**

	31-12-2013	31-12-2012 RESTATED
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	**-2 132**	**-1 807**
Changes during the period:		
- Premiums paid	-	139
- Change in the fair value recognised in the statement of comprehensive income	1 659	-464
SITUATION AT 31 DECEMBER	**-473**	**-2 132**

No instrument has been documented as hedge accounting at 31 December 2013.

The following table list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analyzed by their measurement category.

The fair value of financial instruments is determined as follows:

- If their maturities is short-term (eg: trade receivables and payables), the fair value is assumed to be similar at amortized cost,
- For fixed rate debts, based on discounted future cash flows estimated based on market rates at closing,
- For variable rate debts, the fair value is assumed to be similar at amortized cost,
- For derivative financial instruments, the fair value is determined on the basis of discounted future cash flows estimated based on curves of forward interest rates. This value is mentioned by the counterparty financial institution,
- For quoted bonds, on the basis of the quotation at the closing.

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- Level 1: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities,
- Level 2: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments,
- Level 3: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data.

			AMOUNTS RECOGNIZED IN BALANCE SHEET IN ACCORDANCE WITH IAS39		
	LEVEL OF THE FAIR VALUE	CARRYING AMOUNT 31-12-2013	AMORTIZED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE 31-12-2013
ASSETS					
Cash and cash equivalents	Level 2	31 394	31 394		31 394
Other non-current assets	Level 2	254	254		254
Trade receivables	Level 2	9 063	9 063		9 063
Other operating receivables	Level 2	14 944	14 944		14 944
TOTAL		**55 655**	**55 655**		**55 655**

LIABILITIES					
Interest-bearing debt	Levels 1 and 2	297 600	297 600		299 221
Trade payables	Level 2	20 729	20 729		20 729
Other operating payables	Level 2	22 435	22 435		22 435
Derivative financial instruments	Level 2	473		473	473
TOTAL		**341 237**	**340 764**	**473**	**342 858**

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 2013, 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, reducing significantly the exchange risk.

21. EQUITY

The equity amounts to 183 177 KEUR compared to 187 731 KEUR as at 31 December 2012, representing a decrease of 4 554 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.

	31-12-2013	31-12-2012 RESTATED
STATEMENT OF FINANCIAL POSITION		
Present value of the defined benefit obligations	3 420	2 361
Fair value of plan assets at the end of the period	-2 504	-1 676
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATION	**916**	**685**
SATEMENT OF COMPREHENSIVE INCOME		
Current service cost	102	89
Interest cost on the defined benefit obligation	47	80
Interest income on plan assets	- 34	- 69
Administration costs	8	7
DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	**123**	**107**
Actuarial (gains) / losses on defined benefit obligation arising from		
- changes in demographic assumptions	-	80
- changes in financial assumptions	- 145	295
- experience adjustments	353	- 45
REMEASUREMENTS OF NET DEFINED BENEFIT LIABILITY RECOGNISED IN OTHER COMPREHENSIVE INCOME	**208**	**330**
DEFINED BENEFIT COSTS	**331**	**437**
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY	**2 361**	**2 240**
Current service cost	102	89
Interest cost	47	80
Contributions from plan participants	23	27
Actuarial (gains) losses	967	293
Benefits paid	- 80	- 368
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	**3 420**	**2 361**
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY	**1 676**	**1 901**
Interest income	34	69
Contributions from employer	100	91
Contributions from plan participants	23	27
Benefits paid	- 80	- 368
Actuarial (gains) losses	759	- 37
Administration costs	- 8	- 7
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	**2 504**	**1 676**
CONTRIBUTION OF THE EMPLOYER EXPECTED FOR 2014/2013	**91**	**76**

	31-12-2013	31-12-2012 RESTATED
ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS		
Discount rate	2.50%	2.00%
Future salary increases	3.50%	3.50%
Inflation rate	2.00%	2.00%
Mortality Table used	MR / FR -3	MR / FR -3

SENSITIVITY ANALYSIS OF THE DBO 31-12-2013			
Discount rate	2.50%	3.00%	2.00%
Amount of the DBO	3 420	3 285	3 565

The pension plans are funded through a group insurance. The underlying assets of the insurance contracts are primarily invested in bonds. The actuarial loss recognized in the statement of other comprehensive income equals -208 KEUR.

The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals -154 KEUR.

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

	2013	2012	2011	2010
Present value of defined benefit obligations	3 420	2 361	2 200	2 222
Fair value of plan assets at the end of the period	2 504	1 676	1 901	1 876
Deficit of financed plans	916	685	299	346
Experience adjustments on:				
- plan assets	-968	77	223	136
- plan liabilities	760	-50	-50	-51

23. PROVISIONS

The components of provisions are as follows:

			31-12-2013	31-12-2012 RESTATED
Provisions related to the sales			1 154	1 620
Other provisions			171	176
TOTAL PROVISIONS			**1 325**	**1 796**
	RELATED TO THE SALES	**OTHER**		
PROVISIONS AS AT 1 JANUARY	**1 620**	**176**	**1 796**	**4 476**
Increase	155	24	179	400
Use	-3	-29	-32	-1 580
Reversal	-618	-	-618	-1 500
CHANGES FOR THE YEAR	**-466**	**-5**	**-471**	**-2 680**
PROVISIONS AS AT 31 DECEMBER	**1 154**	**171**	**1 325**	**1 796**
From which current provisions	1 154	141	1 295	1 785

Allocation of this position by segment is as follows:

	31-12-2013	31-12-2012 RESTATED
Offices	1 135	1 004
Residential Development	95	697
Land Development	95	95
TOTAL	**1 325**	**1 796**

Changes of the provisions for the year	-471	-2 680
Changes of the provisions linked to employee benefit obligations	23	16
Changes of the provisions (consolidated statement of cash flow)	**-448**	**-2 664**

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:

	31-12-2013	31-12-2012 RESTATED
Offices	11 861	13 893
Residential Development	4 793	5 231
Land Development	4 075	2 385
TOTAL TRADE PAYABLES	**20 729**	**21 509**

25. OTHER CURRENT LIABILITIES[1]

The components of this account are:

	31-12-2013	31-12-2012 RESTATED
Personnel debts	523	736
Taxes (other than income taxes) and VAT payable	1 266	5 093
Advance on sales (mainly related to residential projects)	8 683	715
Advances from joint ventures and associates	3 093	1 436
Accrued charges and deferred income	631	1 410
Operating grants	3 459	2 263
Other	2 173	3 321
TOTAL OTHER CURRENT LIABILITIES	**19 828**	**14 974**

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

Other current liabilities are related to the following segments:

	31-12-2013	31-12-2012 RESTATED
Offices	5 089	8 671
Residential Development	13 632	3 943
Land Development	1 107	2 360
TOTAL	**19 828**	**14 974**

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

	31-12-2013	31-12-2012 RESTATED
Trade receivables	9 063	12 816
Other current assets	14 944	9 840
TOTAL OF TRADE RECEIVABLES AND OTHER CURRENT ASSETS	**24 007**	**22 656**
Trade payables	20 729	21 509
Other current liabilities	19 828	14 974
TOTAL OF TRADE PAYABLES AND OTHER CURRENT LIABILITIES	**40 557**	**36 483**
NET SITUATION OF RECEIVABLES AND PAYABLES	**-16 550**	**-13 827**

26. CHANGE IN WORKING CAPITAL

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

	31-12-2013	31-12-2012 RESTATED
Inventories, including acquisition and sales of entities that are not considered as business combinations	-100 808	-30 765
Trade receivables & Other current assets	-3 668	3 467
Trade payables & Other current liabilities	3 909	5 573
CHANGE IN WORKING CAPITAL	**-100 567**	**-21 725**

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

	31-12-2013	31-12-2012 RESTATED
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	82 049	42 836
- construction contracts	-	215
- other assets	111	111
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	**82 160**	**43 162**
These guarantees consist of:		
- guarantees “Real estate trader” (acquisitions with registration fee at reduced rate)	13 400	13 615
- guarantees “Law Breyne” (guarantees given in connection with the sale of houses or apartments under construction)	45 877	11 667
- guarantees "Good end of execution" (guarantees given in connection with the execution of works)	20 257	17 769
- guarantees "Payment" and "Other" (successful completion of payment, rental…)	2 626	111
TOTAL	**82 160**	**43 162**
Mortgage power - Amount of inscription	102 631	59 631
Book value of Group’s assets pledged for debt securities related to investment property and inventory as a whole	434 045	338 576
BOOK VALUE OF PLEDGED GROUP’S ASSETS	**434 045**	**338 576**
Amount of debts guaranteed by above securities		
- Non current debts	53 071	96 165
- Current debts	146 150	51 788
TOTAL	**199 221**	**147 953**
Commitments for the acquisition of inventories	13 141	21 412
Commitments for the disposal of inventories	138 407	11 199
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:

	31-12-2013	31-12-2012 RESTATED
Other current assets	1 181	1 253

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

RELATIONSHIPS WITH SHAREHOLDERS - MAIN SHAREHOLDERS

	31-12-2013	31-12-2012 RESTATED
Cresida Investment S.à r.l.	29.85%	24.99%
Capfi Delen Asset Management n.v.	5.06%	5.06%
JER Audrey S.à.r.l.	-	5.53%
Fidea n.v.	-	3.46%
Other	65.09%	60.95%
Number of representative capital shares	4 121 987	4 121 987

RELATIONSHIPS WITH SENIOR EXECUTIVES

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

	31-12-2013	31-12-2012 RESTATED
Salaries	3 907	3 635
Post-employment benefits	99	91
Other Benefits	6	9
TOTAL	**4 012**	**3 735**

RELATIONSHIPS WITH OTHER RELATED PARTIES

	31-12-2013	31-12-2012 RESTATED
Amounts recognized as income - Services fees	555	1 007
Amounts recognized as income - Asset sales	-	491
Amounts recognized as expenses	507	472
Amounts capitalized on inventories	-	200
Amounts due to related parties	263	124
Amounts due by related parties	149	102

29. EVENTS SUBSEQUENT TO REPORTING DATE

On 10 March 2014, IMMOBEL solds its stake of 40% IN RAC 1 SA, the company holding the first phase of the *Belair* project. Except this sale, no significant event that may have an impact on the financial statements occurred from the reporting date on 31st December 2013 up to 27th March 2014 when the financial statements were approved by 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.

From 1 January 2014, following the application of IFRS 11, the joint ventures will be consolidated using the equity method.

This change of method has the following impact on the consolidated statement of financial position as at 31-12-2013 :

ASSETS

	31-12-2013	IMPACT IFRS 11	31-12-2013 RESTATED
NON-CURRENT ASSETS	**6 517**	**31 538**	**38 055**
Investments in associates	1 097	32 391	33 488
Other non-current assets	5 420	-853	4 567
CURRENT ASSETS	**520 447**	**-156 278**	**364 169**
Inventories	464 655	-179 721	284 934
Trade receivables	9 063	-2 723	6 340
Other current assets	15 335	41 074	56 409
Cash and cash equivalents	31 394	-14 908	16 486
TOTAL ASSETS	**526 964**	**-124 740**	**402 224**

EQUITY AND LIABILITIES

	31-12-2013	IMPACT IFRS 11	31-12-2013 RESTATED
TOTAL EQUITY	**183 177**	**-**	**183 177**
NON-CURRENT LIABILITIES	**152 396**	**-13 071**	**139 325**
Financial debts	151 450	-13 071	138 379
Other non-current liabilities	946	-	946
CURRENT LIABILITIES	**191 391**	**-111 669**	**79 722**
Financial debts	148 757	-94 019	54 738
Trade payables	20 729	-8 515	12 214
Other current liabilities	21 905	-9 135	12 770
TOTAL LIABILITIES	**526 964**	**-124 740**	**402 224**

31. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Companies forming part of the Group as at 31 December 2013:

SUBSIDIARIES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST[1]
Cedet	-	Warsaw	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
Euroffice 461 Leasehold	0897 498 339	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
Immo-Puyhoek	0847 201 958	Brussels	100.00
Katavia Invesment	-	Warsaw	100.00
Les Jardins du Nord	0444 857 737	Brussels	96.20
Lotinvest Development	0417 100 196	Brussels	100.00
Okrąglak Development	-	Warsaw	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
CBD International	-	Warsaw	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
Pef Kons Investment	-	Luxemburg	33.33
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

	31-12-2013	31-12-2012 RESTATED
Subsidiaries - Global method of consolidation	23	24
Joint ventures - Proportionate method of consolidation	18	16
Associates - Equity method	3	3
TOTAL	**44**	**43**

1. The % interest corresponds with the voting rights.

During the year 2013, following changes in the consolidation perimeter occurred:

Incoming companies

- Pef Kons Investment (Grand-Duchy of Luxemburg) - acquisition of 33.33% of shares of the company,
- CBD International sp. Z.o.o. (Poland) - acquisition of 50% of shares of the company,
- Euroffice 461 Leasehold - acquisition of 100% of shares of the company.

Fair values of assets and liabilities of acquired companies are:

	31-12-2013
Inventories	34 597
Other assets	407
Cash and cash equivalents	195
TOTAL ASSETS	**35 199**
Other liabilities	3 470
TOTAL LIABILITIES	**3 470**
PAID PRICE	**31 729**
Purchase price paid in cash	-31 729
Acquired cash	195
OPERATING CASH FLOW	**-31 534**

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

- Project Papeblok - 100% holding - merged by absorption by IMMOBEL,
- Compagnie Immobilière de Lotissements (Lotinvest) - 100% holding - merged by absorption by IMMOBEL.

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 2013 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 2013 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
Chief Executive Officer

Baron Buysse CMG CBE
Chairman of the Board of Directors

STATUTORY AUDITOR'S REPORT

TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013, 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 significant accounting principles and methods and notes to the consolidated financial statements.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the 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.

The consolidated statement of financial position shows total assets of 526.964 (000) EUR and the consolidated statement of comprehensive income shows a consolidated profit (group share) for the year then ended of 1.471 (000) EUR.

Board of directors' responsibility 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 (IFRS) 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 (ISA). 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 statutory 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 group'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 2013, 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.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 28 March 2014

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

	31-12-2013	31-12-2012
ASSETS		
FIXED ASSETS	**104 842**	**93 936**
Start-up costs	1 621	637
Intangible fixed assets	95	36
Tangible fixed assets	1 334	1 565
Financial fixed assets	101 792	91 698
CURRENT ASSETS	**260 604**	**176 264**
Amounts receivable after one year	100	-
Stocks and contracts in progress	106 625	39 879
Amounts receivable within one year	144 715	128 930
Cash balance	8 423	7 086
Deferred charges and accrued income	741	369
TOTAL ASSETS	**365 446**	**270 200**
LIABILITIES		
SHAREHOLDERS' EQUITY	**192 981**	**189 467**
Capital	60 302	60 302
Reserves	10 076	10 076
Accumulated profits	122 603	119 089
PROVISIONS AND DEFERRED TAXES	**640**	**1 035**
Provisions for liabilities and charges	640	1 035
DEBTS	**171 825**	**79 698**
Amounts payable after one year	142 515	50 000
Amounts payable within one year	26 611	29 628
Accrued charges and deferred income	2 699	70
TOTAL LIABILITIES	**365 446**	**270 200**

STATEMENT OF COMPREHENSIVE INCOME

	31-12-2013	31-12-2012
Operating income	17 370	14 931
Operating charges	-13 017	-11 070
OPERATING PROFIT	**4 353**	**3 861**
Financial income	7 146	7 979
Financial charges	-8 494	-5 396
FINANCIAL RESULT	**-1 348**	**2 583**
OPERATING PROFIT BEFORE TAXES	**3 005**	**6 444**
Extraordinary income	2 710	5 216
Extraordinary charges	-2 199	-65
EXTRAORDINARY RESULT	**511**	**5 151**
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	**3 516**	**11 595**
Taxes	-2	-3
PROFIT OF THE FINANCIAL YEAR	**3 514**	**11 592**
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	**3 514**	**11 592**

APPROPRIATION ACCOUNT

	31-12-2013	31-12-2012
PROFIT TO BE APPROPRIATED	**122 603**	**124 860**
Profit for the financial year available for appropriation	3 514	11 592
Profit carried forward	119 089	113 268
RESULT TO BE CARRIED FORWARD	**122 603**	**119 089**
Profit to be carried forward	122 603	119 089
PROFIT AVAILABLE FOR DISTRIBUTION	**0**	**5 771**
Dividends	0	5 771

SUMMARY OF ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

Amounts Payable are recorded at their nominal value.

GENERAL INFORMATION

COMPANY NAME
IMMOBEL

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

FORM OF THE COMPANY
Belgian registered joint stock company, constituted on 9 July 1863, authorised by the Royal Decree of 23 July 1863.

TERM
Indefinite

CROSSING STATUTORY THRESHOLDS
(Art. 12 of the Articles of Association – excerpt)
Any physical or moral person who acquires securities in the Company, whether representative of capital or not, conferring the right to vote, must declare to the Company and to the Belgian Banking, Finance and Insurance Commission the number of securities s/he holds, when the voting rights pertaining to these securities reach the level of three percent or more of the total voting rights that exist.

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

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

When a physical or moral person acquires or transfers control, be it direct or indirect, de jure or de facto, of a company which possesses three percent at least of the voting power of the company, she/he must declare this to the company and to the Banking, Financial and Insurance Commission. The aforementioned declarations must be addressed to the Banking, Financial and Insurance Commission, as well as to the Company, at the latest on the second work day after the completion of the acquisition or transfer concerned, without prejudice to the special legal provisions regarding securities acquired by succession.

WEBSITE
www.immobel.be

FINANCIAL CALENDER

Publication of annual accounts 2013:	28 March 2014
Ordinary General Meeting 2014:	22 May 2014
Publication of 2014 half-year results:	29 August 2014
Publication of 2014 annual accounts:	27 March 2015
Ordinary General Meeting 2015:	28 May 2015

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

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