MONTEA
SPACE FOR GROWTH

# ANNUAL REPORT 2014

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Montea Comm. VA is a public regulated real estate company (RREC) under Belgian law (SIR – SIIC), specialising in logistics and semi-industrial property in Belgium, the Netherlands and France (**Montea** or the **Company**).

The company is a leading player in this market. Montea literally provides its clients with the space to grow, through flexible and innovative property solutions.

On 31 December 2014, the property portfolio represented a surface of 691,066 m² across 41 sites. Montea Comm. VA has been listed on the Euronext Brussels (MONT) and Paris (MONTP) since late 2006.

Montea shares are aimed at Belgian and foreign individual and institutional investors looking for an indirect investment in logistics and semi-industrial property and who are seeking to achieve a relatively high dividend yield while incurring a moderate risk.

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DESIGN AND REALISATION: Montea

The Board of Directors of Montea Management NV, statutory business manager of Montea Comm.VA, who's statutory office is situated at 27 Industrielaan, 9320 Erembodegem, is responsible for the contents of this registration document and hereby declares that it has taken every reasonable measure to ensure that the contents of the registration document correspond with reality.

Ce rapport financier annuel est également disponible en Français.
Dit financieel jaarverslag is eveneens verkrijgbaar in het Nederlands.

The annual financial reports in French and English are translated from the Dutch version. Only the Dutch version has probative value.

The annual financial report was translated under the responsibility of Montea and can be obtained at the registered office of the company. This annual report was prepared using the EURO currency.

The total amounts of figures in the tables and notes reported in this annual report may in some instances lead to differences due to rounding off.

The data in this document correspond with reality and no details have been left out that would otherwise modify the intent of this document.

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An online version is also available at www.montea.com.

Montea is  a public regulated real estate company and comes under the supervision of the FSMA (Financial Services and Markets Authority) in Belgium.

Montea has lodged an application with the FSMA to have this annual financial report approved as a registration document in the sense of article 28 of the Act of 16th June 2006 relative to the public offering of investment instruments and allowing investment instruments to be traded on a regulated market. This approval had not yet been obtained on the date of the annual report being made available, but under normal circumstances, approval of the annual report as a registration document will have been obtained by the date of the general meeting of shareholders.

## 1. Risk factors

Montea has set itself the goal of developing a solid and diversified property portfolio as part of a strategy aimed at retaining ownership of its property for the long term in order to generate stable rental income that in turn will lead to a stable and, wherever possible, a growing dividend for its shareholders going forward.

As an investor in logistics property, Montea operates its business in a constantly evolving market. This naturally involves a number of risks. If these risks were to become a reality, it could have an adverse effect on Montea's business, its financial situation and its prospects. Montea takes these risks into account as part of its investment and rental decisions.

Both Montea's management and the Board of Directors monitor the risks mentioned above on a continuous basis. As a result, management has outlined a policy of caution that can be adjusted where necessary[1]. This report contains a non-exhaustive list of the main risks Montea can identify. This means that there may be other risks, hitherto unknown or improbable, that could have an unfavourable effect on Montea's business and financial position and perspectives.

### 1.1 Market risks

#### 1.1.1 Risks associated with the economic climate

a) Description of the risks

Montea's business is subject to economic cycles. Macroeconomic indicators have a certain influence on investments and rental income with companies in the sector for logistics and semi-industrial premises and these may have a negative effect on Montea's business on the one hand. These macroeconomic indicators also have an impact on sources of finance for existing and future investments on the other hand.

b) Management of the risks

Reference is made to point 1.1.2 of this annual report with regard to managing the risks involved with investments and rental income in the sector for logistics and semi-industrial premises. Further reference is also made to point 1.3 in relation to managing risk regarding funding sources.

#### 1.1.2 Risks associated with the property market

a) Description of the risks

The risks involved in the property market are falls in rents, reductions in property values and vacancies.

The level of rents, building values and vacancies or under-occupancy are affected strongly by supply and demand in the market for selling and leasing property. For Montea, this relates in particular to logistics and semi-industrial property.

[1] For more information about Montea's strategy, please see point 4.1 in this annual report. The policy implemented by Montea will be adjusted where necessary, to the identified risks.

If it intends to safeguard its growth and yields, Montea must keep its occupancy rates up to the mark, as well as maintain its rent and value of the property when signing new lease contracts or renewing existing ones.

b) Management of the risks

Montea seeks to minimize the impact of these risks on its results and on the value of its portfolio through:

- the geographical diversification of its property portfolio;
- the diversification of its type of buildings;
- the diversification of its tenants;
- the investment policy in quality buildings,
- the development of flexible real estate solutions for its customers.

By implementing these five elements, Montea has always succeeded in restricting vacancies at its sites. Since it was listed on the stock exchange, Montea has never had an occupancy rate of less than 91%. The aim is to achieve an occupancy rate of >95% at all times.

Montea has also been successful in maintaining its rent per m² when renewing existing lease contracts or signing new ones.

In the logistics sector, it is possible that when renegotiating or signing new lease contracts, that the base rent is retained (without indexation) or a rent-free period of 3 to 6 months is granted, depending on the length of the lease.

As a result of the approach it adopts, in most cases Montea has succeeded in obtaining a higher rent than the estimated rental value. Based on property assessments, Montea's average rents in relation to the estimated rental value of the space leased are 8.5% higher in Belgium, 4.5% higher in France but 4.6% lower in the Netherlands. The lower current rent in the Netherlands is due to the expansion of the past year 2014, where buildings were purchased at sharper investment yields compared to 2013 as a result of generalmarket conditions.

Montea's growth strategy guarantees optimal risk sharing[2] based on the following two pillars:

- the acquisition of buildings in Belgium, the Netherlands and France that, on the basis of objective criteria such as accessibility of or proximity to major consumer centres, are optimally located and therefore offer a good potential in terms of marketing (geographical risk sharing);
- the acquisition of buildings leased to stable and solvent, high-quality tenants from diverse economic sectors such as the logistics sector, the food industry, the pharmaceutical sector, the consumer goods sector as well as the industrial sector (sectoral risk sharing).

Montea also intends to continue expanding its assets, so that the relative importance of each building in its portfolio remains accordingly limited. We refer to the site Saint-Cyr-en-Val representing 14.9% of the total fair value of the portfolio as of 31/12/2010, while this site by 31/12/2014 only represents 9% of the total fair value of the portfolio. This is the result of the increase in the fair value of the property portfolio-buildings. For more information, we refer to section 4.3.1 and 4.3.2 of this annual report).

[2] Montea will, in the interest of its shareholders, provide the necessary diversification in terms of its tenants.

### 1.1.3 Concentration risk

In view of the scope of the projects in which Montea invests, there is the risk that it might become too dependent on the continued existence of a particular property entity or a contractual relationship with one particular client.

For this reason, Montea ensures that the risk is spread as much as possible. Under the terms of the RREC Act, Montea is not allowed to conduct any transaction that would result in over 20% of its assets being invested in a single property entity, or where that percentage should increase further if it is already more than 20% for one or more property entities. If the obligations mentioned above are not complied with at the time a transaction is carried out, the Company would have to submit an application to the FMSA for dispensation of the 20% limit or would have to take the necessary measures to return the size of the position back below the threshold of 20%[3].

As of 31st December 2014, none of Montea's client/tenants alone represented 20% of the total rental income nor did any one unit of property represent more than 20% of the portfolio. The contracted rental income of the largest tenant (FM Logistics in France) represents 10.2% of the total annual contracted rental income. The value of the largest unit of property in the portfolio represents 9.1% of the total fair value of the portfolio (Saint-Cyr-en-Val site in Orléans – France).

Also, as an RREC, Montea may invest a maximum 20% of its consolidated assets in "other property", as defined in article 2, 5° vi to x of the RREC Act. As of 31st December 2014, this threshold had not been exceeded by Montea.

### 1.1.4 Risk of inflation

a) Description of the risks

With fixed interest rates, Montea has only limited exposure to the risk of inflation, because the rental income is indexed annually. The impact of the index for 2014 was 183,000 EUR. The impact of the index can be estimated at EUR 0.2 million[4] with a variation of 100 basis points.

In the event of an increase in the nominal interest rates, a low inflation results in a rise of the real interest rates. This constitutes a significant risk through the increase in financial costs, which can be seen more quickly than the indexation of income.

b) Management of the risks

Montea has taken the following measures to cover itself against risks of this nature:

Montea controls this risk by including a clause in its lease contracts whereby the current rent is indexed. This clause also sets out a lower limit as the basic rent. Reference in this regard is also made to point 1.2.1 of this annual report.

On the other hand, the risk of rises in real interest rates is limited by taking out IRS-type hedging contracts for the vast majority of the company's funding, with variable interest rates. By doing so, the variable interest rate is swapped for a fixed interest rate. For more information, see point 1.3.3 of this annual report.

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3 For more information regarding the 20% rule, please see article 30, § 1 to 5 of the Law dated 12th May 2014 in relation to regulated real estate companies.

4 Calculated based on Montea's net rental result at 31/12/2014.

## 1.2 Risks associated with Montea's property portfolio

The Board of Directors of the statutory manager of Montea and its management are fully aware of the importance of developing and sustaining firm governance and, as a result, maintaining a quality portfolio. Montea imposes strict, clear standards for (i) optimising and improving existing buildings, (ii) commercial management, (iii) the technical management of its buildings, and (iv) any investments made in existing buildings. The aim of these criteria is to limit vacancies, as well as to cause the value of Montea's property assets to increase sustainably and to the maximum.

### 1.2.1 Rental risks

a) Description of the risks

Montea's turnover largely consists of the rent generated by leases to third parties. Non-payment by tenants and a decrease in the occupancy rate may have a negative impact on results.

Montea is also exposed to the risk of losing rental income due to the departure of tenants when their lease expires. There is a particular risk of it taking longer to find (suitable) new tenants and that when one is found, the new tenant stipulates a lower rent. These factors may have a negative effect on Montea's results. Consequently, the length of its leases also determines Montea's risk profile. At December 31, 2014 the length of the leases is 6.3 years based on the first break date.

b) Management of the risks

Montea actively manages and monitors its existing and future clients in order to minimise vacancies and the turnover of tenants in its property portfolio.

The vast majority of rental contracts includes annual indexation in the rent (in Belgium, indexation is based on the health index; in France, it is based on the construction cost index[5], while in the Netherlands, indexation is based on the consumer price index). All current lease agreements in Belgium, in France and in the Netherlands are subject to movements in the indices mentioned. None of the current rental income is exposed to a reduction in the initial rent as the result of any fall in the index.

Before a new client is accepted, its solvency is checked. On signing each lease agreement, an unconditional bank guarantee is required as a minimum in which the amount guaranteed corresponds with 3 to 6 months of rent and possibly a guarantee from the parent company. Rent is payable in advance on a monthly, bi-monthly or quarterly basis.

Montea also positions itself, in the context of alliances with third parties (project developers, land-owners, etc.), as an active partner in property developments. In these cases, prior to commencing the construction of a new development, Montea will have already signed a lease agreement with the tenant in question. For more information about these tenants, we refer you to section 4.3.2 of this annual report. Montea does not intend to become involved in speculative development projects (known as "blank" projects for which there are no tenants in place in advance).

Within the property sector, Montea focuses mainly on logistics property (warehousing and transhipment of goods) and makes every attempt to spread its risks in terms of the type of tenant/sector and the geographical location.

[5] ICC – indice de coût de construction.

### 1.2.2 Management of the real estate portfolio

a) Description of the risks

The Montea team, potentially assisted by external consultants, is responsible for the daily management of the buildings, handles the technical management of the property portfolio[6] and presents efficient and flexible solutions for improving the portfolio's quality and sustainability. Moreover, the team will make every effort to proactively minimise any possible vacancies.

The internal team follows up the operational management of the technical maintenance of the buildings, as well as the coordination of the ongoing construction and renovation. The team submits a maintenance and renovation schedule to the investment committee and the Board of Directors for the purpose of securing optimal long-term portfolio profitability.

In view of the fact that the Company has a relatively small team, when certain key members of staff leave, the company is exposed to an organizational risk. The unexpected departure of some employees may have adverse effects on the company's development and could give supplementary management costs.

b) Management of the risks

Montea conducts a policy whereby the vast majority of the management costs of the buildings are invoiced on to tenants. For 2014, a total of EUR 800,000 was spent on costs that could not be invoiced on to tenants. In addition, an amount of EUR 4.5 million was invested in improvement and renovation works to the existing portfolio. This amount corresponds with 1.29% of the fair value of the property portfolio.

Should certain key members of staff leave the company, Montea will handle these key positions on a temporary basis through outsourcing. Montea offers salary packages that are in line with the market. It also regularly provides its staff with additional training courses and seminars to enable them to top up their knowledge and qualifications in their specialist area.

### 1.2.3 Risks associated with the fluctuation of the operational costs

a) Description of the risks

Direct operational costs are mainly influenced by two factors:

- the age and quality of the buildings: these determine the maintenance and repair costs. Both are closely monitored and coordinated whereby the implementation of the work is sometimes outsourced;
- the level of vacancy and turnover of tenants: these determine, inter alia, the cost of unrented space, the cost of re-letting, the costs for renovation and discounts to new clients. The aim of active commercial portfolio management is to minimize these costs.

b) Management of the risks

Montea conducts a policy of ongoing maintenance and refurbishment for its property portfolio in order to maintain or even increase existing rents, as well as to make it easier to lease the space again. Despite these measures, there is still the risk of the buildings losing value.

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[6] However, Montea is assisted by external partners in carrying out certain tasks. Montea continues to take responsibility for these areas and also handles coordination.

The preparation and monitoring of maintenance and refurbishment works is part of the package of tasks carried out by the Project Management team under the responsibility of the Chief Operating Officer.

Montea also focuses, in partnership, on new developments, in the Benelux and France under supervision and management of the Chief Operating Officer.

### 1.2.4 Risk of destruction of the buildings

a) Description of the risks

An existing risk is the destruction of buildings in the Montea property portfolio as the result of fire, natural disaster, accidents, terrorism, etc.

b) Management of the risks

The risk of buildings destroyed by fire or other disasters is fully insured for new construction. The insurance policies, underwritten by Montea, also include additional guarantees (such as loss of rent[7]), which were established based on the best possible market coverage.

On 31 December 2014, the insured value[8] of the property portfolio amounted to EUR 237 million in Belgium and EUR 49 million in the Netherlands. This covers the full fair value of the portfolio in Belgium and in the Netherlands on the same date.

52% of the sites in France (with a total fair value of EUR 62.6 million) are insured directly by Montea. This insurance covers the fair value of the buildings. The other sites in France are insured by the tenants[9].

In 2014, premiums totalling EUR 357,046.18 were paid to insure these buildings. The cost of these premiums was passed on to clients. However, premiums for vacant premises and premiums that cannot be recovered contractually or only to a limited extent cannot be passed on to clients.

### 1.2.5 The conditional nature of forthcoming build-to-suit projects

a) Description of the risks

Montea has signed an agreement with the developer for various build-to-suit projects in which Montea undertakes, at a price agreed in advance, to purchase the building in question (or the company to which the building belongs), subject to a number of conditions precedent being fulfilled. These conditions precedent relate to items such as delivering the guarantee, the first rent payment, obtaining the necessary permits and the provisional handover of the building. If the building is handed over later than scheduled or if any of the conditions precedent are not fulfilled, Montea may decide not to acquire the building (or only at a later stage), which may have an impact on the company's proposed results and its future property portfolio.

[7] The average guarantee for loss of rent is approximately 2 years.

[8] This value represented the full new-build value, including non-recoverable VAT.

[9] The largest site is Saint-Cyr-en-Val in Orléans (leased in full to FM Logistics), with a fair value of EUR 36.6 million.

b) Management of the risks

Stipulating suspensive conditions in the agreement with the developer and intensive, proactive collaboration with the developer during the construction phase are the most important features of managing this risk.

### 1.2.6 Public domain and airport zones

a) Description of the risks

For certain types of property, Montea has concessions over the public domain or building rights. These titles are by definition limited in time and may be terminated early for reasons in the public interest, subject to the individual features of the location or its legal status.

This relates in particular to the building rights that Montea or its subsidiaries have stipulated with The Brussels Airport Company (TBAC) at Brucargo. These building rights may, as is usual in the airport area, be terminated early by The Brussels Airport Company for reasons of general interest or the proper operation of the airport.

b) Management of the risks

For example, should TBAC terminate the building rights for one of these reasons, it will pay a total amount of compensation to Montea. However, should a competent authority (other than TBAC) terminate the building rights in the public interest (by expropriation), Montea will not receive any compensation from TBAC. If that should happen, TBAC and Montea would then have to work towards obtaining a suitable form of compensation from the competent authority, in which TBAC has undertaken to pass on any compensation received to Montea. In this latter case, there may be a discussion between Montea and the competent authority regarding the amount of the compensation, which in turn may have a negative impact on Montea's business and operating results.

## 1.3 Financial risks

Exposure to exchange risks, interest rate, liquidity and credit risks arise in the normal business of Montea. Montea analyzes and reviews all risks and hereby defines the control strategies regarding the economic impact on the performance of the Company. The results of these analyses and proposed strategies are reviewed on a regular basis and approved by the Board of Directors.

### 1.3.1 Debt structure

a) Description of the risks

Under the law, Montea's consolidated or single debt ratio may not be more than 65%[10].

Montea has signed market-compliant covenants with its financial institutions, which ensure that its consolidated debt ratio (pursuant to the Royal Decree on regulated real estate companies [RREC RD]) may not exceed 60%.

[10] Article 23 of the Royal Decree issued on 13th July 2014 relating to regulated real estate companies.

In addition, it is stated in the terms of the bond issues of 28th June 2013[11] (for a total of EUR 30 million) and 28th May 2014 (for a total of EUR 30 million) that there may be a maximum consolidated debt ratio of 65%. If Montea breaches these covenants, any bondholder may, by lodging a written notification at Montea's registered office, with a copy to the respective "agent", require that his or her bonds immediately be declared due and repayable at the nominal value, along with interest accrued (if any) up until the date of payment, without any further formalities, unless such a breach is remedied prior to Montea receiving said notification.

b) Management of the risks

If the consolidated debt ratio exceeds 50%, a financial plan must be drawn up, pursuant to the Royal Decree on RRECs, containing an execution schedule with a description of the measures that will be taken to prevent this ratio exceeding 65%[12].

At 31st December 2014, the consolidated debt ratio was 52.1%[13] (compared with 52.82% at 31st December 2013) at a consolidated level and 52.0% on a statutory level, requiring Montea to draw up a financial plan and execution schedule. The auditor has drafted a special report on the financial plan and the method of its drafting has been verified in accordance with article 24, paragraph 2 of the RREC RD. For more information about the financial plan, please see point 4.5.4 of this annual report.

Montea has a consolidated debt capacity of approximately EUR 166 million before the maximum statutory debt ratio of 65% is reached. This represents a possible growth in the property portfolio of 40% (additional growth in the fair value of the property portfolio of EUR 166 million compared with the current fair value of the property portfolio, including the fair value of the solar panels of EUR 8 million and the fair value of the developments of EUR 16 million) funded entirely by debt. Montea has agreed covenants with its banks under which the debt ratio may not exceed 60%. This means that the consolidated debt capacity is EUR 90 million (additional growth in the fair value of the property portfolio of EUR 90 million compared with the current fair value of the property portfolio, including the fair value of the solar panels of EUR 8 million and the fair value of the developments of EUR 16 million). This represents a possible growth in the property portfolio of 22% funded entirely by debt.

Conversely, the current balance sheet structure, if all parameters remain constant, would be able to absorb a reduction in the value of the property portfolio of 22% or 14% respectively before a maximum debt ratio of 65% or 60% was reached.

### 1.3.2 Liquidity risk

a) Description of the risks

The liquidity risk consists of Montea running the risk that at a certain moment it may not have sufficient cash resources and that it may no longer be able to obtain the required financing to cover its short-term debts.

11 The 2013 annual report incorrectly states the date of 23rd June 2013.
12 Art. 24 of the Royal Decree relating to regulated real estate companies.
13 The debt ratio is calculated pursuant to the Royal Decree issued on 13th July 2014 relating to regulated real estate companies.

- **Lines of credit**

Taking the legal status of the RREC into account and given the nature of the assets in which Montea invests (logistics and semi-industrial property), the risk of the non-renewal of its lines of credit (except in unforeseen circumstances) is limited, even in the context of a tightening of its terms of credit. On the other hand, it is true that the credit margins could rise at the time the lines of credit expire and need to be renewed.

There is also the risk of the termination of the bilateral lines of credit as the result of the cancellation, termination or review of the finance contracts caused by non-compliance of the undertakings ("covenants") entered into at the time of signing these finance contracts. Technically speaking, the loss by Montea of its status as a regulated real estate company could constitute an *event of default* under most of Montea's lines of credit (see 1.4 of this annual report). The undertakings that Montea has stipulated with its financial institutions are market-compliant and among other things state that its consolidated debt ratio (pursuant to the Royal Decree issued on 13th July 2014 relating to regulated real estate companies) may not exceed the ceiling of 60%.

As a result, if it does not comply with its obligations and, more generally, if it should remain in default of the terms of these contracts, Montea would be exposed to the risk of the forced, early repayment of these loans. Based on the current circumstances and the outlook that can reasonably be made based on those circumstances, Montea has no knowledge of any elements that indicate it would not be able to comply with one or other of its undertakings. However, the risk of this cannot be entirely excluded.

No mortgages, loans or advances were granted or received by Montea (or its subsidiaries), with the exception of the lines of credit mentioned above.

➢ **Bond issues totalling EUR 60 million** [14]

As part of the further diversification of its financing, Montea proceeded with two bond issues on 28th June 2013 and 28th May 2014 respectively, each for a total amount of EUR 30 million. These bond loans each have a term of seven years and mature on 28th June 2020 and 28th May 2021. It is possible that Montea may not reimburse the bonds on their respective maturity dates.

Pursuant to article 5.6.3 of the general terms and conditions for both bond issues, Montea may be obliged to reimburse the bonds issued early if there is a change in the control of Montea. If this should be the case, each bondholder will have the right to require the buyback of his or her bonds by Montea for 100.00 per cent of their face value, plus any interest accrued but not yet paid, up to (but excluding) the date of early repayment. Pursuant to article 5.6.3 of the respective Terms and Conditions, a change in control over Montea may be deemed to have occurred in the event of a change in control over the Statutory Business Manager. In other words, as a result of a change in control over the Statutory Business Manager, the early repayment of the bonds issued by Montea could be required by the bondholders.

b) Management of the risks

As of 31st December 2014, Montea had a total of EUR 179 million in lines of credit, of which EUR 165 million was already drawn down. During 2015, EUR 49 million of these lines of credit fall due and will have to be repaid or refinanced. For more information regarding the financing structure of Montea, please see point 4.5 of this annual report.

[14] For more information, please refer to the press releases dated 24/06/2013 and 20/05/2014 or visit www.montea.com.

Note 34 gives an overview of the contracted and drawn down lines of credit, with their respective terms.

The liquidity risk is restricted by:

- the diversification of funding sources: the total financial debt, excluding rental guarantees received (EUR 228 million), consists 72% of lines of credit drawn down, 26% of the bond loans and 2% of financial debts;
- the diversification of the drawn down lines of credit with five leading European financial institutions (ING, Belfius, BNP Paribas Fortis, KBC and Bank Degroof); this diversification provides attractive financial market terms;
- term of financial debt: during 2014, the total existing debt still to mature was refinanced through a/o the issue of a bond loan of EUR 30 million with a term of 7 years (for more information, please see the press release dated 20th May 2014). Montea is currently analysing its debt situation so that it can be prepared, prior to the maturity dates of its lines of credit, to refinance its debt on terms that are in line with the market.

To prevent a liquidity problem in the future, Montea is currently taking action to secure in good time the funding required for the further growth of the portfolio. The company currently foresees no problem in securing further sources of funding. In so doing, maintaining the balance between the cost of funding, as well as the term and diversification of the funding sources, is always to the fore.

### 1.3.3 Risks associated with changes in interest rates

a) Description of the risks

The short-term and/or long-term rates on the (international) financial markets are subject to significant fluctuations.

With the exception of the financial agreements regarding other financial debts[15] and the bonds[16], all of Montea's financial debts have been agreed at a variable interest rate (bilateral lines of credit at the EURIBOR 3-month rate + margin). This enables Montea to benefit from any low interest rates.

b) Management of the risks

To hedge the risk of increases in interest rates, Montea conducts a policy whereby part of its financial debt is covered by interest rate hedging instruments. This prudential policy prevents a rise in nominal interest rates without a simultaneous growth in inflation, resulting in an increase in real interest rates. Any rise in real interest rates cannot be offset by an increase in rental income through indexation. It is also a fact that there is always a time lapse between a rise in nominal interest rates and the indexation of rental income.

Hence the risk of rising interest rates is hedged by IRS ("Interest Rate Swaps"). 100% of the drawn down funding entered into by Montea is at a variable rate of interest. Montea conducts a policy whereby at least 50% of its drawn down bank funding is covered by the use of IRS-type hedging instruments (in which the variable interest rate is swapped with a fixed rate).

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[15] Montea has financial debt in relation to current financial agreements of EUR 3.2 million (2% of the total financial debt). These financial agreements (for 2 sites) expire between 2015 and 2017. At the time, they were entered into with a fixed quarterly payment (including the interest charge).

[16] In 2014 Montea issued a bond loan with a fixed interest rate of 3.355% and in 2013 one at a fixed interest rate of 4.107%. For more information, please refer to the press releases dated 20/05/2014 and 24/06/2013.

As of 31/12/2014, the total debt position with a variable interest rate of EUR 165 million was covered 55% by IRS-type hedging instruments, with maturity dates between 2014 and 2021. This means that 45% (or EUR 75 million) of the total EUR 165 million is exposed to variable interest rates.

No new IRS contracts were signed in 2014. In 2014, 3 existing IRS contracts were replaced by 3 new contracts for the same nominal amounts, but with extended terms. This transaction was part of the process of keeping financing costs under control, in which the negative value of the most expensive hedging instruments has been spread further over a longer term, taking a lower hedging cost into account.

Moreover has each variation of the interest curve an influence on the fair value of the IRS. Montea books a negative variation on the fair value of the hedging instruments when the interest rates are lower than the applied ratio of the IRS interest rates. These negative variations can influence the net result but have no influence on the net current result. This year, negative variations in the fair value of hedging instruments were recorded, as a consequence of the decrease of the interest rates.

Note 17 contains a summary of the fair value of the hedging instruments.

Taking account of the lines of credit with variable interest rates, the hedging instruments, the fixed interest rate on the bond loan and the fixed interest rates on the financial agreements, the average interest rate charge in 2014 was 3.8%[17] (including bank margins)[18]. With abstraction of the costs related to the hedging instruments, we obtain an average interest rate of 2.5%.

Based on the existing debt position at 31st December 2014 and the short-term interest rates in effect at the time, a rise in the short-term interest rates of 100 basis points would result in a slight increase in total financial costs (+EUR 0.7 million).

### 1.3.4 Exchange rate risk

The property portfolio of Montea consists exclusively of buildings in Belgium, The Netherlands and France and all leases are in EURO. The company is thus not exposed to any exchange rate risk.

### 1.3.5 Credit risk

a) Description of the risks

The credit risk is the risk of financial loss to the company if a client or counterparty fails to meet its contractual obligations.

b) Management of the risks

The management has a credit policy and the exposure to credit risk is managed on a continuous basis. Each new tenant must be independently examined for creditworthiness before the company makes a lease offer, taking into account a rental guarantee of 3 or 6 months.

[17] This financial cost is an average over the whole financial year 2014, including the other financial debts in France, the Netherlands and Belgium. It was calculated based on the total financial costs compared with the average start balance and end balance for the financial debt charge for 2014.

[18] For more information about the financing policy, see point 4.5.

## 1.4 Regulatory risks

### 1.4.1 Legislative and fiscal framework for public regulated real estate companies

As a regulated public regulated real estate company (PRREC), Montea benefits from a favourable tax system. The company results (rental income and profits from sales, minus operating costs and financial charges) are exempt from corporation tax at the level of the PRREC (but not in terms of any subsidiaries). Dividend payments made by a PRREC are subject to withholding tax at a rate, in principle, of 25%[19].

In the event of the loss of accreditation of the status of PRREC, which would imply a serious and persistent failure by Montea to comply with the requirements of the Act of 12th May 2014 or the Royal decree dated 13th July 2014, Montea would lose the benefit of this favourable tax system. Montea considers this risk to be purely theoretical given that it complies with its obligations.

In addition, the loss of accreditation would also result in Montea being required to repay its borrowings early or more quickly.

Finally, Montea is exposed to the risk of future changes to the PRREC system.

### 1.4.2 Legislative and fiscal context for SIIC

For the purpose of conducting its property investments in France, Montea has opted for the tax system that applies to 'Sociétés d'Investissements Immobiliers Cotées' (referred to below as SIIC), as stated in article 208 C of the French Income Tax Code (Code général des impôts – CGI).

Non-compliance with or modifications to the rules required by the fiscally transparent system for the business in France may result in the loss of the favourable tax status and hence to the obligation to repay certain loans.

### 1.4.3 Legislative and fiscal context for FBI

For the purpose of conducting its property investments in the Netherlands, Montea lodged an application in September 2013 to have the 'Fiscale Beleggingsinstelling' (referred to below as FBI) tax investment system applied, as stated in article 28 of the Company Tax Act 1969. This application is currently being dealt with at the Ministry of Finance. An application has also been lodged with the Dutch Tax Department for the formation of a fiscal unit for corporation tax purposes between Montea Nederland N.V. and its subsidiaries.

### 1.4.4 Potential changes to the legislative and fiscal context in which Montea operates

Montea is fully aware that changes may be made to the regulations or that new obligations may be introduced.

Changes to the regulations or new obligations for the Company or its associate parties may have an effect on the yield and value of its assets.

[19] The increase in the withholding tax to 25% on dividends from (non-residential) property trusts was implemented by the amendment of art. 269 of the Income Tax Code 1992 pursuant to art. 84 of the programme Law of 27/12/2012 (B.O.G. 31/12/2012). This change applies to income allocated or payable from 1/1/2013. Previously, withholding tax on dividends was only 21%.

The Company is also subject to the risk of future (unfavourable) changes to the PRREC system. For example, such changes might cause a reduction in the results or intrinsic value or increase the debt ratio (for example simply through the application of new accountancy rules). They might also lower the maximum debt ratio or affect the size of the mandatory payment of dividends made to Montea shareholders.

In addition, new national legislation and regulations might come into effect, or there might be possible changes to the existing legislation and regulations, such as to the existing practices in the tax authorities, as mentioned in Ci.RH.423/567.729 dated 23rd December 2004 issued by the Belgian Ministry of Finance in relation to the calculation of exit tax. Montea calculates the purchaser costs value, as dealt with in the circular, with the deduction of registration charges or VAT, as a result of which the purchaser costs value, as dealt with in the circular, differs from (and may also be lower than) the value of the property, as stated in the IFRS balance sheet of the PRREC.

### 1.4.5 Planning legislation and environmental legislation

a) Description of the risks

A change to the regulations made by central or administrative governments could have an unfavourable effect on the operating capabilities of the buildings, which would have an effect on rental incomes and leas ability. It would also cause an increase to costs for maintaining operating condition.

b) Management of the risks

Montea is constantly assessing possible changes relating to planning and environment requirements under the law. It is assisted in this by external advisers.

### 1.4.6 Environmental licences

Montea or its tenants have the required environmental licences to operate all certified installations in its buildings[20]. These licences are adjusted when (changes to) the legislation, type of operation or technical specifications so require.

### 1.4.7 Environmental risks

a) Description of the risks

These are risks that relate to the condition of buildings, the quality of the soil, the subsoil and groundwater.

b) Management of the risks

Before it purchases a building, Montea conducts a very thorough examination of all possible discrepancies and environmental risks. To avoid any risk of pollution, Montea also has tests carried out into the quality of the soil, subsoil and groundwater for buildings where activities involving the risk of pollution are or have been carried out. In the event of pollution being demonstrated, Montea does everything it can to control the potential associated risks in a responsible manner. Montea also conducts periodic checks at its facilities where there may be a risk of pollution for the soil.

[20] Montea is responsible for the licences relating to operation of the building. The tenant is responsible for any additional operating licences relating to the business being conducted. These documents are part of the procedure when buying/selling and/or leasing.

## 2. LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Since it was first established, Montea has written a story of strong growth. As a specialist in the logistics property sector, Montea has scanned the market since 2006 for new investment opportunities. Shortly after it was listed on the stock exchange, Montea took the decision to diversify into France and it has also added the Dutch market to its radius of operations since the end of 2013.

With a total investment volume of EUR 105 million in Belgium and the Netherlands, Montea again confirmed its story of growth in 2014. In Belgium, Montea further expanded its role as a specialist in logistics property with two built-to-suit developments at Park De Hulst in Willebroek (for Dachser and Neovia Logistics), the development of Metro in Vorst and the redevelopment of the site in Grimbergen (for Caterpillar Distribution Services Europe). Montea also strengthened its growth in the Dutch market (Waddinxveen, leased to Delta Wines and Beuningen, leased to Depa Disposables) and two developments in the Netherlands (Oss, leased to Vos Logistics and Heerlen, leased to DocMorris). This latter development is scheduled to be handed over during the first quarter of 2015.

In addition to growth, the focus was also placed on the performance of the existing portfolio and throughout the year, Montea achieved an occupancy rate of around 95%. Work was also carried out on the average term of the lease contracts, which was 6.3 years at 31/12/2014.

Keeping the debt ratio under control within this story of growth was the third major achievement in 2014. On the one hand, Montea proceeded with a second capital increase of EUR 52.5 million in June 2014. On the other hand, debt diversification was continued through the issue of a second bond loan and the refinancing of the expired financial bank debt. Keeping the cost of financing under control was a third significant achievement in 2014.

The property portfolio of 691,066 m², which is spread across 41 different sites, delivered an average net yield of 7.52% (contractual annual rental income, excl. concession payments compared with the fair value of the property portfolio). This yield is based on lease contracts with +/- 80 large and smaller clients operating in a very wide array of sectors, ranging from logistics (DHL, FM Logistics, Fedex, Dachser, Chronopost and Norbert Dentressangle), manufacturing (BF Goodrich, Brossette and Jan De Nul) and consumer goods (Unilever, H&M and Barry Callebaut).

In 2014, Montea opted to switch to the status of a public regulated real estate company, instead of its previous status as a public property trust. On 22nd September 2014, Montea was accredited and licensed by the FSMA as a public regulated real estate company under Belgian law. This accreditation came into effect on 30th September 2014, which was the date on which Montea's extraordinary general meeting voted to approve this new status. As a public regulated real estate company, Montea is subject to the Act of 12th May 2014 relative to public regulated real estate companies and the Royal Decree of 13th July 2014 relative to public regulated real estate companies. It is important to note that the overall protection enjoyed by shareholders under the current property trust system is the same as with RREC status.

In 2014, Montea also continued to focus on the active management of its existing property assets.

The net rental result was EUR 26.8 million, which represented an increase of 13% compared with 2013. Montea signed new lease contracts and extended existing ones for 85,994 m² of space. In doing so, Montea succeeded in ending the year with an occupancy rate of 96.6% [21].

The operating margin was 85.1% for the full year 2014, which was a full percentage point higher than in 2013.

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[21] The occupancy rate is based on the number of m². When calculating this occupancy rate, neither the non-leasable m² intended for redevelopment nor the land bank are included in the numerator or the denominator.

The consolidated debt ratio was 52.1%. 55% of the financial debt to banks was hedged by contracts that together ensure a fixed financing level of 3.4%[22].

Finally, we would draw your attention to three additional elements in the results which also have an effect on the net result of EUR 6.1 million, but not on the net operating result of EUR 15.3 million (and in so doing also not on the dividend).

These elements relate to the positive variation in the fair value of the property portfolio (IAS 40, valued by independent property specialists) of 0.3% (or EUR 1.5 million) and a capital gain from the sale of the site in Puurs (EUR 0.2 million). There was also a significant negative variation in the fair value of the hedging instruments (IAS 39) taken up during the financial year, as a result of the changes in long-term interest rates (EUR -10.8 million, included fully in the result).

Based on the above, the net result was EUR 6.1 million. If the "non-cash" elements arising from the application of accountancy standards regarding hedging instruments and property investments are disregarded, the net operating result was EUR 15.3 million, representing an increase of 13% compared with the previous year.

The Board of Directors will propose to the ordinary general meeting to be held on 19th May 2015 to pay out a gross dividend per share of EUR 1.97 for the full year 2014[23] (EUR 1.97 per share for the 2013 financial year). This corresponds with a net dividend of EUR 1.4775 per share, compared with EUR 1.4775 in 2013.

Finally, the Board of Directors would like to thank the entire team at Montea for its ongoing efforts and commitment shown in 2014.

Dirk De Pauw*
Chairman of the board of directors

Jo De Wolf**
Chief Executive Officer

* Permanent representative of DDP Management SPRL
** Permanent representative of Jo De Wolf SPRL

[22] This financial cost is the annual runrate of the bank debt, the outstanding bond loan and the other financial debts, taking account of the hedging taken and the short-term interest rate at 31st December 2014.

[23] The dividend of EUR 1.97 per share is made up of EUR 1.02 per share for the first half of the year (based on 6,808,962 shares) and EUR 0.95 per share for the second half of the year (based on 8,754,378 shares).

## 3. Key Figures

| MONTEA SPACE FOR GROWTH | | BE | FR | NL | 31/12/2014 12 months | 31/12/2013 12 months |
|---|---|---|---|---|---|---|
| **Real estate portfolio** | | | | | | |
| **Real estate portfolio - Buildings** | | | | | | |
| **Number of sites** | | **22** | **15** | **4** | **41** | **35** |
| **Surface of the real estate portfolio** | | | | | | |
| Logistics and semi-industrial warehouses | M² | 344.992 | 203.375 | 84.451 | 632.818 | 535.352 |
| Offices | M² | 36.711 | 15.291 | 6.246 | 58.248 | 49.342 |
| **Total surface** | **M²** | **381.703** | **218.666** | **90.697** | **691.066** | **584.694** |
| Development potential | M² | 108.059 | 35.830 | 6.055 | 149.944 | 90.500 |
| **Value of the real estate portfolio** | | | | | | |
| Fair value (1) | K€ | 223.741 | 120.725 | 56.450 | 400.916 | 311.936 |
| Investment value (2) | K€ | 229.512 | 128.787 | 60.430 | 418.729 | 324.815 |
| **Occupancy rate** | | | | | | |
| Occupancy rate (3) | % | 95,70% | 96,60% | 100,00% | 96,60% | 94,85% |
| **Real estate portfolio - Solar panels** | | | | | | |
| Fair value (1) | K€ | 7.527 | | | 7.527 | 7.590 |
| **Real estate portfolio - Solar panels** | | | | | | |
| Fair value (1) | K€ | 16.295 | | | 16.295 | |
| **Consolidated results** | | | | | | |
| **Net current result** | | | | | | |
| Net rental result | K€ | | | | 26.819 | 23.659 |
| Operating result (4) | K€ | | | | 22.821 | 19.892 |
| Operating margin (5) | % | | | | 85,09% | 84,08% |
| Financial result (6) | K€ | | | | -7.226 | -6.206 |
| **Net current result (7)** | **K€** | | | | **15.271** | **13.494** |
| Number of shares entitled to the result of the period | | | | | 7.781.658 | 6.587.896 |
| **Net current result / share** | **€** | | | | **1,97** | **2,05** |
| **Non-current result** | | | | | | |
| Result on the real estate portfolio (8) | K€ | | | | 1.632 | -3.022 |
| Result on financial derivatives (9) | K€ | | | | -10.796 | 5.497 |
| **Net result** | **K€** | | | | **6.107** | **15.969** |
| Number of shares entitled to the result of the period | | | | | 7.781.658 | 6.587.896 |
| **Net result / share** | **€** | | | | **0,78** | **2,42** |
| **Consolidated balance sheet** | | | | | | |
| **Equity (excl. minority participations)** | **K€** | | | | **183.338** | **138.869** |
| **Debts and liabilities for calculation of debt ratio** | **K€** | | | | **236.473** | **179.472** |
| **Balance sheet total** | **K€** | | | | **453.867** | **339.797** |
| **Debt ratio (10)** | **%** | | | | **52,10%** | **52,82%** |
| **Net asset value / share** (11) | **€** | | | | **20,94** | **20,39** |
| **Net asset value / share (excl. IAS 39)** (11) | **€** | | | | **23,76** | **22,43** |
| **Share price** (12) | **€** | | | | **34,39** | **31,65** |
| **Premium / (discount)** | **%** | | | | **44,77%** | **41,13%** |

(1) Book value according to IAS/IFRS rules. The amount of EUR 414,005,000 (property investments in section I.C of the balance sheet) is EUR 3,204,000 lower than the project developments and fair value of the property investments combined. This difference relates to the book value of the site in Meer (assets for sale) and the office used by the company.
(2) Value of the portfolio without deducting transaction costs.
(3) Occupancy rate, based on the number of m². When calculating this occupancy rate, neither the non-leasable m² intended for redevelopment nor the land bank are included in the numerator or the denominator.
(4) Operating result before the result on the property portfolio.
(5) Operating result before the result on the property portfolio divided by the net rental result.
(6) Relates to the financial result without the result on financial instruments.
(7) Net result excluding the result on the portfolio (codes XVI, XVII and XVIII of the profit-and-loss account) and excluding the variation in the valuations of the financial hedging instruments.
(8) Negative and/or positive variations in the fair value of the property portfolio + any profits or losses resulting from the realisation of property.
(9) Negative and/or positive variations in the fair value of the interest hedging instruments under IAS 39.
(10) Debt ratio under the RD of 13th July 2014 relating to regulated real estate companies.
(11) Calculated on the basis of the total number of shares at 31/12/2014. The calculation is as follows:
Equity capital attributable to shareholders /total number of shared at the end of the financial year
= 183,338,175.76 / 8,754,378
(12) Share price at the end of the financial year.

# 4. Management report

## 4.1 Montea's strategy " Space for Growth "

➔ Montea literally offers its clients the opportunity to grow through flexible, innovative property solutions. For this reason, Montea maintains a broad network of brokers, landowners, project developers and contractors.

➔ Montea converts its market knowledge into top-quality property investments that offer long-term added value to clients and shareholders.

➔ Montea is staffed by an enthusiastic team of logistics property experts. Through its clear insight into client requirements, Montea seeks to identify quality, customised solutions geared to the constantly changing economic situation.

➔ This is why shares in Montea offer a risk that is spread, as well as profitable growth and a stable dividend.

Montea operates according to these three core concepts:

- **Logistics property**

Montea believes in the long-term value of logistics property. The complete life cycle of a logistics building is much longer than that of other institutional property categories. Architectural requirement, changing techniques, free height and other technical specifications evolve less quickly than in other segments, in office property, for example. When renovations are nevertheless called for during the life cycle, their cost in relation to the total value is lower than elsewhere. This makes logistics property an interesting long-term investment.

- **Pure player**

Montea has chosen to exclusively invest in logistics property. In doing so, Montea has a clear focus on this niche. The teams in Belgium, The Netherlands and in France consists of specialists in this sector and can consequently qualify as ‘the best of the class’ in their field. This sets Montea apart from many other real estate companies that have chosen to diversify their asset classes, resulting in the lack of a clear focus.

- **End investor**

Montea acts in the marketplace as an end-investor that takes a long-term view of its property portfolio. Using its expertise and experience in niche markets, Montea works with other parties in the sector, such as developers and landowners, to become involved in the development process at an earlier stage. The built-to-suit project with Coca-Cola in Heppignies and Metro in Vorst and the collaboration with MG Real Estate (Group De Paepe), Cordeel Group and Bouwbedrijf Van de Venare interesting examples of that vision. It is Montea’s aim to continue carrying out this type of project in the future.

## 4.2 Property report[24]

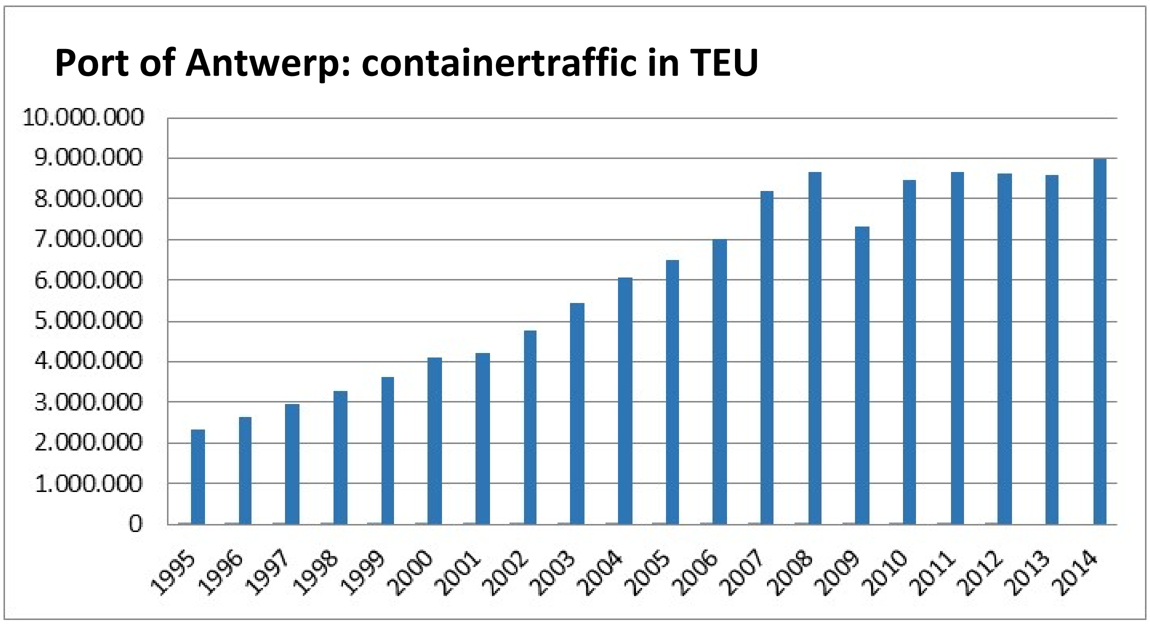
### 4.2.1 The semi-industrial and logistics property market in Belgium

In spite of the weak economic growth of ± 1%, 2014 was a good year for the semi-industrial and logistics market. The occupation decline did not curb investments for this type of property. This is translated in the high investment volume which the sector achieved in 2014. Partly thanks to the extremely low interest rates the appetite for new high-quality buildings with long-term lease contracts is still increasing.

#### 4.2.1.1 Main HUBS

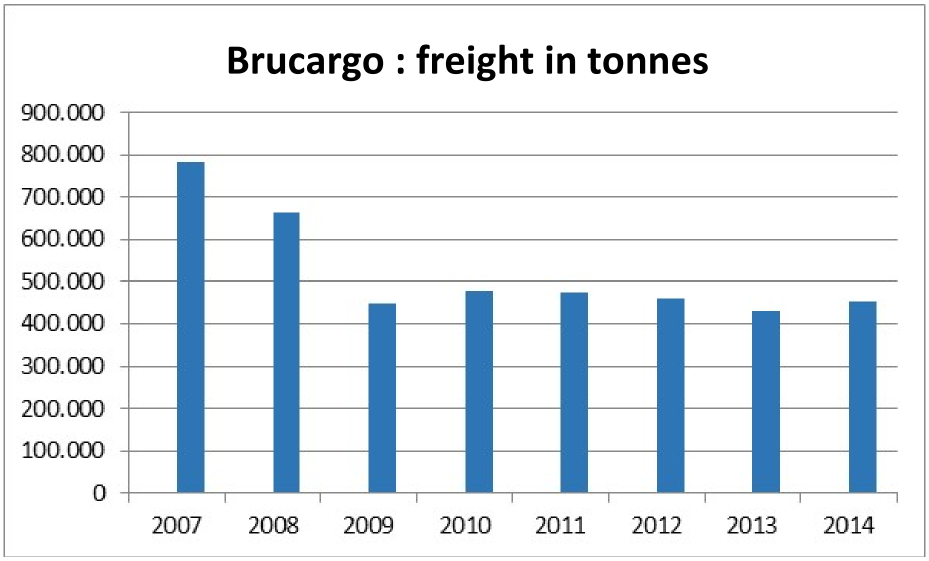
The performance of the two main logistics hubs, the Port of Antwerp and cargo airport Brucargo, are not only important for the Belgian economy but are also instrumental for the logistics activity in 2014.

For the first time since 2011, the Port of Antwerp showed growth figures for its container traffic again. In 2014 a new absolute record was established just shy of 9 million TEU. Compared to 2013, a growth of 4.7% was recorded in this sector. But the other sectors (break bulk and bulk) also made progress resulting in an overall new record.




Cargo airport Brucargo increased 5.6% bringing the total annual tonnage to almost 454,000 ton. Although the 'full-freighter" sector continues to decrease, this drop is more than compensated by the so-called 'integrators' and cargo transport in passenger aircraft (belly cargo).

[24] Source: De Crombrugghe & Partners NV for the property market in Belgium, Deloitte France for the property market in France and Jones Lange Lasalle Nederland for the propery market in the Netherlands. This report was prepared at the request of the issuer of which the real estate experts have agreed to the inclusion of the full report in this registration document.




#### 4.2.1.2 LPI

In 2014, the World Bank published its two-yearly LPI (Logistics Performance Index). This measures the quality of several important steps within the logistics sector such as infrastructure, customs, logistics knowledge,…

| Classification | 2014 | 2012 | 2010 |
|---|---|---|---|
| Country | | | |
| Germany | *1* | *4* | *1* |
| Netherlands | *2* | *5* | *4* |
| Belgium | *3* | *7* | *9* |
| Great Britain | *4* | *10* | *8* |
| Signapore | *5* | *1* | *2* |
| Sweden | *6* | *13* | *3* |
| Norway | *7* | *22* | *10* |
| Luxembourg | *8* | *15* | *5* |
| United States | *9* | *9* | *15* |
| Japan | *10* | *8* | *7* |

*Source: LPI 2014 Wereldbank*

After coming ninth in 2010 and seventh in 2012, Belgium managed to climb to third in the ranking. This proves that Belgium possesses several strengths. However, we should not just focus on this. The competition to attract logistics players is great and the battle is far from over. It is not coincidental that two of our neighbouring countries, the Netherlands and Germany, have an even higher listing. Over the last years, both countries have managed to attract several new logistics, often e-commerce related, distribution centres. With its smaller domestic market, Belgium cannot compete with this, particularly if you also consider that a number of additional selection criteria such as labour cost and flexibility are not really part of the LPI. And these are elements that Belgium usually achieves worse scores on. Unfortunately there has been little to no improvement over the past years in the weak elements of the SWOT analysis below.

### 4.2.1.3 SWOT

| S | W |
|---|---|
| - CENTRAL POSITION IN W.EUROPE<br>- STRONG SME MARKET IN FLANDERS<br>- MULTIPLE LOGISTICS PROJECTS PERMIT APPROVED<br>- COMPETITIVE LEASE PRICE in resprect to SURROUNDED REGIONS | - HIGH LABOUR COST<br>- CHANGING FINANCIAL CLIMAT<br>- LIMITED STOCK OF WORK FORCES WITH LOGISTICS KNOWLEDGE DESPITE OF HIGH UNEMPLOYMENT<br>- SECTOR IMAGE |
| **O** | **T** |
| - SANITATION OF OLDER BUILDINGS<br>- DEVELOPMENT PORTFOLIO OF EPB BUILDINGS<br>- E-COMMERCE IN CERTAIN ZONES<br>- MULTI MODALITY<br>- PRICE INCREASES BECAUSE OF SCARCITY | - DELAY OF INVESTEMENTS IN MISSING LINKS<br>- TRAFFIC CONGESTION AND MODERNIZATION ROAD SYSTEM<br>- HIGH ENERGY PRICES<br>- DECREASE OF INDUSTRIAL SECTOR IN FAVOUR OF SERVICES<br>- MOVE TOWARDS EASTERN EUROPE |

### 4.2.1.4 Rental market

#### 4.2.1.4.1. Supply

**Stock**

In 2014, the further development of new semi-industrial and logistics projects resulted in further growth of the total supply. The Province of Antwerp remains the most important province and not only has the biggest supply but in 2014 also achieved most growth in terms of percentage. Growth in the other provinces remained restricted. Flemish Brabant and East Flanders achieved good growth. In Wallonia, Liege grew slightly whereas in Hainault the stock remained pretty much stable.

| Stock (m²) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|
| Antwerp | *5.662.000* | *5.875.000* | *5.905.000* | *6.090.000* | *6.255.000* | *6.520.000* | *6.710.000* |
| East-Flanders | *1.756.000* | *1.785.000* | *1.845.000* | *1.895.000* | *1.930.000* | *1.995.000* | *2.050.000* |
| West-Flanders | *1.165.000* | *1.175.000* | *1.200.000* | *1.230.000* | *1.240.000* | *1.250.000* | *1.260.000* |
| Limbourg | *3.916.000* | *3.925.000* | *3.945.000* | *3.955.000* | *4.045.000* | *4.060.000* | *4.090.000* |
| Flemish-Brabant | | *2.915.000* | *3.055.000* | *3.060.000* | *3.090.000* | *3.135.000* | *3.230.000* |
| Brussels | *4.675.000* | *795.000* | *810.000* | *835.000* | *845.000* | *850.000* | *855.000* |
| Walloon-Brabant | | *1.185.000* | *1.185.000* | *1.190.000* | *1.190.000* | *1.190.000* | *1.205.000* |
| Liège | *2.435.000* | *2.445.000* | *2.485.000* | *2.495.000* | *2.525.000* | *2.535.000* | *2.560.000* |
| Namur | *600.000* | *600.000* | *610.000* | *610.000* | *610.000* | *610.000* | *620.000* |
| Hainaut | *1.636.000* | *1.775.000* | *1.940.000* | *1.955.000* | *1.990.000* | *2.035.000* | *2.040.000* |
| Luxembourg | *665.000* | *670.000* | *680.000* | *680.000* | *680.000* | *680.000* | *690.000* |
| TOTAL | 22.510.000 | 23.145.000 | 23.660.000 | 23.995.000 | 24.400.000 | 24.860.000 | 25.310.000 |

**Projects**

The development market remains the same as it has been over the last few years. Particularly in Flanders, the semi-industrial sector is dominated by national or local players who are more interested in the (speculative) development of more small-scale semi-industrial complexes in which sales to end users prevail. In Wallonia the market is somewhat different as here intermunicipal companies are the main driving forces behind the development of industrial zones. Land is sold in these zones on which companies are able to build themselves.

In the logistics market there is hardly any leeway for speculative developments. The limited number of developments in the logistics sector is the work of a few professional players. Ideally, they have a large offer of land which already comes with a building permit so that construction can start quickly in case of a specific request. Modern construction techniques allow large industrial buildings to be built in a relatively short space of time.

| Projects (m²) | Semi-industrial | Logistics (2015 - 2018) | Logistics (> 2017) | Total |
|---|---|---|---|---|
| Antwerp | 122.452 | 548.612 | 262.500 | 933.564 |
| East-Flanders | 15.703 | 235.817 | 294.450 | 545.970 |
| West-Flanders | 138.176 | - | 58.500 | 196.676 |
| Limbourg | 18.200 | 87.430 | - | 105.630 |
| Flemish-Brabant | 110.286 | 180.675 | 65.000 | 355.961 |
| Brussels | 3.000 | - | 55.000 | 58.000 |
| Walloon-Brabant | 9.617 | 27.000 | - | 36.617 |
| Liège | 5.000 | 38.000 | 265.000 | 308.000 |
| Namur | 5.400 | 14.457 | - | 19.857 |
| Hainaut | 13.852 | 45.600 | 166.000 | 225.452 |
| Luxembourg | 2.520 | - | 110.000 | 112.520 |
| **TOTAL** | **444.206** | **1.177.591** | **1.276.450** | **2.898.247** |

Based on the project offer there are several possibilities for entrepreneurs to move or expand new buildings. The lack of land and buildings therefore needs to be put into perspective. Moreover, the possible redevelopment of big sites such as the former Opel Antwerpen and Ford Genk are not yet included in these figures.

The main projects, a number of which have already been included in the take-up as they concern the development for own use, are:

| City | Adresse / Project | Type | Surface (m²) | Availibility |
|---|---|---|---|---|
| 2830 Willebroek | De Hulst | logistics | 170.000 | (*) |
| 2830 Willebroek | Bridge Logistics III | logistics | 40.000 | (*) |
| 4684 Haccourt | Trilogiport | logistics | 200.000 | > 2015 |
| 6900 Haye | Lidl DC | logistics | 44.000 | 2016 |
| 2280 Grobbendonk | Antwerp East Port | logistics | 90.000 | (*) |
| 1120 Brussels(N-O-Heembeek) | Katoennatie (ex Marly) | logistics | 80.000 | 2015-2016 |
| 9000 Ghent | Port of Ghent | logistics | 185.000 | (*) |
| *(*) development on demand* | | | | |

**Vacancies**

There were less unoccupied buildings in 2014. Generally speaking, many, chiefly older premises are still empty, often with only little available space. Dynamic SME companies increasingly prefer buying modern semi-industrial premises in new developments. This means the older premises remain empty and are often condemned to demolition and redevelopment which, in a way, is a positive evolution for the rejuvenation of industrial and logistics properties. There is a drop in the average rent of unoccupied premises which seems logical in view of the limited quality of the premises still available.

The offer of modern and immediately available logistics premises is extremely limited. In view of the short time between start and completion, there is hardly any speculative development. The availability of ready-to-build-on sites and building permits is therefore a big strength to quickly meet specific requests.

| Vacancy (m²) 2014 | | | | Vacancy (€/m²/y) 2014 | | |
|---|---|---|---|---|---|---|
| | < 5.000 m² | > 5.000 m² | Total | < 5.000 m² | > 5.000 m² | Average |
| Antwerp | 131.485 | 354.312 | 485.798 | 42 | 37 | 38 |
| East-Flanders | 55.138 | 83.407 | 138.545 | 37 | 34 | 36 |
| West-Flanders | 33.040 | 35.009 | 68.049 | 28 | 31 | 29 |
| Limbourg | 73.307 | 134.640 | 207.947 | 39 | 38 | 38 |
| Flemish-Brabant | 37.606 | 5.153 | 42.759 | 44 | 40 | 43 |
| Brussels | 70.867 | 48.625 | 119.492 | 48 | 52 | 49 |
| Walloon-Brabant | 17.576 | 12.009 | 29.585 | 44 | 40 | 43 |
| Liège | 35.392 | 41.732 | 77.124 | 39 | 36 | 37 |
| Namur | 6.420 | - | 6.420 | 42 | - | 42 |
| Hainaut | 37.174 | 24.834 | 62.008 | 37 | 30 | 34 |
| Luxembourg | - | 7.900 | 7.900 | - | 32 | 32 |
| **TOTAL** | **498.005** | **747.621** | **1.245.627** | | | |

In absolute figures, unoccupied premises represent ± 5.00% of the existing supply.

#### 4.2.1.4.2. Demand

**Take-up**

The take-up of industrial property in 2014 dropped compared to 2013. Both the semi-industrial sector and logistics sector experienced a slight drop. A noticeable drop of the logistics take-up can be found in Brussels. This is the result of one exceptional mega deal in 2013 (BPost: ± 80,000 m²). In Flanders the provinces of Antwerp and East Flanders continue to perform well but there is a drop in the other provinces. In Wallonia, Liège and particularly Hainault are not performing very well. On the other hand, the Namur-Luxembourg axis is doing noticeably well although this usually concerns take-up for own usage and not therefore rental transactions.

| Take-up (m²)* | 2012 | | | 2013 | | | 2014 | | |
|---|---|---|---|---|---|---|---|---|---|
| | < 5.000 m² | > 5.000 m² | Total | < 5.000 m² | > 5.000 m² | Total | < 5.000 m² | > 5.000 m² | Total |
| Antwerp | 308.696 | 137.465 | 446.161 | 173.599 | 229.375 | 402.974 | 224.829 | 255.216 | 480.045 |
| East Flanders | 163.947 | 26.237 | 190.184 | 102.167 | 77.620 | 179.787 | 123.148 | 60.080 | 183.228 |
| west Flanders | 56.811 | 83.107 | 139.918 | 70.335 | 32.495 | 102.830 | 33.405 | 51.500 | 84.905 |
| Limbourg | 29.606 | 54.934 | 84.540 | 8.663 | 68.300 | 76.963 | 6.110 | 65.202 | 71.312 |
| Flemish Brabant | 118.385 | 29.003 | 147.388 | 134.280 | 104.492 | 238.772 | 92.085 | 86.028 | 178.113 |
| Brussels | 27.290 | 12.870 | 40.160 | 49.611 | 131.604 | 181.215 | 30.888 | 27.209 | 58.097 |
| Walloon Brabant | 25.053 | - | 25.053 | 26.230 | - | 26.230 | 56.196 | 18.499 | 74.695 |
| Liège | 79.205 | 124.952 | 204.157 | 41.682 | 66.168 | 107.850 | 20.743 | 81.224 | 101.967 |
| Namur | 5.950 | 28.012 | 33.961 | 5.908 | 16.500 | 22.408 | 18.919 | 12.644 | 31.563 |
| Hainaut | 16.968 | 18.273 | 35.241 | 22.598 | 43.036 | 65.634 | 9.059 | 7.912 | 16.971 |
| Luxembourg | 1.055 | - | 1.055 | - | - | - | - | 55.000 | 55.000 |
| **TOTAL** | **832.964** | **514.853** | **1.347.817** | **635.073** | **769.590** | **1.404.663** | **615.382** | **720.514** | **1.335.896** |

The absorption period, which is based on the current available areas as well as the projects and is related to historic take-up, generally speaking show a drop. The main reason can be found in the drop of availability in combination with a higher historic take-up which is the consequence of the relatively strong take-up figures over the last 5 years.

Although the take-up in East Flanders has been more than good over the past years, this province has the greatest absorption period in Flanders. This can be attributed to the presence of several large logistics projects (e.g. Port of Ghent (± 180,000 m²)) in Ghent's port area and the relatively limited take-up against this. Both in terms of the availability and demand for projects, Antwerp is still the most important province where most activities take place on a semi-industrial and logistics level. In Wallonia the province of Hainault leads the ranking. The spacious project offer is offset by the limited demand which has dropped further over the past years in spite of several (government) efforts.

How this absorption level will evaluate in the future will depend strongly on the economic situation and the ability to attract new logistics players. Currently, there is a shift to newer premises, which in itself is a good thing, but few new players are establishing themselves. Shifts within existing buildings are part of the take-up but they do not result in a take-up from the offer of currently unoccupied buildings or projects and thus do not affect absorption. Whatever the case, the announced projects will only be developed very gradually in accordance with current market demand which means occupation may take years.

| Logistics & Semi-industrial | Vacancy (m²) * | Projects (m²) | Historical Take up | Absorption (years) |
|---|---|---|---|---|
| **Anvers** | 438.000 | 933.500 | 441.000 | 3,1 |
| **FL-Orientale** | 101.000 | 545.500 | 170.000 | 3,8 |
| **FL-Occidentale** | 68.000 | 196.500 | 81.500 | 3,2 |
| **Limbourg** | 207.500 | 105.500 | 87.500 | 3,6 |
| **Brabant Flamand** | 36.000 | 355.500 | 172.500 | 2,3 |
| **Bruxelles** | 48.500 | 58.000 | 90.000 | 1,2 |
| **Brabant Wallon** | 22.500 | 36.500 | 39.000 | 1,5 |
| **Liège** | 77.000 | 308.000 | 116.500 | 3,3 |
| **Namur** | 6.000 | 19.500 | 21.500 | 1,2 |
| **Hainaut** | 49.500 | 225.000 | 61.000 | 4,5 |
| **Luxembourg** | *non-représentatif* | | | |
| **TOTAL** | **1.054.000** | **2.783.500** | **1.280.500** | **2,8** |

** : without projects ** : 5 last years*

(numbers per 31/12/2014)

**Rental prices**

Generally speaking, rents have remained stable just like in previous years. They are indicative. In certain circumstances there are commercial compensations but they are somewhat restricted and cannot be compared with the prices of office real estate. In the Province of Antwerp, the highest rents are at new logistics park De Hulst. In the Brussels area the highest prices can be found in the Brucargo air cargo zone. Both cases concern a limited number of modern developments.

In these new bespoke projects the specific nature and the flexibility of the building often play a major role and the rent is not the main choice criterion. It is therefore not surprising that many older hangars, in spite of rock bottom prices, remain unoccupied. Due to the limited headroom or an insufficient number of load platforms an efficient operation is no longer possible as a result of which major logistics players are not interested in these premises. In these cases, demolition and reconstruction seem to be the only logical choice in the long term.

The table below provides an overview of the rents for logistics property in the different provinces.

| Province/region | Maximum logistics 2011 €/m²/y | Maximum logistics 2012 €/m²/y | Maximum logistics 2013 €/m²/y | Maximum logistics 2014 €/m²/y | Evolution |
|---|---|---|---|---|---|
| Antwerp | 46 | 46 | 45 | 46 | = |
| East-Flanders | 42 | 42 | 39 | 39 | = |
| West-Flanders | 38 | 38 | 38 | 38 | = |
| Limbourg | 39 | 39 | 40 | 40 | = |
| Flemish-Brabant<br>Brussels<br>Walloon-Brabant | 50 | 50 | 51 | 52 | = |
| Liège | 39 | 39 | 40 | 39 | = |
| Namur | 40 | 40 | 40 | 40 | = |
| Hainaut | 38 | 38 | 38 | 38 | = |
| Luxembourg | 35 | 35 | 35 | 35 | = |

### 4.2.1.5. The investment market

**Investment volume**

The investment market increased strongly in 2014 compared to previous years. The biggest deals were closed by Belgian Regulated Real Estate Companies (GVV). They are still looking for logistics sites with high-quality lessees. However, the offer is somewhat limited which means the yield of this type of premises shows a downward trend. The semi-industrial market is controlled more by developers who primarily launch projects to sell to end users.

| Evolution investment volume | |
|---|---|
| 2004 | 140.000.000 € |
| 2005 | 99.000.000 € |
| 2006 | 305.000.000 € |
| 2007 | 600.000.000 € |
| 2008 | 431.500.000 € |
| 2009 | 135.000.000 € |
| 2010 | 145.000.000 € |
| 2011 | 165.000.000 € |
| 2012 | 155.000.000 € |
| 2013 | 195.000.000 € |
| 2014 | 283.000.000 € |

The table below provides an overview of the main investment transactions of the past year.

| Place | Surf. (m²) | Investor | Type | Yield/Investment value |
|---|---|---|---|---|
| Opglabbeek, Weg naar Zwartberg | 77.000 | Intervest O&W | Logistics | (*) |
| Bornem, Maritieme Logistics | 72.000 | WDP | Logistics | (*) |
| Aarschot, Nieuwlandlaan | 31.000 | Starwood Capital | Logistics | > 2015 |
| Bornem, Pedro Colomalaan | 31.000 | PELP/Prologis | Logistics | 2016 |
| Willebroek, De Hulst (Neovia) | 19.500 | Montea | Logistics | (*) |
| Willebroek, De Hulst (Dachser) | 9.000 | Montea | Logistics | 2015-2016 |
| Brucargo, Nippon Express | 6.000 | Montea | Logistics | (*) |

Just as in 2013, Belgian Regulated Real Estate Companies are responsible for most of the transactions. Initial yields are usually above 7%. Although they are not included in the investment volume, the purchases for own use are also an important driving force in the price-fixing.

**Yields**

The yield is stable although trends show a drop in high-quality long-term rental properties. The sharpest yields are around 7%. The further drop of the interest rate constitutes an important catalyst and allows Regulated Real Estate Companies to raise money against favourable conditions thanks to the direct issue of corporate bonds. Investments in real estate shares in 2014 meant several capital increases could be successfully finalised.

**4.2.1.6. Outlook**

Following the weak economic growth of the GDP by ± 1% in 2014, 2015 is weaker still with an expected growth of 0.9%. Meanwhile, consumer confidence remained pretty much stable but strongly negative since the drop in the spring of 2014.

The extremely low interest rate which should be a strong stimulus for business investments seems unable to boost economic growth.

For (local) SME companies with sufficient liquid assets the low interest and the low economic growth are a stimulus to invest in property for own use. This can signify a further stimulus for project developments within this sector.

Belgium's appeal as a business location for international companies is crucial for the possible arrival of new major distribution centres which could be a major stimulus for the logistics market. We already mentioned that in this respect Belgium has some major strengths. The logistics knowledge is available, the rents are affordable and despite the limited area it should be possible to find a suitable solution for a specific request. Unfortunately a number of weaknesses, such as payroll costs and traffic congestion are not being resolved which means in the coming years a great deal of creativity and persuasion will be required to land new major players. Far-reaching automation in response to the high payroll costs might not result in many additional jobs in logistics but it can help increase the added value within the sector and in an optimistic scenario this built up knowledge can constitute a new export product.

### 4.2.2 The semi-industrial and logistics property market in France

#### 4.2.2.1 Economic background

After being severely affected by the global recession and the turbulence in the eurozone, the French economy appears to be recovering gradually. The National Institute of Statistics and Economic Studies (INSEE) is predicting annual growth in GDP of 0.7% by mid-2015, after growth of 0.3% per year in 2012, 2013 and 2014. This means that economic activity in France should gain a little momentum during the first half of 2015, driven by the recovery in manufacturing (+1.0% mid-2015 after +0.3% in 2014) and energy production (+2.2% mid-2015 after -2.1% in 2014). However, activity in building construction and public works continued to contract in 2014. The building federation does not expect to see any improvement in 2015, even predicting a drop of 0.4% in production for the year.

Having stagnated in 2013, household purchasing power rose slightly. Combined with the acceleration in the growth of business revenue, the low level of inflation should allow a recovery in consumer spending to be anticipated in 2015. From mid-2014 to mid-2015, household spending in France is expected to increase by 1.0%. In addition, the sharp falls in the price of oil between July and November 2014 (falling from $111.80 to $78.40 per barrel) will help boost the purchasing power of households, as well as improve company margins.

After falling back in 2013, household investments again decreased in 2014 (-6.3%) and will continue to fall in 2015. By contrast, business investment will be stable: the effect of very low real interest rates will offset the very low margins of non-financial companies on productive investment. Nonetheless, structural reforms (the ramping up of Tax Credits for Competitiveness and Employment, and the implementation of accountability and solidarity pacts) should enable them to increase their spending in productive investment and generate gains in productivity. In addition, INSEE expects to see a limited lending market in 2015, due to the low level at which the ECB's accommodating monetary policy has flowed through to the policy for granting loans implemented by French banks. This means that productive investment through taking on debt is not on the cards in the short term.

Elsewhere, the recent depreciation in the value of the euro should help French exports. All things being equal, the growth in the volume of French exports triggered in the fourth quarter of 2014 should flow on into the first half of 2015 and make up for France's trend-related losses in market share for foreign trade.

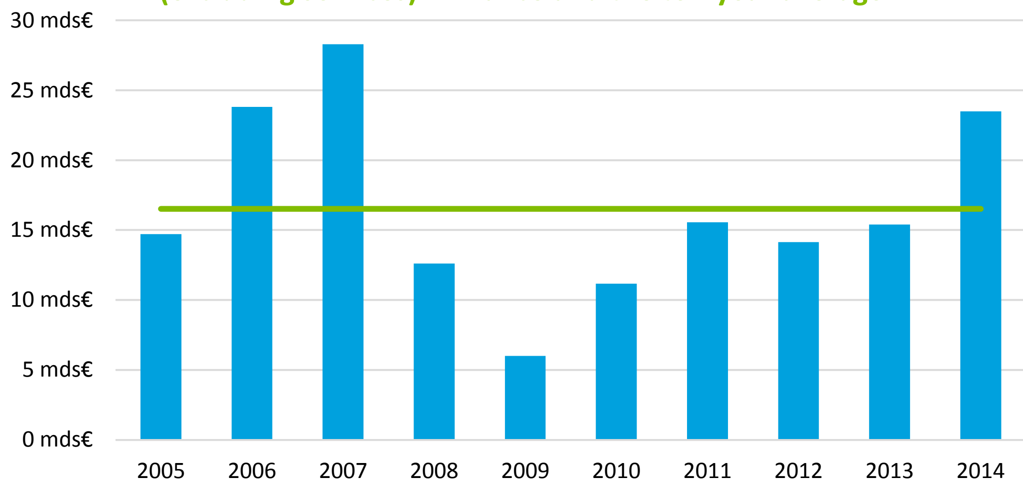
Global business increased slightly in 2014. The developed economies continued to be drawn along by growth in the United States, which became firmly established. Like the United States, economic recovery in the eurozone appears to be about to get underway, although its pace will depend on the expectations of the main economic players in the context of a wait-and-see environment. The French economy should benefit from the dynamism of other world economies despite the slowdown in the rate of growth among emerging economies.

#### 4.2.2.2 Global view of the commercial property market

Investments in commercial property in France were the most dynamic in terms of annual increases among the major European markets. The sustained rate of investment at the end of the year meant that activity returned to its pre-crisis level. The rental market also performed well, as demonstrated by the clear-cut recovery in office rental transactions in Ile de France across the whole of 2014.

On the **investment market**, the overall volume for 2014 was between 22.5 and 23.5 billion euros of commercial property undertakings in France, according to sources. This was a rise of almost 50% compared with 2013. However, trends differed considerably, depending on the type of property.

**Investments in standard commercial property (excluding services) in France and the ten-year average**




Source : BNP Paribas RE

In 2014, even more than in 2013, the volume of investment was swollen by a number of major transactions, plus the containment of the reduction in the number of transactions (after falling from 451 to 393 transactions between 2011 and 2013, there were 415 transactions in 2014).
As such, 23 transactions representing over 46% of the total volume invested were for amounts in excess of 200 million euros. This meant that the share of *mega-deals* exceeded the levels seen in 2006 and 2007 (41% and 39% respectively) due mainly to:

- the acquisition by Lone Star of the Cœur-Défense building, 182,000 m² of offices at La Défense, for 1.28 billion euros.
- the disposal by Klépierre to Carmilla (Carrefour) of a portfolio of fifty-seven (57) shopping malls in France for 1.41 billion euros.

International investors were active in the market throughout the year, even strengthening their positions. The amounts they committed in France rose by 54% in 2014. Foreign investors were mainly European (41%) and American (35%), including a number of new entrants.

As in previous years, national investors remained in the majority, with 65% of investment volume in 2014. Once again, institutional investors were the most active in 2014, operating directly (insurers or SCPI) or via OPCI RFA. Investment funds and listed property companies represented more than half of disposals on the French market, at 23.5% and 28% respectively.

Geographically, Ile-de-France remained the preferred market for investors, with 70% of the acquisitions made in France in 2014. But volumes increased across the whole of the country and even more so in the Regions.

The majority of investments made were for offices, with 65% of the sums committed (14.6 billion euros invested), although this was stable compared with 2013. Retail investments in France finished the year in second position, with 27% of the volumes invested, which was an increase of 9 points year on year. Investments in retail properties were largely boosted by the disposal of the Klépierre portfolio to Carmila. On the other side of the coin, investments in commercial and logistics premises were down slightly compared with 2013. The amount invested was 1.8 billion euros. Portfolio disposals were what drove the market, whereas the supply of “prime” logistics properties was limited.

The yield rate bracket continued to widen in 2014, between “core” products and secondary assets. The market saw a regular and sustained reduction in yield rates for “prime” properties. On the one hand there was sustained demand due to an influx of liquidity and the historically low cost of money (OAT TEC 10-year rate at 0.92% in December 2014); on the other hand, though, supply was structurally limited for “core” assets. For example, prime rates in Paris fell to 3.75% for offices and 3.25% for ground floor retail space in the capital’s best areas. This pressure on supply prompted some investors to relax their risk/return profile. This meant we saw more uniform rates of return for each of the major zones on secure assets (Paris, inner suburbs, with good public transport, outer suburbs with good depth of rental market, etc.). But there was still the usual hierarchy of rates for more secondary assets and products requiring work.

On the **office rental market** there was a definite recovery of transactions in 2014, particularly during the first half of the year. More than 2.1 million m² of space was taken up in Ile-de-France across the whole of the year, which was up significantly (+13%) compared with 2013. This result was close to the ten-year average for investment take-up in Ile-de-France, although below the recorded average of 2.3 million m². Invested demand in 2014 was carried mainly by a recovery in transactions greater than 5,000 m² (+24% compared with 2013), driven mainly by the reorganisation of the property policies in the major groups (Crédit Agricole, AXA, Generali, Safran, Veolia, L’Oréal, etc.). A large number of major transactions (thirteen) was concentrated at La Défense, including:

- KPMG in the Eqho tower at La Défense – 40,000 m²;
- AXA IM in the Majunga tower at La Défense – 30,000 m²;
- HSBC at Cœur Défense – 23,000 m²;

Geographic disparities remained significant in 2014, although less so than in 2013. Generally speaking, those sectors where take-up was the most dynamic were the traditional business districts. The amount of space sold increased significantly at La Défense (+123% compared with 2013), in Neuilly/Levallois (+40%) and in central Paris. By contrast, the other sectors of the Croissant Ouest and those in the inner suburbs did not reach their ten-year average. The very fine performance at La Défense also needs to be put in perspective, due mainly (60%) to the endogenous movement of companies.

In the Lyon region, take-up was 242,625 m², which was 4% less than in 2013, in contrast with the increase in Ile-de-France. 52% of the space sold was for new offices and 77% of the transactions carried out were for spaces of less than 500 m². The districts of Gerland and Part-Dieu attracted 43% of take-up (24% and 19% respectively). The volume of take-up also fell in Lille, more sharply than in Lyon, to 112,548 m² (of which 29% was for new offices). On the other hand, the Marseille region recorded its largest volume of transactions in the past 10 years, with a take-up of 94,000 m². This was due mainly to a number of major transactions on new properties.

In 2014, the supply of office space was virtually stable in Ile-de-France, at 4.96 million m² as of 31st December 2014. The proportion of new or restructured supply as part of the overall figure also remained stable at around 25%. But the low number of completions in recent months could cause a mechanical fall in the available supply in 2015. The available supply of new offices at the construction stage was also particularly low at 30th September 2014 (580,000 m²), according to the Paris Crane Survey. Only thirteen new projects were underway in the summer, meaning that volume was only one-third of what it was at the end of 2013.

The vacancy rate in Ile-de-France was 7.6%, compared with 7.4% in 2013 and 6.9% in 2012. The range of vacancy rates remained large: 16% in and around La Défense, compared with 5% in central Paris. This contributed to maintaining the wide disparity of rental values (headline rent, excluding tax and commission per m² per year):

- In the Paris CBD, prime rents were 746 € per m², which was virtually stable (-1%) compared with 2013.
- Average rents in the Paris CBD and Ile-de-France rose slightly, to 513 € per m² and 372 € per m² respectively
- At La Défense, average first-hand and second-hand rents rose by 13% year on year to 475 € per m² per year and 450 € per m² per year respectively. By contrast, prime rents fell by 3.5% to 540 € per m² per year (with reference to the AXA lease at the Tour Majunga).

The headline values also conceal the significant efforts made by landlords on economic rents, up to 25-30%, which gave the market a boost.

In the Lyon region in 2014, the supply of office space reached its highest level of the past ten years. Stocks of available office space in the Lyon conurbation was up 16%, with a total of 399,000 m².

Prime headline rents in Lyon were at 280 € per m² (+ 3.7%), 300 € per m² in Marseille (+11%) and were stable in Lille at around 220 € per m².

#### 4.2.2.3 rental market

***…for logistics (warehouses > 5 000 m²)***

- TAKE-UP

In 2014, the volume of take-up on the rental market for warehouse units in excess of 5 000 m² fell by 6.9% year on year, with 2.45 million m² sold. This means that the logistics market did not repeat its performance of 2013, when more than 2.6 million m² were sold in France. Despite this fall, the result was higher than the average for the past ten years. Like 2013, the market was boosted by own-account and turnkey transactions, totalling 42% of the space sold. The proportion of this type of transaction in the overall volume remained significant, despite a 20% fall in turnkey and own-account volumes sold in 2014, after a sharp rise of 48% in 2013. Shippers, particularly for mass food retailers, generated most of the take-up (60%), leasing larger spaces than service-providers. This included the 10 biggest deals of the year.

The logistics market in France remained mixed. In 2014, there were different dynamics both between the Ile-de-France region and the other regions in France, and also within the regions of the North-South Backbone.

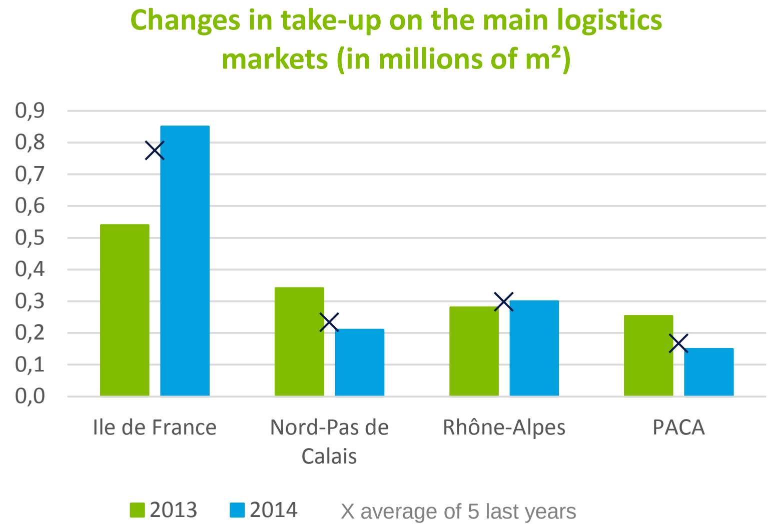
Overall, the regional markets fell sharply in 2014, with 1.6 million m² of space sold, compared with 2 million m² transacted in the previous year, representing a decline of 22% year on year. Unlike 2013, the North-South Backbone was no longer losing speed and was re-energised, representing 80% of the volume sold, compared with 55% in 2013.

In Ile-de-France, 850,000 m² of space was sold in 2014, representing a sharp rise of 57% compared with a disastrous 2013. The performance in Ile-de-France drove the logistics market in France upwards. This dynamism can be explained mainly by strong demand for Class A warehouses, which represented three times the volume sold in 2013. In the same way, the rental market in Ile-de-France was boosted by eleven transactions greater than 20,000 m². However, the 2014 statistics for the Ile-de-France market were increased artificially by deals signed in 2013; a large number of turnkey transactions was recorded in 2014, then purged of all remedies.

The South of Ile-de-France remained the region’s most active sector, with 35% of space sold, including two rental turnkey transactions (Toys R Us and Carrefour), each with space greater than 50,000 m². After seeing a 30% fall in its volume sold in 2013, the North of Ile-de-France saw the greatest increase for the region (+100%) in 2014. The East also made gains. Only the West of Ile-de-France did not increase its volume of space sold, remaining stable compared with 2013.

In the Lyon region, take-up also increased, albeit at a less sustained pace, reaching approximately 300,000 m², which was within the ten-year average. However, this figure needs to be put in perspective since one-third of this volume was generated by the construction of a turnkey project for a 106,000 m² purchasing centre for Leclerc at Villette d’Anthon. Demand focused mainly (80%) on Class A warehouses. There was a fall in demand for existing premises, caused by a market with a lower supply of quality properties available and a market offering development opportunities for large platforms on sites with ageing building stock in the process of being reclassified.

The regional markets of the North-South Backbone (Lyon, Lille, Marseille) did not all perform in the same way as the regions of Nord-Pas-de-Calais and PACA were down in terms of volumes sold, after a good year in 2013. The volumes sold in the Nord-Pas-de-Calais region represented 210,000 m², down 38% year on year. In the same way, the PACA region had a volume of rental transactions of 150,000 m², down 41% year on year. This distortion was due mainly to two turnkey transactions in 2013 representing 160,000 m² of space. Overall, the volumes sold were impacted by a reduction in turnkey and own-account transactions.




**SUPPLY**

Supply in France saw an 11% rise year on year, reaching 3.9 million m² of available space at 1st January 2015, an increase sustained by the reduction in the overall volume of transactions compared with 2013. Lettings continued to be mainly for turnkey rentals or own-account projects, which meant that the available stock was not absorbed.

Ile-de-France provided nearly half of the stock available in France (48%).

Supply built on spec has remained marginal for over four years, resulting in new warehousing becoming more scarce. This was made up for by the marketing of second-hand Class A warehouses.

Depending on the geographical zone, the supply of Class A assets remained patchy, representing only one-third of availability in the region of Orléans, 47% in the North, 57% in Ile-de-France, 59% in PACA and 68% in the Rhône-Alpes region. The 24% increase in the supply of Class A premises in the Lyon region was a significant rise. The ageing of available stock helped prompt a resumption of development projects as part of site reclassification projects due to a lack of available properties.

**VALUES**

In 2014, the commercial benefits granted by landlords seeking at all costs to avoid rental vacancies continued to bolster face values. As a result, rental face values remained stable overall across the whole of the country. On average, landlords were granting 1.5 to 2 months of rent-free occupancy per year of binding commitment.

Nevertheless, the market was very varied in terms of rental values, with upward pressure on certain micro-markets with little supply and a rise in commercial benefits being offered in some areas with over-supply or poor locations.

Values can vary significantly, with a number of differentiating criteria, depending on the intrinsic quality of the building, the location, the amount of tax and levies charged by the local authority and the type of transaction (product available on the market, turnkey transaction, etc.). Elsewhere, the gap between “prime” rental values in Ile-de-France and those on other regional markets was significant.

**Prime headline rental values (in € /m²/year excl. tax and charges)**

| Ile de France | Lyon | Lille | Marseille | Orléans |
|---|---|---|---|---|
| 48-55 | 42-45 | 36-44 | 41-43 | 35-40 |

Source: CBRE, Keops and BNPP RE

***… for business premises and small warehouses (< 5,000 m²)***

**TAKE-UP**

There are few statistics available about stocks of commercial property, which are far more varied and old than on the logistics market.

Transactions on commercial premises and smaller warehouses (< 5,000 m²) in Ile-de-France climbed to 865,000 m² after a difficult 2013. This annual increase of 20% in the volumes sold restored the level of take-up to the ten-year average in Ile-de-France. A number of turnkey transactions helped boost the market. Acquisitions of premises remained in the minority, with available supply for sale still insufficient to meet demand.

The geographical structure of the market for commercial premises and smaller warehouses in Ile-de-France remained unchanged.

- the North and South sectors of Ile-de-France represented approximately two-thirds of the volumes sold, mainly between the A86 and the Francilienne ring road to the North and in the areas of Saint-Quentin-en-Yvelines and Courtabœuf in the South;
- the East sector was supported by the markets in Marne-la-Vallée, Montreuil and Fontenay-sous-Bois;
- the West sector was dominated by Gennevilliers.

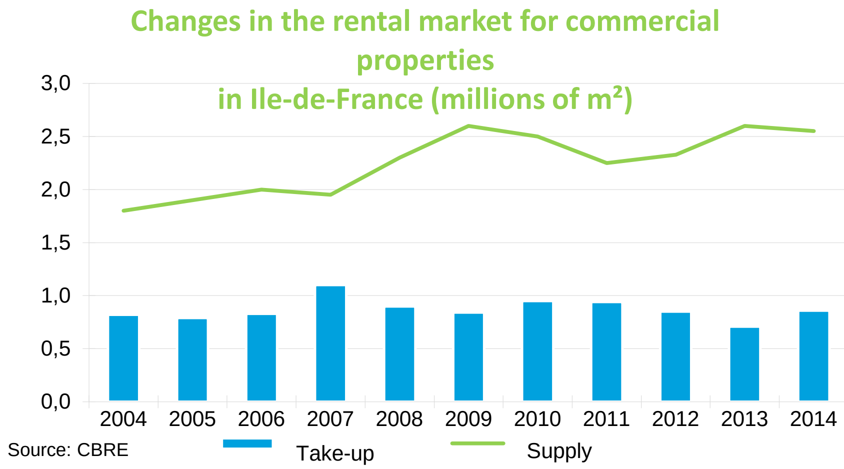
In the Lyon region, the take-up of commercial premises remained virtually unchanged (-0.6%) with 320,000 m² let. 2014 was the fifth year in a row in which the market for commercial premises in the Lyon region held up well. Acquisitions represented nearly half of take-up, particularly for large premises. The market continued to benefit from attractive interest rates.

**SUPPLY**

The stock of immediately available property exceeded 2.5 million m² in Ile-de-France at 1st January 2015, which was relatively stable after an increase of 14% in 2012.

The supply of immediately available property was made up virtually in its entirety by ‘tired’ premises and the fact that these properties are ageing is a critical issue in the long term. The lack of balance between supply and demand appears to be persistent in this class of asset, in particular on account of the lack of quality products available on the market. In fact, in 2015, stocks will only be boosted by 40,000 m² of new or restructured commercial premises (“on spec” premises). “Grey” supply was around 200,000 m². Assured supply for the future is made up in particular of releases of old buildings.

The Lyon region has a supply of available commercial premises of approximately 600,000 m². As is the case in Ile-de-France, the ageing of stocks in Lyon requires a resumption in production activity. Faced with risk aversion, the market benefited from a return of turnkey projects. The psychological barrier of 100€ per m² was broken in terms of property supply.




## VALUES

Very wide rental and selling price brackets demonstrated the major structural disparities on this market, where properties are traditionally varied.

Rental values remained stable overall in 2014. In Ile-de-France, a slight repricing adjustment only affected properties inside the A86 in the North of Paris; the rent bracket ranged from 90-115 in 2013 to 95-140 in 2014.
In the Lyon region, average rents for new properties remained virtually stable, although the average rent for second-hand premises fell by 9% to 50 € excluding taxes and commission per m² per year.

We have summarised values by geographical area below:

| Rental values of semi-industrial premises in Île-de-France (in euros excl. tax and commission per m² per year) At 31st December 2014 | | | |
|---|---|---|---|
| **Geographical area** | | **New** | **Condition** |
| | Inside A86 | 95-140 | 60-107 |
| **North** | Between A86 and the Francilienne | 60-85 | 45-75 |
| | Beyond the Francilienne | N.S | N.S |
| | Inside A86 | 100-120 | 65-90 |
| **West** | Between A86 and the Francilienne | 75-85 | 40-80 |
| | Beyond the Francilienne | 75-85 | 40-80 |
| | Inside A86 | 80-150 | 75-80 |
| **East** | Between A86 and the Francilienne | 80-85 | 65-75 |
| | Beyond the Francilienne | 75-90 | 45-60 |
| | Inside A86 | 80-95 | 65-80 |
| **South** | Between A86 and the Francilienne | 70-85 | 60-75 |
| | Beyond the Francilienne | 65-85 | 60-70 |

N.S: Not significant

Source: CBRE

| Average rental values of commercial premises in the Lyon region (in euros excl. tax and commission per m² per year) At 31st December 2014 | |
|---|---|
| **New** | **Condition** |
| 79 | 50 |

Source: FNAIM Entreprises

Developments in selling prices were more contrasted, but generally on the rise. In the inner suburbs in Ile-de-France, average selling prices fell very slightly (-2.9%), although the highest level of the bracket increased sharply (+23%). In the rest of Ile-de-France, selling prices for commercial premises increased overall.

In the Lyon region, average selling prices increased significantly, up 11% for new and up 23% for second-hand premises.

We have summarised values by geographical area below:

| Selling prices for commercial premises in Île-de-France (in euros excl. taxes and HD per m²) At 31st December 2014 | | | | |
|---|---|---|---|---|
| **Geographical area** | | **Minimum** | **Average** | **Maximum** |
| **Inner suburbs** | | 550 | 1000 | 1900 |
| **Rest of Île-de-France** | North | 380 | 680 | 1100 |
| | West | 280 | 520 | 890 |
| | East | 280 | 700 | 1200 |
| | South | 390 | 600 | 1350 |

Source: CBRE

| Average selling prices for commercial premises in the Lyon region (in euros excl. taxes and HD per m²) At 31st December 2014 | |
|---|---|
| **New** | **Condition** |
| 920 | 492 |

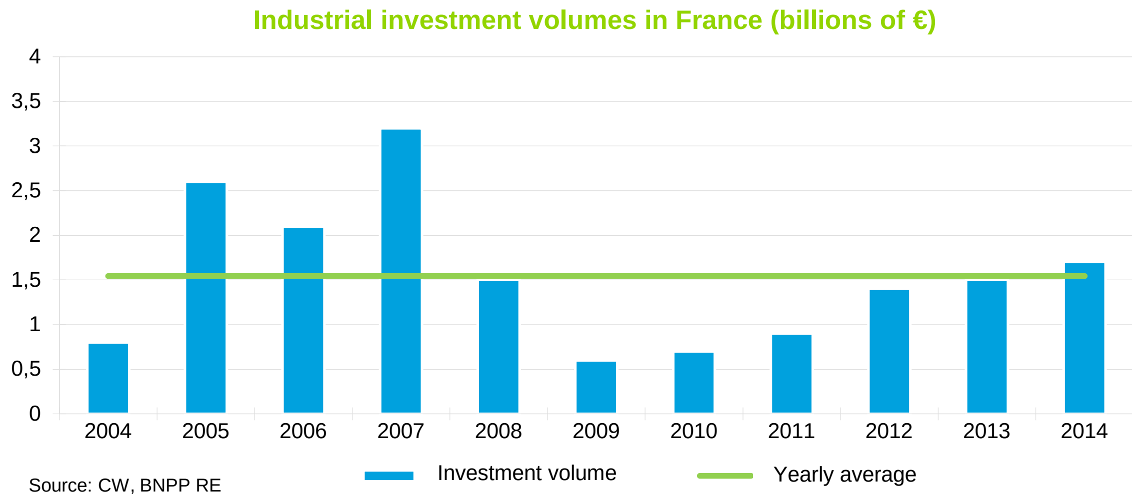
Source: FNAIM Entreprises

#### 4.2.2.4 Investment market

**VOLUME**

The investment volume on the logistics and commercial premises markets was 1.7 billion euros in 2014. This was the highest year-on-year increase since 2007 (excluding indirect investments), at 13% compared with the volume invested in this class of property in 2013. By contrast, the proportion of logistics and commercial premises was down year on year at 8% of the overall volume in general property investments in France. Ile-de-France and the Rhône corridor focused almost two-thirds of the volumes committed in 2014.

Sales of commercial premises and smaller warehouses in particular increased again, representing 41% of commitments in logistics/commercial, which was 6 points higher than in 2013. The commercial premises market represented more than 700 million euros of commitments in 2014. This was the highest volume of investments in this class of property since 2007.




Source: CW, BNPP RE

The logistics market continued to be boosted by sales of portfolios. In 2014, two portfolio transactions represented more than half of the volumes committed. These were the disposal of a logistics portfolio by Foncière des Régions to Blackstone for 473 million euros, and the disposal by Carval Investors of a portfolio of eleven properties to IDI Gazeley, for almost 100 million euros.

However, the logistics market also recorded a number of major transactions of individual properties, including the acquisition by Segro for 70 million euros of a logistics platform of 120,000 m² at St-Martin de Crau, and the acquisition by Rockspring of 40,500 m² at Dagneux in the Ain, for 21.5 million euros.

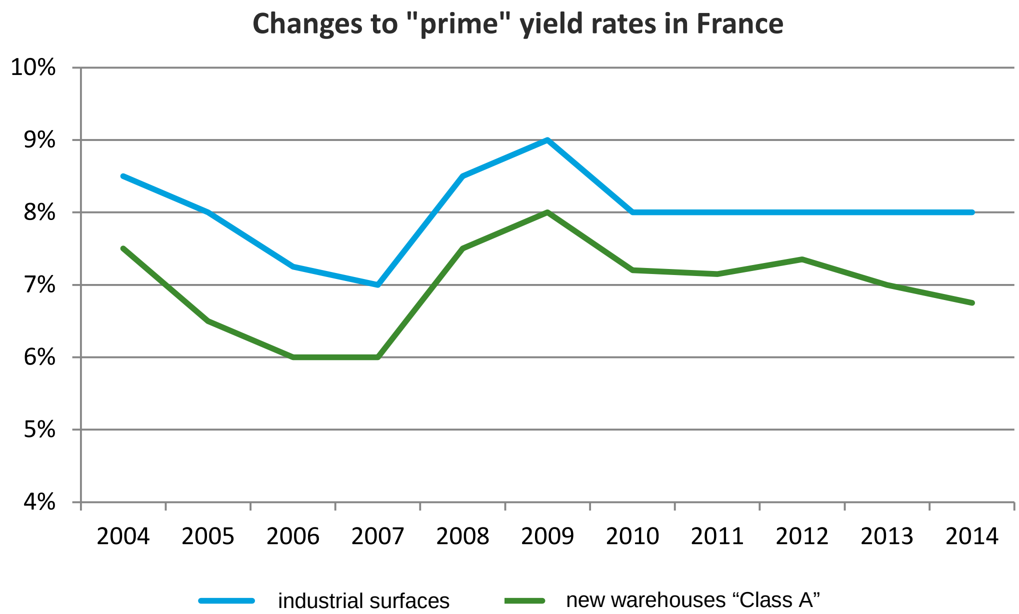
The market for semi-industrial premises was also bolstered by the sale of portfolios, including the sale & leaseback of Elis to an OPCI (Tikehau Investment Management) for approximately 80 million euros.

Three-quarters of the volume in logistics was invested by investment funds, such as the Blackstone hedge fund, which acquired a portfolio of logistics properties from Foncière des Régions for 473 million euros, leaving little room for property companies. However, the listed property company, Argan, continued to be present in 2014, even if the level of its investments (89 million euros) fell:

- acquisition from AEW of a 46,800 m² platform leased to the Casino group in St-Etienne;
- acquisition of a 7,000 m² extension to the platform in Croissy Beaubourg;
- acquisition of a portfolio of three courier companies located in Toulouse, Nantes and Nancy, totalling 35,200 m².

**VALUES**

The “prime” rate for semi-industrial premises remained stable at 8%. In logistics, the very high level of competition on the few “prime” properties continued to put pressure on rates, down to 6.75% in 2014 and could fall further in the coming months.




Source: BNP RE & CBRE

### 4.2.3 The semi-industrial and logistics property market in the Netherlands Q4[25]

At the end of 2014, Holland had total stocks of commercial land of approximately 78,987 net hectares[26], of which some 65,254 hectares had been issued. Of these net stocks, 19% is concentrated in in South Holland, 17.3% in North Brabant and 10.7% in North Holland. Since the economic crisis, the issue of commercial land has declined appreciably and fell from 1,329 net hectares in 2008 to 512 net hectares in 2009. In 2010, land issues were stable at 512 net hectares. In 2011, the issue of commercial land rose to 639 net hectares, but fell back to 435 hectares in 2012.

**Offer**

*Tabel 1: User transactions 2014 Q4*

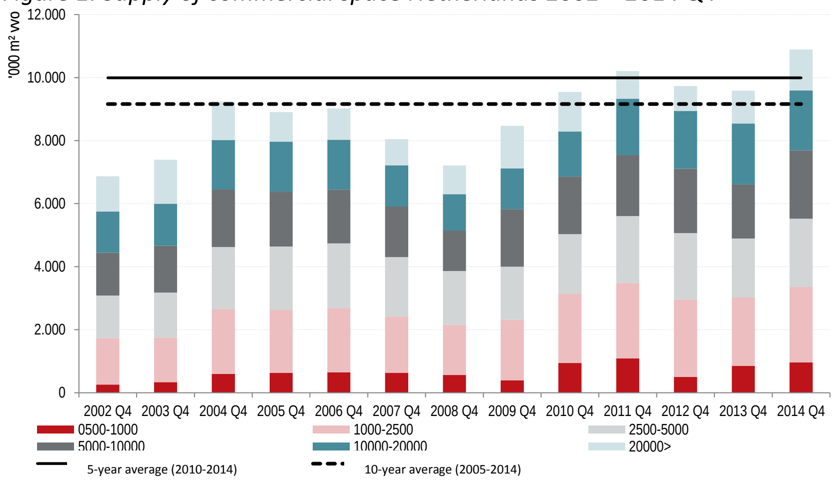
| User and investment market | | History | | | Forecast | |
|---|---|---|---|---|---|---|
| | Unit | 2012 | 2013 | 2014 Q3 | 2014/2015 | Source |
| Land immediately available for release | Hectares net | 4,700** | 4,618*** | 4,357*** | ⬇ | IBIS Work locations |
| Supply | m² (> 500 m² GLA, snapshot view, in mln) | 9.7 | 9.6 | 10.9 | ⬌ ⬆ | JLL |
| Change in supply | Growth compared with the same period last year | -4% | +1.7% | +13.6% | ⬌ | JLL |

** as of January 2011 *** as of January 2014 immediately available for release with municipalities

[25] For the Netherlands, data is only available for the 4th quarter of 2014.
[26] Ibis Work locations, 2015.

There has been a rising trend in the supply of commercial space since 2009. In 2010, this trend continued. During the first three quarters of 2010, supply rose to approximately 10,006,000 m² of gross leasable area (GLA). The fourth quarter of 2010 saw a slight fall to 9,715,100 m² GLA. In 2011, supply rose again, ending at 10,387,700 m² GLA by the end of the fourth quarter. In 2012, supply fell slightly to 9,734,600 m² GLA. During 2013, supply rose slightly to 9,867,600 m² GLA. In the fourth quarter of 2014, supply rose to 10,891,553 m² GLA. Current supply is concentrated mainly in the provinces of North Brabant, South Holland and North Holland. These provinces represent 26%, 18% and 12% respectively of total supply. It should be noted here that the vast majority of this supply relates to outdated property.

*Figure 1: Supply of commercial space Netherlands 2002 – 2014 Q4*




Source: JLL (2015).

If only large-scale supply is taken into consideration, the sharp rise of approximately 30% in 2009 stands out. In 2010, the rising trend came to an end and supply stabilised. In 2011, large-scale supply fluctuated significantly to end the fourth quarter of 2012 at 4,667,600 m² GLA. In 2013, large-scale supply rose again slightly to approximately 4,695,200 m² GLA. At the end of the fourth quarter of 2014, supply was 5,371,200 m² GLA, an increase of 14% compared with Q4 2013.

**Plans and handovers**[27]

In 2009, approximately 876,600 m² GLA in developments was handed over, of which approximately half is concentrated in the province of North Brabant. Because in most municipalities speculative development is not permitted, the majority of the planned stock handed over was leased in advance, specifically about 60% of the total volume. In 2010, a total of 493,275 m² GLA was added to stocks of commercial space in the Netherlands, of which 60% was in North Brabant.

In 2011, a total of 417,569 m² GLA was handed over. The three largest developments were 50,000 m² GLA for DSV in the Afrikahaven in Amsterdam, 48,000 m² GLA for Vendex in Het Klooster in Nieuwegein and 35,300 m² v for Fetim in the Atlaspark, also in Amsterdam. In 2012, a total of 387,251 m² GLA was handed over. The four largest developments in 2012 were 100,000 m² GLA in a distribution centre for Edco in Deurne, 44,000 m² v in a distribution centre for Lidl in Heerenveen, 40,000 m² GLA for Timberland in Almelo and 33,600 m² GLA in a distribution centre for Dachser in Zevenaar. In 2013, 516,700 m² GLA in commercial premises was handed over. The largest developments were 55,000 m² GLA for Rhenus Contract Logistics in Son, 47,000 m² GLA for Schenken on the Vossenberg in Tilburg, 45,000 m² GLA for McGregor in Waalwijk, 44,700 m² GLA for Brand Loyalty in Venlo, 42,000 m² GLA and 40,000 m² GLA for Philips in Venray. In 2014, a total of 285,600 m² GLA in commercial premises was handed over. The largest transactions were 58,000 m² GLA in Echt-Susteren, fully leased in advance to Action, the handover of 50,000 m² GLA in Tilburg, fully leased in advance to Tesla, the handover of 45,600 m² GLA in Venlo, the extension of a distribution centre of Brand Loyalty and the handover of 40,000 GLA in Zeewolde.

[27] Developments > 5,000 m² gross floor space

## Take up

*Tabel 2: User transactions 2014 Q4*

| User and investment market | | History | | | Forecast | |
|---|---|---|---|---|---|---|
| | Unit | 2012 | 2013 | 2014 | 2015/2016 | Bron |
| Take up | m² (>500 m² GLA, absolute cumulative, in mln) | 3,0 | 3,4 | 3,2 | ↔ | JLL |
| Changes in take up | Growth compared with the same period last year | -10% | 13% | -6% | ↔ | JLL |

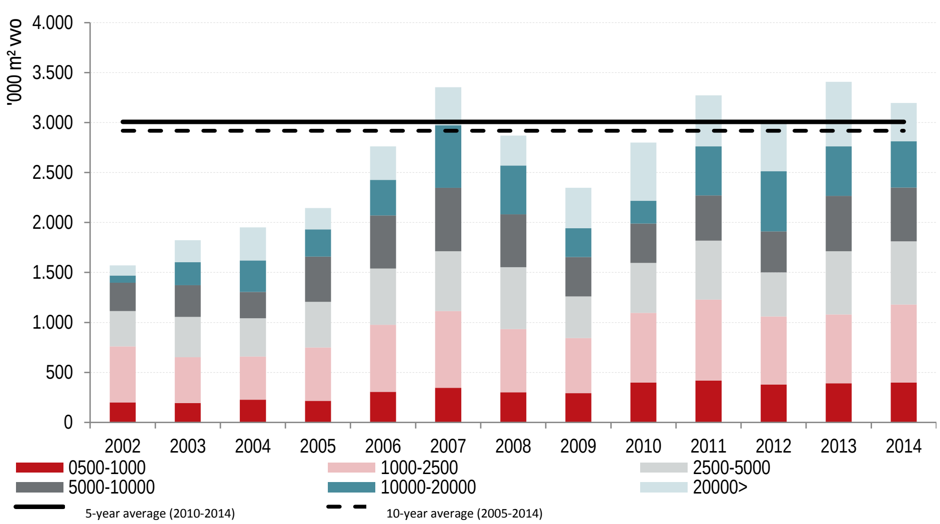
The take-up volume in 2010 saw an increase of approximately 10% to 3,090,013 m² GLA. The take-up dynamic in the previous year was also highest in the fourth quarter. Of the total take-up volume in 2010, more than 40% related to logistics property. Transactions in the logistics segment came mainly from the retail sector and logistics service-providers. The total take-up volume in 2011 was 3,549,290 m² GLA, which was an increase of 15% over 2010.

In 2012, the transaction volume was 3,019,690 m² GLA, a fall of 8% compared with 2011. The largest transactions involved the lease of 55,000 m² GLA by Rhenus Contract Logistics on Ekkersrijt in Son en Breugel, the lease of 51,500 m² GLA by Henry Bath in Galileistraat in Rotterdam, the purchase for own use of 45,000 m² GLA by Van Rooijen Logistiek in Achtseweg Noord in Eindhoven, the lease of 42,000 m² GLA by Microsoft in Wattstraat in Venray and the lease of 40,000 m² GLA by Philips on De Blakt in Venray.

In 2013, the transaction volume was approximately 3,406,571 m² GLA, a rise of 13% compared with the previous year. The largest transactions involved the lease of 77,000 m² GLA by Action in a yet-to-be-built logistics property in Echt-Susteren, the lease of 70,740 m² GLA by Canon Europe, the lease of 46,200 m² GLA by DB Schenker Logistics (Nokia) in a yet-to-be-built logistics property in Tilburg, the purchase for own use of 41,000 m² GLA by Jos Scholman in Nieuwegein, the lease of 39,000 m² GLA by Hewlett-Packard in Venray and the purchase for own use of 37,000 m² GLA by Nature’s Pride in the yet-to-be-built logistics property in Maasdijk.

In 2014, 3,195,838 m² GLA was taken up in commercial premises in the Netherlands, a fall of 6% compared with the same period in the previous year. The provinces with the greatest take-up dynamic were South Holland and North Brabant, with 27% and 21% respectively of the total take-up volume.

*Figure 2: Take-up of commercial space Netherlands 2002 – 2014*




Source: JLL (2015).

**Investment market**

After a strong first quarter in 2014, interest in commercial property also continued during the first quarter. The investment volume in the third quarter was EUR 144 million, taking the total of the first three quarters to EUR 846 million. This was an increase of 92% compared with the same period in 2013. The investment volume in the first three quarters of 2014 was generated mainly by two large portfolio deals, which together represent approximately 46% of the investment volume. The first of these deals relates to the sale of the Pelican portfolio, which was sold for approximately EUR 168 million by Schroders to ProLogis. The second-largest transaction was the sale of the HBI Netherlands Portfolio (370,000 m²), which was sold by Internos Global Investors Limited for EUR 106 million to Holdings.

The total investment volume in the fourth quarter of 2014 was approximately EUR 257 million. This was a fall of 26% compared with the same period in 2013. The investment volume in the fourth quarter of 2014 was generated mainly by the investment made by Delin Capital Asset Management in the Afrikahaven distribution centre in Amsterdam for EUR 68.5 million and the Uden distribution centre in Waddinxveen for EUR 38 million.

Total investment volume in 2014 was EUR 1,103 million, an increase of 39% compared with the total investment volume in 2013.

The largest single asset transactions in 2014 were in Utrecht, Echt and Venray. Somerset Real Estate sold the distribution centre of 66,592 m² GLA located in Utrecht on Atoomweg for EUR 33.7 million to USAA Realco. In Echt, the Action distribution centre was sold and in Venray, another distribution centre also changed owner. Maessen sold the 40,000 m² GLA in distribution centre in the De Blakt part-lot for (estimated) EUR 30 million to Warehouses De Pauw WDP.

The logistics segment, in both the user and investor market, performed particularly well in 2014. Vacancies remained at a low level, which meant that good logistics spaces remained scarce at logistics hubs. As a result of the low vacancy percentage, at around 6%, increasing numbers of end-users examined the possibility of building their own premises (built-to-suit).

*Tabel 3: Investment transactions 2014 Q4*

| City | Address | Object | M²* | Price** | BAR | Vendor | Purchaser |
|---|---|---|---|---|---|---|---|
| Amsterdam | Casablancaweg 8-22/ Beiraweg 2-10 | DC Afrikahaven | 107,344 | 68.5 | - | DHG | Delin Capital Asset Management |
| Waddinxveen | Transportweg 20 | DC van Uden | 44,143 | 38 | - | Distripark A12 | Delin Capital Asset Management |
| Utrecht | Atoomweg 111-115 | - | 66,592 | 33.7 | - | Somerset Real Estate | USAA Realco |

* in m² warehouse space ** in € million *** BAR cost to buyer

*Tabel 4: User transactions 2014 Q4*

| City | Address | Object | M²* | Price** | BAR | Vendor | Purchaser |
|---|---|---|---|---|---|---|---|
| Terneuzen | Westkade 20 | - | 43,600 | | | n/a | Doens Holding |
| Moerdijk | Transitoweg 5 | - | 30,000 | | | n/a | Lidl |
| Katwijk | Laan van Verhof | - | 25,000 | | | n/a | Gebr. Van der Plas Commissiehandel |

* in m² GLA ** in € per m² GLA per year

**Rental prices**

Despite the scarcity of modern logistics property, rents in this sector remain stable. Both construction costs and land prices in particular fell slightly, as a result of which the rent for new-builds did not exceed the rent for existing constructions. The top rent in the region of Amsterdam-Schiphol is currently € 85 per m² GLA per year. In the Utrecht region the current top rent is € 62.50 per m² GLA. The current top rent in the Tilburg / Waalwijk region is € 52.50 per m² GLA per year and in West-North-Brabant, the current top rent is € 50 per m² GLA per year. In the other logistics hubs, the top rent averages between € 40 and € 50 per m² GLA per year.

**Initial yields**

Despite the increase interest in logistics property, initial yields have remained stable for a long time. However, in the first and third quarters of 2014, initial yields tightened. In the Amsterdam-Schiphol regions, net initial yields are currently within a bracket of 6.20% - 6.70%. In the Rotterdam region, initial yields are 5 basis points higher and are within a bracket of 6.25% - 6.75%. For the regions of North Brabant and North Limburg, the bracket is currently 6.30% - 6.80%. The exception to this is Eindhoven, where net initial yields fall within a bracket of 6.50% - 7.00%.

*Tabel 5: Users and investment market 2012-2016*

| User and investment market | | History | | | Forecast | |
|---|---|---|---|---|---|---|
| | Unit | 2012 | 2013 | 2014 | 2015/2016 | Source |
| Net initial yield | % (net of transaction costs, A location) | 6.6% - 7.1% | 6.6% - 7.1% | 6.2%-6.7% | ↔ ↓ | JLL |
| Gross initial yield | % (gross costs to buyer, A location) | 7.5% - 8.1% | 7.5% - 8.1% | 7.1%-7.7% | ↔ ↓ | JLL |
| Investment activity commercial space | Volume (cumulative, in billions) | 0.427 | 0.791 | 1.103 | ↑ | JLL |

### 4.2.4 Definitions

Supply
The quantity of business space in excess of 500 m² that is available for lease or sale. Supply relates only to complexes that have already been completed or that are still under construction. Plans are not included in the figures.

Business space
Property that has been constructed for business activities that is neither an office of a shop. Business space includes distribution centres, business centres, factory buildings and warehouses. Business complexes consist mainly of a combination of various components, such as warehousing, production space, logistics space, showroom space and office space. If the office space consists of 50% or more of the total square footage, the whole of the premises are excluded from the research.

Investment transaction
Purchase transactions of business space from € 2 million by an investor. Sale-and-leaseback transactions are also included. Purchases for redevelopment are only counted as investment transactions if the existing property is still leased for a minimum of five years.

Gross initial yield
The gross rental income as a percentage of the purchase price.

Business space rents
Prices per square metre of floor space. Incentives, VAT and service costs are not included.

Logistics
Business premises of over 500 m² with a minimum of 5 loading docks, intended principally for storage, transhipment, sorting and transport purposes.

New-build
Business space no more than two years old.

Unleased new-build
Premises that have never been leased since handover.

Take-up
Business space of over 5,000 m² leased or sold on the open market, with the exception of sale-and-leaseback transactions and new-build on behalf of owner-users (own-build). Lease renewals and purchases by the tenant are also left out. Transactions are registered at the time a consensus is reached between the parties involved.

Planned stock
Building plans for business space yet to be constructed.

Stock
Business space already existing or under construction with floor space of 500 m² or more.

### 4.2.5 Montea's property portfolio on 31/12/2014

| MONTEA SPACE FOR GROWTH | | BE | FR | NL | 31/12/2014 12 months | 31/12/2013 12 months |
|---|---|---|---|---|---|---|
| **Real estate portfolio** | | | | | | |
| **Real estate portfolio - Buildings** | | | | | | |
| **Number of sites** | | **22** | **15** | **4** | **41** | **35** |
| **Surface of the real estate portfolio** | | | | | | |
| Logistics and semi-industrial warehouses | M² | 344.992 | 203.375 | 84.451 | 632.818 | 535.352 |
| Offices | M² | 36.711 | 15.291 | 6.246 | 58.248 | 49.342 |
| **Total surface** | **M²** | **381.703** | **218.666** | **90.697** | **691.066** | **584.694** |
| Development potential | M² | 108.059 | 35.830 | 6.055 | 149.944 | 90.500 |
| **Value of the real estate portfolio** | | | | | | |
| Fair value (1) | K€ | 223.741 | 120.725 | 56.450 | 400.916 | 311.936 |
| Investment value (2) | K€ | 229.512 | 128.787 | 60.430 | 418.729 | 324.815 |
| **Occupancy rate** | | | | | | |
| Occupancy rate (3) | % | 95,70% | 96,60% | 100,00% | 96,60% | 94,85% |
| **Real estate portfolio - Solar panels** | | | | | | |
| Fair value (1) | K€ | 7.527 | | | 7.527 | 7.590 |
| **Real estate portfolio - Solar panels** | | | | | | |
| Fair value (1) | K€ | 16.295 | | | 16.295 | |

The fair value of the investment in solar panels is included under heading "D" of fixed assets in the balance sheet.

| | Belgium | France | the Netherlands |
|---|---|---|---|
| Fair value | EUR 223.7 million | EUR 120.7 million | EUR 56.5 million |
| Acquisition value | EUR 221.2 million | EUR 113.2 million | EUR 53.0 million |
| Insured value | EUR 223.7 million | **EUR 62.2 million | EUR 48.8 million |
| Rental income | EUR 17,1 million | EUR 10.3 million | EUR 4.2 million |

(*) this rental income relates to the contractual rent (also see table below).
(**) 52% of the sites in France, with a total fair value of EUR 62.6 million, are insured by Montea. The remainder of the portfolio in France is insured by the tenants themselves. (see point 1.2.4).

The total surface of the property portfolio is 691,066 m², spread across 22 sites in Belgium, 4 sites in the Netherlands and 15 sites in France.

The total initial acquisition value of the portfolio in Belgium is EUR 221.2 million in Belgium, EUR 113.2 million in France and EUR 53.0 million in the Netherlands[28].

The hypotheses regarding the valuation of the real estate expert, can be found in section 4.2.5 of this report.

The EUR 105.2 million increase in the property portfolio, consisting of a rise in the fair value of the property portfolio – buildings of EUR 89 million to EUR 400.9 million and an increase in the developments in the property portfolio of EUR 16 million, is explained by:

- the fair value of the additional new investments and developments during the 2014 financial year for an amount of EUR 90.4 million (EUR 33.5 million in Belgium and EUR 56.9 million in the Netherlands). For more information, we refer you to sections 4.3.1 and 4.3.2 of this annual report);

[28] The acquisition value of the part-portfolio in Belgium is defined on the one hand as the input value of the total portfolio at the time of the stock exchange listing in October 2006 and, on the other, as the total acquisition value, including all costs associated with the purchase of the site. The acquisition value of the part-portfolio in the Netherlands and in France is defined as the total acquisition value, including all costs associated with the purchase of the site.

- the increase in the fair value of the existing property portfolio from the development of new buildings for an amount of EUR 8.5 million (site in Grimbergen, leased to Caterpillar Logistics and the site in Vorst, leased to Metro). For more information, we refer you to section 4.3.2 of this annual report;
- the EUR 6.4 million increase in the fair value of the existing property portfolio at 31/12/2013 as the result of the estimate of this property portfolio by the property appraiser.

Compared to EUR 6.4 million increase in the fair value, there were investments for EUR 4.9 million, which means that the change in the fair value of the existing portfolio in the income amounts to EUR 1.5 million.

Four of the 41 sites, each representing more than or 5% of the consolidated property portfolio and represent 26% of the total fair value of the property portfolio:

| | Fair values | Client(s) |
|---|---|---|
| • Saint-Cyr-en-Val, Orléans | EUR 36.6 million | FM Logistics |

*this site represents 9% of the total fair value of the portfolio*
*(the net rental income on this site for 2014 represented EUR 3.2 million, i.e. 12% of the total net rental result for 2014)*

| | | |
|---|---|---|
| • Aalst Tragel | EUR 22.7 million | Jan de Nul, Barry Callebaut Invictus, VDAB, R&D Interieur |

*this site represents 6% of the total fair value of the portfolio*
*(the net rental income on this site for 2014 represented EUR 2.0 million, i.e. 7% of the total net rental result for 2014)*

| | | |
|---|---|---|
| • Vorst | EUR 22.0 million | Unilever, Metro |

*this site represents 6% of the total fair value of the portfolio*
*(the net rental income on this site for 2014 represented EUR 1.2 million, i.e. 4% of the total net rental result for 2014)*

| | | |
|---|---|---|
| • Brucargo - Zaventem | EUR 20.7 million | DHL Global Forwarding |

*this site represents 5% of the total fair value of the portfolio*
*(the net rental income on this site for 2014 represented EUR 2.1 million, i.e. 7.5% of the total net rental result for 2014)*

The total development potential is approximately 149,944 m², approximately 72% of which is in Belgium. This potential in no way relates to the land bank for new sites to be developed, but to possible extensions at existing sites (8 sites in Belgium, 3 sites in France and 1 site in the Netherlands). Montea is constantly in contact with existing customers at these sites regarding possible further development.

The net property return[29] on the total of the portfolio was 8.17% in Belgium, 6.88% in the Netherlands and 8.80% in France, based on a totally leased portfolio and taking account of the estimated rent on vacant property (the net property returns for Belgium, the Netherlands and France were 7.12%, 6.88% and 8.56% respectively, not taking account of the estimated rent on vacant property).

The occupancy rate achieved by Montea on the total portfolio, expressed in % of the estimate rental value, was 97.2% and 96.6%[30], based on the number of m² occupied.

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[29] The net property return is defined as follows: contracted rental income, including concessions and building rights payments, divided by the fair value of the property portfolio.
[30] When calculating this occupancy rate, no account is taken of the non-lettable m² intended for redevelopment or in the land bank, either in the denominator or in the numerator.

The **annual contractual rental income**[31] (excluding rental guarantees) was EUR 31.7 million, an increase of 21.5% compared with the situation at 31/12/2013. This rise was derived mainly from additional purchases.

Contractual rental income in Belgium was EUR 17.1 million, 8.5% higher than the estimated rental value[32] of the leased space. Contractual rental income in the Netherlands was EUR 4.2 million, 4.6% lower than the estimated rental value of the leased space. Contractual rental income in France was EUR 10.3 million, 4.5% higher than the estimated rental value of the leased space.

Montea strives to compose its property portfolio with a healthy mix of clients from both the industrial sector (e.g. Coca-cola, Jan De Nul, Barry Callebaut, Unilever) and the logistics sector (e.g. FM Logistics and DHL and Norbert Dentressangle). The industrial sector is characterised by longer lease contract periods, but also often require larger investments. The logistics sector is usually characterised by typical 3, 6, 9-year leases (shorter terms). This is because the logistics sector is highly dependent on the economic situation and the specific logistical requirements of its customers.

The average lease term, up to and including the first break option, is 6.3 years. Montea strives to make this term as long as possible, but the company is operating in a market where contracts are normally for 3, 6, 9 years.

The next table shows the expiry date of these rents, based on the annual contracted rental income, whith a distinction between the expired rents in 2015, 2016 till 2018 and from 2019. 7.6% of the rents are due in 2015.

| CONTRACTUAL RENTAL INCOME (EUR x 1.000) | | 31/12/2014 12 months | 0 - 1 year | 1 - 3 years | > 3 years |
|---|---|---|---|---|---|
| **Belgium** | | **17.124** | **1.165** | **2.819** | **13.140** |
| Aalst | Tragel 48-58 | 1.974 | 125 | 0 | 1.850 |
| Bornem | Industrieweg 4-24 | 98 | 0 | 98 | 0 |
| Grimbergen | Eppegemsestwg 31-33 | 1.131 | 0 | 0 | 1.131 |
| Hoboken | Smallandlaan 7 | 237 | 0 | 237 | 0 |
| Meer | Europastraat 28 | 359 | 0 | 359 | 0 |
| Nivelles | Rue de la Technique | 459 | 0 | 459 | 0 |
| Puurs | Schoonmansveld 18 | 769 | 0 | 769 | 0 |
| Erembodegem | Industrielaan 27 | 1.029 | 353 | 269 | 408 |
| Mechelen | Zandvoortstraat 16 | 830 | 140 | 340 | 351 |
| Vorst | Humaniteitslaan 292 | 1.231 | 0 | 0 | 1.231 |
| Milmort | Avenue du Parc Industriel | 1.091 | 548 | 0 | 542 |
| Heppignies | Rue Brigade Piron | 757 | 0 | 0 | 757 |
| Zaventem | Brucargo 830 | 2.090 | 0 | 0 | 2.090 |
| Zaventem | Brucargo 831 | 613 | 0 | 0 | 613 |
| Gent | Evenstuk | 1.008 | 0 | 0 | 1.008 |
| Zaventem | Brucargo 763 | 288 | 0 | 288 | 0 |
| Gent | Korte Mate | 636 | 0 | 0 | 636 |
| Zaventem | Brucargo 738-1 | 456 | 0 | 0 | 456 |
| Willebroek | De Hulst Neovia | 1.081 | 0 | 0 | 1.081 |
| Willebroek | De Hulst Dachser | 986 | 0 | 0 | 986 |
| **France** | | **10.329** | **1.254** | **2.705** | **6.370** |
| Savigny-le-Temple | Rue du Chrome 2 | 345 | 0 | 0 | 345 |
| Feuqueires | Zoning Industriel du moulin | 359 | 0 | 359 | 0 |
| Bondoufle | Rue Henrie Dunant 9-11 | 233 | 0 | 233 | 0 |
| Saint-Priest | Chemin de la Fouilousse | 707 | 0 | 707 | 0 |
| Cambrai | P.d. Activité Actipole | 485 | 0 | 0 | 485 |
| Roissy | Rue de la Belle Etoile 280+ 383 | 927 | 0 | 287 | 640 |
| Décines | Rue a Rimbaud 1 | 370 | 0 | 370 | 0 |
| Le Mesnil Amelot | Rue du Gué 4, Rue de la Grande Borne | 723 | 210 | 514 | 0 |
| Alfortville | Le Techniparc | 235 | 235 | 0 | 0 |
| Le Mesnil Amelot | Rue du Gué 1-3 | 472 | 0 | 236 | 236 |
| St-Cyr en Val | Rue des Genêts 660 | 3.240 | 0 | 0 | 3.240 |
| Marennes | La Donnière | 809 | 809 | 0 | 0 |
| Saint-Laurent-Blangy | Actipark | 636 | 0 | 0 | 636 |
| Saint-Martin-de-Crau | Ecopole | 788 | 0 | 0 | 788 |
| **The Netherlands** | | **4.212** | **0** | **0** | **4.212** |
| Almere | Stichtse Kant | 1.189 | 0 | 0 | 1.189 |
| Waddinxveen | Exportweg | 955 | 0 | 0 | 955 |
| Oss | Vollenhovermeer | 1.043 | 0 | 0 | 1.043 |
| Beuningen | Zilverwerf | 1.025 | 0 | 0 | 1.025 |
| **TOTAL** | | **31.665** | **2.419** | **5.524** | **23.722** |

31 This is the annual contract rental income, as agreed in the lease contract with the tenant. This relates to leased premises only.

32 This is the estimated rental value per m², as established by the property assessor, taking account of the location, the features of the building, the business activity, etc., multiplied by the number of m². Premises that are not leased (and for which there is no contractual agreement) are not taken into account here.

Montea also invested in solar panels in 2011. As of 31/12/2014, the total fair value of the solar panels was EUR 7.5 million. These solar panels are installed at 4 sites in Flanders (Grimbergen, Puurs, Bornem and Herentals) and 1 site in Wallonia (Heppignies) representing a total investment value of EUR 7.5 million.

These solar panels provide an additional net annual income of EUR 0.9 million, which is generated mainly from the return from the green power certificates, with an initial fixed term of 20 years in Flanders, 15 years in Wallonia and 10 years in the Brussels Capital Region.

The following table provides a summary of the total property portfolio explaining that:

- the contractual rental income is 98.7% of the estimated rental value;
- the occupancy ratio is 96.6% based on m²;

| | Construction year / Year most important renovations | Offices m² | Warehouses m² | Total m² | Contracted Rent Income | Estimated Rental Value (*) | Occupancy rate (as % of total m²) |
|---|---|---|---|---|---|---|---|
| **Belgium** | | | | | | | |
| AALST (ABCDEFG), TRAGEL 48-58 | (1975 - 2002) 2009 | 2.098 | 17.833 | 19.931 | 659.415 | 613.695 | 100,0% |
| AALST (HIJ), TRAGEL 48-58 | 2000 - 2002 | 540 | 17.740 | 18.280 | 1.050.294 | 807.457 | 100,0% |
| AALST (KLM), TRAGEL 48-58 | 1985 - 2009 | 1.397 | 4.591 | 5.988 | 264.292 | 242.015 | 100,0% |
| BORNEM, INDUSTRIEWEG 4-24 | 1977 | 1.437 | 13.163 | 14.600 | 97.807 | 533.961 | 100,0% |
| GRIMBERGEN, EPPEGEMSESTWG 31-33 | 80 - 1995 - 1996 - 2003 -20 | 1.700 | 31.234 | 32.934 | 1.130.658 | 1.343.548 | 100,0% |
| HOBOKEN SMALLANDLAAN 7 | 2001 | 402 | 836 | 1.238 | 237.227 | 63.733 | 100,0% |
| MEER EUROPASTRAAT 28 | 1990 - 2006 | 775 | 9.455 | 10.230 | 358.652 | 319.538 | 100,0% |
| PUURS RIJKSWEG 89 & 85 | 1975 - 1982 - 1984 - 1991 | 1.380 | 16.650 | 18.030 | 0 | 971.220 | |
| HERENTALS, TOEKOMSTLAAN 33 | 2004 | 1.642 | 12.954 | 14.596 | 0 | 583.790 | 0,0% |
| NIJVEL, RUE DE L'INDUSTRIE | 2000 | 1.385 | 12.649 | 14.034 | 459.344 | 549.555 | 100,0% |
| PUURS, SCHOONMANSVELD 18 | 1998 | 1.334 | 11.907 | 13.241 | 769.115 | 607.210 | 100,0% |
| EREMBODEGEM, INDUSTRIELAAN 27 | 1973 / 2007 | 4.074 | 13.181 | 17.255 | 1.029.395 | 886.790 | 98,3% |
| MECHELEN, ZANDVOORTSTRAAT 16 | 1984 - 1990 - 1998 | 768 | 22.190 | 22.958 | 830.245 | 855.750 | 100,0% |
| VORST, HUMANITEITSln 292, SITE LIPTON | 1984 | 778 | 4.819 | 5.597 | 341.128 | 269.260 | 100,0% |
| VORST, HUMANITEITSln 292, SITE CM | 1966 / 2007 | 0 | 7.150 | 7.150 | 357.619 | 268.125 | 100,0% |
| VORST, HUMANITEITSln 292, SITE RESTAURANT (STATION) | 1971 / 1995 | 2.110 | 920 | 3.030 | 0 | 209.900 | 100,0% |
| VORST, HUMANITEITSln 292, SITE METRO | 2014 | 0 | 3.850 | 3.850 | 528.284 | 296.500 | 100,0% |
| MILMORT, AVENUE DU PARC INDUSTRIEL | 2000 | 1.225 | 27.112 | 28.337 | 1.090.960 | 1.000.323 | 100,0% |
| HEPPIGNIES, RUE BRIGADE PIRON | 2011 | 730 | 13.381 | 14.111 | 757.128 | 568.723 | 100,0% |
| ZAVENTEM, BRUCARGO 830 | 2012 | 4.328 | 23.951 | 28.279 | 2.089.951 | 1.969.010 | 100,0% |
| ZAVENTEM, BRUCARGO 831 | 2013 | 1.896 | 7.891 | 9.787 | 612.962 | 684.275 | 100,0% |
| GENT, EVENSTUK | 2013 | 755 | 23.769 | 24.524 | 1.008.321 | 1.039.042 | 100,0% |
| ZAVENTEM, BRUCARGO 763 | 1995 -1999 / 2007 / 2009 | 1.239 | 4.905 | 6.144 | 288.164 | 359.378 | 100,0% |
| GENT, KORTE MATE | 2011 | 1.012 | 12.024 | 13.036 | 636.491 | 615.894 | 100,0% |
| ZAVENTEM, BRUCARGO 738-1 | 2014 | 1.542 | 4.456 | 5.998 | 455.830 | 456.440 | 100,0% |
| WILLEBROEK, DE HULST SITE NEOVIA | 2014 | 512 | 19.000 | 19.512 | 1.080.970 | 615.894 | 100,0% |
| WILLEBROEK, DE HULST SITE DACHSER | 2014 | 1.652 | 7.381 | 9.033 | 986.000 | 781.913 | 100,0% |
| **Total Belgium** | | **36.711** | **344.992** | **381.703** | **17.120.252** | **17.512.938** | **95,7%** |
| **France** | | | | | | | |
| SAVIGNY LE TEMPLE, RUE DU CHROME | 1992 / 2007 | 646 | 15.650 | 16.296 | 345.150 | 634.188 | 54,3% |
| FEUQUIERES, ZI DU MOULIN 80 | 1995 - 1998 - 2000 | 763 | 8.230 | 8.993 | 358.559 | 314.755 | 100,0% |
| CAMBRAI, P. d' A. ACTIPOLE | 2008 | 682 | 10.588 | 11.270 | 491.879 | 484.900 | 100,0% |
| ROISSY, RUE DE LA BELLE ETOILE 280 | 1990 - 2001 | 737 | 3.548 | 4.285 | 310.000 | 314.690 | 100,0% |
| BONDOUFLE, RUE HENRI DUNANT 9-11 | 1990 | 1.307 | 2.478 | 3.785 | 232.674 | 221.925 | 100,0% |
| DECINES-CHARPIEU, RUE ARTHUR RIMBAUD 1 | 1996 | 1.108 | 2.713 | 3.821 | 370.432 | 339.490 | 100,0% |
| LE MESNIL AMELOT, RUE DU GUE 4& RUE DE LA GRANDE BORNE 11 | 1992 | 648 | 2.846 | 3.494 | 209.697 | 298.960 | 100,0% |
| LE MESNIL AMELOT, RUE DE LA GRANDE BORNE 11 | 1992 | 700 | 4.465 | 5.165 | 528.212 | 448.200 | 100,0% |
| ALFORTVILLE, LE TECHNIPARC | 2001 | 382 | 1.665 | 2.047 | 234.645 | 216.160 | 100,0% |
| ROISSY, RUE DE LA BELLE ETOILE 383 | 2001 | 1.965 | 4.492 | 6.457 | 617.447 | 628.441 | 100,0% |
| LE MESNIL AMELOT, RUE DU GUE 1-3 | 1998 | 1.211 | 4.043 | 5.254 | 472.130 | 393.755 | 100,0% |
| SAINT PRIEST, RUE NICEPHORE NIEPCE | 2008 | 906 | 15.120 | 16.026 | 707.163 | 629.820 | 100,0% |
| SAINT-CYR-EN-VAL, RUE DES GENETS 660 | 1996 - 2006 | 1.655 | 73.797 | 75.452 | 3.239.780 | 3.004.800 | 100,0% |
| MARENNES, LA DONNIERE | 1998 - 2000 / 2001 | 524 | 19.965 | 20.489 | 809.599 | 865.599 | 100,0% |
| SAINT-LAURENT-BLANGY, ACTIPARK | 2006 | 757 | 15.328 | 16.085 | 635.558 | 560.855 | 100,0% |
| SAINT-MARTIN-DE-CRAU | 2002 | 1.300 | 18.447 | 19.747 | 788.078 | 807.710 | 100,0% |
| **Total France** | | **15.291** | **203.375** | **218.666** | **10.351.003** | **10.164.248** | **96,6%** |
| **Netherlands** | | | | | | | |
| ALMERE, STICHTSE KANT | 2008 | 510 | 25.338 | 25.848 | 1.188.571 | 1.291.860 | 100,0% |
| WADDINXVEEN, EXPORTWEG | 2009 | 2.069 | 17.380 | 19.449 | 955.000 | 996.558 | 100,0% |
| OSS, VOLLENHOVERMEER | 2014 | 680 | 26.825 | 27.505 | 1.043.279 | 1.218.225 | 100,0% |
| BEUNINGEN, ZILVERWERF | 2009 | 2.987 | 14.908 | 17.895 | 1.025.000 | 909.753 | 100,0% |
| **Total Netherlands** | | **6.246** | **84.451** | **90.697** | **4.211.850** | **4.416.396** | **100,0%** |
| **Total** | | **58.248** | **632.818** | **691.066** | **31.683.105** | **32.093.581** | **96,6%** |

(*) the estimated rental value per m², as established by the property specialist, takes into account the location and features of the site, as well as the technical characteristics of the building, the type of business, etc., multiplied by the number of m².
the estimated rental value per m² is the market rent value and also relates to unleased, empty premises. The contractual rents relate only to the contractual rents for the leased premises.

The table below gives details, ranked by the initial year of construction or the year of the most significant renovation. The table shows that 70% of the portfolio is no older than 10 years of age. In case a site will be fully renovated, the site will be booked in the year of renovation.

| Construction year with most important renovations | Offices m² | Warehouses m² | Total m² | % of total |
|---|---|---|---|---|
| 1977 | 1.437 | 13.163 | 14.600 | 2,11% |
| 1984 | 778 | 4.819 | 5.597 | 0,81% |
| 1990 | 1.307 | 2.478 | 3.785 | 0,55% |
| 1992 | 1.348 | 7.311 | 8.659 | 1,25% |
| 1995 | 2.110 | 920 | 3.030 | 0,44% |
| 1996 | 1.108 | 2.713 | 3.821 | 0,55% |
| 1998 | 3.313 | 38.140 | 41.453 | 6,00% |
| 1999 | 0 | 0 | 0 | 0,00% |
| 2000 | 3.373 | 47.991 | 51.364 | 7,43% |
| 2001 | 4.010 | 30.506 | 34.516 | 4,99% |
| 2002 | 1.840 | 36.187 | 38.027 | 5,50% |
| 2003 | 0 | 0 | 0 | 0,00% |
| 2004 | 1.642 | 12.954 | 14.596 | 2,11% |
| 2005 | 1.380 | 16.650 | 18.030 | 2,61% |
| 2006 | 3.187 | 98.580 | 101.767 | 14,73% |
| 2007 | 4.720 | 35.981 | 40.701 | 5,89% |
| 2008 | 2.098 | 51.046 | 53.144 | 7,69% |
| 2009 | 9.790 | 59.617 | 69.407 | 10,04% |
| 2010 | 0 | 0 | 0 | 0,00% |
| 2011 | 1.742 | 25.405 | 27.147 | 3,93% |
| 2012 | 4.328 | 23.951 | 28.279 | 4,09% |
| 2013 | 2.651 | 31.660 | 34.311 | 4,96% |
| 2014 | 6.086 | 92.746 | 98.832 | 14,30% |
| **Total** | **58.248** | **632.818** | **691.066** | **100,00%** |

Montea also analyses its real estate portfolio upon the activities of its clients, the type of user and the type of building.

The table below shows the various percentages based on annual rental income, indicating that tenants from the logistics sector represent 46% of the portfolio. The semi-industrial buildings represent approximatively 12%.

| MONTEA | % |
|---|---|
| **Sector** | |
| Logistic | 44,0% |
| Consumer goods | 31,5% |
| Services | 1,8% |
| Industry | 15,8% |
| Vacant | 6,9% |
| | **100,0%** |
| **Type of Customer** | |
| End user | 46,8% |
| Logistic | 46,3% |
| Vacant | 7,0% |
| | **100,0%** |
| **Type of Site** | |
| Semi-industrial | 12,2% |
| Logistic | 87,8% |
| | **100,0%** |

### 4.2.6 Conclusions of the property assessor[33]

| | |
|---|---|
| Determining the value | Determining the value of the investment items in the portfolio is supported by the following methods: the rental value capitalisation method and the income approach based on a DCF (Discounted Cash Flow) model, with measurement of the unit prices obtained. |
| Movements in value | The Fair Value, in accordance with IAS40, rose on an annual basis in 31/12/2013 from EUR 311,936,000 to EUR 400,916,000 as of 31/12/2014. This Fair Value of EUR 400,916,000 corresponds with an investment value of EUR 418,729,000 with no additional costs payable by the purchaser.<br><br>The initial yield (the rental income considered in relation to the investment value) of the whole portfolio is 7.56%. |
| Assets | Assets currently are ± 632,818 m² of warehouse space and ± 58,248 m² of office space, or a total area of 691,066 m². These assets are situated at 41 sites, 22 of which are in Belgium, 15 of which are in France and 4 in the Netherlands. Three properties (Grimbergen[34], Ghent Evenstuk and Ghent Hulsdonk) are held on a concession basis. A superficy fee was paid for four other properties (Brucargo 763, 830, 731 and 738-1). The increase in the market value of the portfolio is due mainly to the acquisitions in Belgium and in the Netherlands.<br><br>Apart from the 15 sites in France and the 4 sites in the Netherlands, the current properties are situated mainly in Flanders. One building (Vorst) is in the Brussels-Capital Region and three are located in Wallonia, specifically in Milmort, Nivelles and Heppignies. Of the 15 sites in France, seven are located in the Paris region (Savigny-le-Temple and Roissy, Bondoufle, Le Mesnil Amelot, Alfortville) and the eight others in the provinces (Lyon, Saint-Priest, Cambrai, Arras, Feuquières-en-Vimeu, Orléans, Saint-Cyr-en-Val and Marseille). |
| Rental income | The effective rental income is calculated after deducting the property tax when it is to be paid by the owner and only in rare cases as an average rental income up until the next due date if there are rent discounts or if the rent is not charged on a constant basis contractually.<br><br>This annual rental income was EUR 31,665,030 per year as of 31/12/2014. Current lease contracts were 5.5% higher than the corresponding estimated market rental value.<br><br>The rental amounts stated are net rental income, separate from additional payments for communal charges and any insurance premiums. |

The occupancy rate for the entire portfolio, calculated based on floor space, is ± 96.6%.

Source: De Crombrugghe & Partners, Herman-Debrouxlaan 54, 1160 Brussel, represented by Pascal Van Humbeek in the capacity of appointed expert.

[33] The property specialist's full report dated 31/12/2014 is not included in this annual report, but the conclusions only. This is because the full report contains confidential information that may be of interest to the competition. This report was drawn up at the request of the issuer, with the property specialists agreeing to the inclusion of the conclusions in this registration document.

[34] The site in Grimbergen is held in joint ownership (50/50) with the other public regulated real estate company, WDP Comm.VA. WDP Comm.VA is co-owner of this site.

## 4.3 Major achievements during the financial year

### 4.3.1 Investment activity during 2014

- **7th February 2014 – Purchase of a logistics distribution centre of approximately 19,500 m² in Waddinxveen (NL)**[35]

Montea has acquired a logistics distribution centre on land of 25,800 m², located in Waddinxveen along the A12 (with connections to The Hague–Utrecht–Arnhem–the Ruhr). The distribution centre consists of 14,100 m² of warehousing, 2,560 m² of mezzanine space and approximately 2,800 m² of office space. The building is equipped with 17 loading docks. The site offers further expansion potential of 6,000 m². The building is leased for a fixed term of 15 years to Delta Wines, a European wine distributor that plays a leading role in the Dutch market.

*Montea "Space for Growth" - site at Waddinxveen (NL)*

Montea is investing in this property based on an initial yield of 7.5**%,** i.e. an investment value of EUR 12.7 million. This investment is in line with the fair value determined by the property specialist and was funded by bank finance.

- **25th February 2014 – Purchase of a site in Puurs, 28 Schoonmansveld (Belgium)**[36]

On 25/02/2014, Montea has finalised the purchase of a site in Puurs. The building is situated on 30,600 m² of land and includes a modern warehouse of 12,000 m² and 1,600 m² of office space. The site is particularly well located in the Pullaar logistics zone, with fast connections to both the A12 Brussels/Antwerp motorway and the N16 A-road to the E17 motorway.

*Montea "Space for Growth" – Site at Puurs, 58 Schoonmansveld*

[35] For more information, please see our press release dated 7/02/2014 or visit www.montea.com.

[36] For more information, please see our press release dated 20/06/2012 or visit www.montea.com.

Montea receives a rental guarantee of 9 months (until 24/11/2014) and is investing in this property based on an initial yield of 8.15%**,** representing an investment value of EUR 7.9 million. This investment is in line with the fair value determined by the property specialist and was funded by bank finance.

- **2 September 2014 – Sale and Rent Back agreement with Depa Disposables B.V. for a logistics distribution centre of approximately 17,900 m² in Beuningen (NL)**[37]

Montea has acquired ownership of a distribution centre on a site extending to approximately 20,800 m², situated in Beuningen, at the intersection between the A73 (Nijmegen-Roermond) and the A50 (Zwolle-Eindhoven). This distribution centre is located at the Bedrijventerrein Schoenakker and consists of around 14,900 m² of warehousing and some 3,000 m² of office space. Depa Disposables B.V. has signed a triple-net lease agreement for a fixed term of 10 years.

*Montea «Space for Growth» - site Beuningen (NL)*

Montea is investing in this property based on an initial yield of 7.6%**,** i.e. an investment value of EUR 13.5 million. This investment is in line with the fair value determined by the property specialist and was funded by bank finance.

- **17th December 2014 – Acquisition of a distribution centre of approximately 22,400 m² at 's-Heerenberg (NL)**[38]

Montea has purchased a distribution centre on a site of 45,500 m². The logistics building is situated in 's-Heerenberg at the "Euregionaal Bedrijventerrein" multimodal logistics park, close to the German border. The distribution centre was built in 2009-2011 and consists of some 16,000 m² of warehousing, 5,200 m² of cross-dock and 2,400 m² of office space. The centre has 44 loading docks. The building has been leased for a fixed period of 12 years to JCL Logistics Benelux, which specialises in storage, distribution and trans-European deliveries.


*Montea "Space for Growth" – site at 's-Heerenberg (NL)*

This transaction represents a total investment value of EUR 20.4 million and will generate an additional rent of EUR 1.45 million per annum. This investment is in line with the fair value determined by the property specialist and was funded by bank finance.

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[37] For more information, please see our press release dated 2/09/2014 or visit www.montea.com.

[38] For more information, please see our press release dated 17/12/2014 or visit www.montea.com.

### 4.3.2 Development activity in 2014

- **7th February 2014 – Build-to-suit project of approximately 9,100 m² for Dachser in Willebroek (BE)[39]**

In December 2013, Montea signed a partnership agreement with MG Real Estate (De Paepe Group) to develop the sustainable "MG Park De Hulst" logistics park in Willebroek (for which Montea paid an unavailability compensation of EUR 4.5 million). The development of the first build-to-suit plot for Dachser extends to approximately 37,800 m² and includes a build-to-suit crossdock building with some 6,800 m² of warehousing and around 2,300 m² of office space. The building can be extended by 1,700 m² in phase two of the project. Montea has acquired this property on handover (17/10/2014), subject to a number of the usual suspensive conditions being met. The parties have entered into a long-term lease for a fixed period of 20 years.


*Montea "Space for Growth" - site at MG Park De Hulst - Dachser (BE)*

This transaction represents a total investment value of EUR 13.1 million and, based on a gross initial yield of 7.5% will generate additional rent of almost EUR 1 million per year. This transaction was financed by drawing down credits released as a result of the capital increase implemented by Montea in June 2014.

- **7th February 2014 – Build-to-suit project of approximately 3,500 m² for Metro in Vorst[40]**

In 2008, Montea has purchased the Unilever site in Vorst. The site has a floor area of approximately 87,000 m² and at the time of purchase consisted of 8 different buildings, with Unilever as the main tenant. As part of the dynamic management of its property portfolio, Montea decided in 2013 to demolish the oldest building of approximately 14,000 m² and develop a new, sustainable project. Montea has developed a build-to-suit distribution centre for Metro, with total floor space of 3,500 m². The lease agreement is for a fixed term of 27 years.


*Montea "Space for Growth" – site at Vorst - Metro (BE)*

This transaction represents a total investment value of EUR 6.9 million and will generate an additional rental income of EUR 0.5 million per year, based on an initial gross yield of 7.6%. This transaction was financed by drawing down credits released as a result of the capital increase implemented by Montea in June 2014.

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39 For more information, please see our press release dated 7/02/2014 and 04/11/2014 or visit www.montea.com.

40 For more information, please see our press release dated 7/02/2014 and 04/11/2014 or visit www.montea.com.

- **7th February 2014 – Sustainable build-to-suit project of approximately 25,600 m² on industrial land in Oss (NL)**[41]

Montea and Van der Maazen have developpped a new European Distribution Centre on the "De Geer" industrial estate in Oss. The site covers approximately 35,000 m². The building consists of some 24,300 m² of warehousing, 680 m² of office space and a mezzanine area of 800 m². Montea has acquired this property on handover (1/10/2014), subject to a number of the usual suspensive conditions being met. The building is leased for a fixed term of 7 years and three months to Vos Logistics.


*Montea "Space for Growth" - site at Oss (NL)*

This transaction represents a total investment value of EUR 12.9 million and will generate an additional rent of EUR 1.01 million per year, based on an initial gross yield of 7.9%. This transaction was financed by drawing down credits released as a result of the capital increase implemented by Montea in June 2014.

- **19th February 2014 – Redevelopment of the site in Grimbergen (BE)**[42]

Montea and WDP have partly redeveloped and expanded the site in Grimbergen in concert with Caterpillar Distribution Services Europe into a strategic logistical hub of approximately 60,000 m² that they own jointly (50/50%). Some 29,500 m² of warehousing and 2,350 m² of office space are refurbished, while approximately 30,000 m² of new warehousing are new developed at the site. The total investment budget for this project amounted to EUR 7 million. In a multimodal perspective the Grimbergen site is perfectly located alongside the ship canal and close to the Vilvoorde container terminal, making it ideal for sustainable logistics.


*Montea «Space for Growth» - site Grimbergen (BE)*

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41 For more information, please see our press release dated 07/02/2014 and 041/11/2014 or visit www.montea.com.

42 For more information, please see our press release dated 19/02/2014 or visit www.montea.com.

- **13 May 2014 – Build-to-suit project pf approximately 19,500 m² for Neovia Logistics Services Belgium in Willebroek (BE)**[43]

The overall development encompasses a build-to-suit logistics platform that includes 19,000 m² of warehousing, 500 m² of office space and 82 truck spaces. The building is equipped with a sprinkler system and 30 loading docks. The parties have signed a long-term lease agreement with Neovia Logistics Services Belgium for a period of 10 years. Montea has acquired this property on handover (5/08/2014), subject to a number of the usual suspensive conditions being met.

*Montea «Space for Growth» - site MG Park De Hulst – Neovia Logistics Services Belgium (BE)*

This transaction represents a total investment value of EUR 13.3 million and will generate an additional rental income of EUR 1.1 million per year, based on an initial gross yield of approximately 8.1%. This transaction was financed by drawing down credits released as a result of the capital increase implemented by Montea in June 2014.

- **26th June 2014 – Partnership agreement with Movianto for the development of a new build-to-suit distribution centre on a land of approximately 46,000 m² in Aalst (BE)**[44]

The logistics service provider Movianto has picked Montea as its exclusive partner for completing the development and the financing of an additional distribution centre in Alost. The two companies' intention to work together will result in the purchase of 46,000 square metres of land in the industrial zone Zuid IV in Erembodegem for the construction of a state-of-the art logistics distribution centre of about 13,000 square metres, with two GDP transshipment areas (2°C-8°C and 15°C-25°C) and adjacent offices. The investment value of this project is estimated at ca. EUR 14 million. The new site has to be built during the first half of 2015, and will be able to accommodate 167 employees.


*Montea «Space for Growth» - Site Movianto – Industriezone Zuid IV in Erembodegem (BE)*

[43] For more information, please see our press release dated 13/05/2014 or visit www.montea.com.

[44] For more information, please see our press release dated 26/06/2014 or visit www.montea.com.

### ➢ 2nd September 2014 – Build-to-Suit project for DocMorris of approx. 14,800 m² at business park in Heerlen (NL)[45]

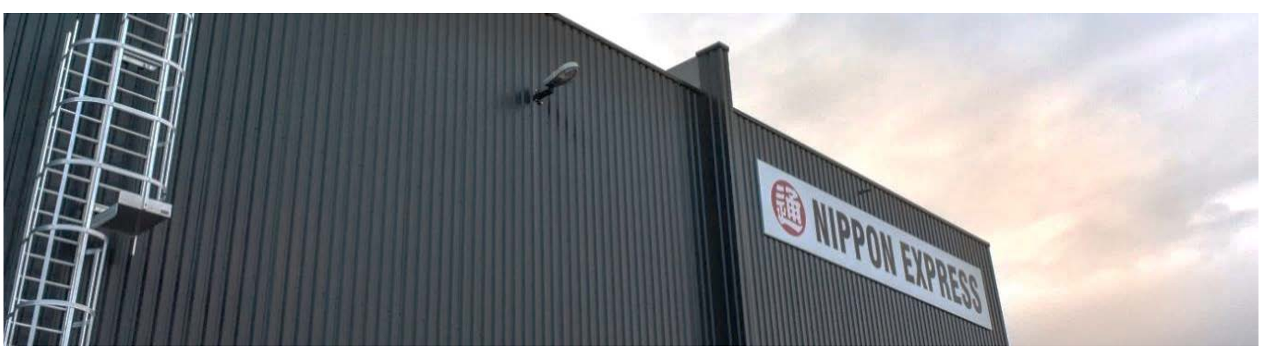
Montea and Bouwbedrijf L. van de Ven / Korund have developed a build-to-suit project of approximately 14,800 m² for DocMorris, market leader in the sale of pharmaceutical products by mail order. The site is located at the European Business Park Avantis in Heerlen on the border between the Netherlands and Germany. The site will comply with the strict standards required for storing pharmaceutical goods and will consist of approximately 7,750 m² of warehousing (which can be expanded), a mezzanine of around 1,750 m² and some 5,300 m² of office space, as well as 390 parking spaces. DocMorris has signed a 15-year lease agreement for an ultramodern site.

*Montea «Space for Growth» - Site Heerlen (NL)*

Montea will acquire this property at the time of handover **(**expected to be in the first quarter of 2015)**,** subject to the usual suspensive conditions, at a net initial yield of ± 7.33%. The investment value of this project is estimated at approximately EUR 19.2 million. This transaction was partly financed by drawing down credits released as a result of the capital increase implemented by Montea in June 2014 and drawing down on new bank funding.

### ➢ 2nd September 2014 – Build-to-Suit project for Nippon Express of approximately 6,000 m² at Brucargo, Zaventem (BE) [46]

Montea and Cordeel Hoeselt (Cordeel Group) have developed of a distribution centre for Nippon Express Belgium at Brucargo in Zaventem**.** The build-to-suit project consists of approximately 4,500 m² of warehousing and some 1,500 m² of office space. Montea has obtained building rights for a period of 50 years for this project, on terms that are in line with the market. The site also offers the potential to expand by approximately 4,200 m². Nippon Express Belgium has signed a lease agreement with a fixed term of 10 years.




*Montea "Space for Growth" – Site for Nippon Express – Brucargo (BE)*

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[45] For more information, please see our press release dated 02/09/2014 or visit www.montea.com.

[46] For more information, please see our press release dated 02/09/2014 and of 4/11/2014 or visit www.montea.com.

Montea acquired this distribution centre at a net initial yield of approximately 7.70%, at its completion (4/09/2014). This investment is in line with the fair value determined by the property specialist. This transaction was financed by drawing down credits released as a result of the capital increase implemented by Montea in June 2014.

- **2nd September 2014 – Partnership agreement with Beherman Invest to develop a logistics platform at a site of 46,000 m² in Bornem (BE)** [47]

Montea and Beherman Invest have signed a partnership agreement for the development of a logistics platform at a site extending to 46,000 m² in Bornem. The site is strategically located in the "golden triangle" of Brussels/Antwerp/Ghent and is in the immediate vicinity of the A12/E17 motorways. In its search for suitable tenants, Montea focused mainly on pharma-related logistics service-providers and users but other industries are also possible. The planned distribution centre will feature warehouse space of approximately 24,000 m².

*Montea "Space for Growth" – Site for Beherman Invest – Bornem (BE)*

- **3th December 2014 – Montea signs partnership agreement with Panafrance in France**[48]

Montea and Panafrance have signed a partnership agreement to develop a 103,000 m² plot of land at Camphin-en-Carembault. This logistics site is uniquely situated to the south of Lille on the A1 motorway, in the heart of the traffic axis running between Lille, Paris and Lyon. Montea will be responsible for marketing the site, focusing on logistics service-providers and users. Development of the built-to-suit facility will only begin for the user once a lease agreement has been signed. The site can accommodate the development of 2 distribution centres with a total floor area of 41,000 m².

*Montea «Space for Growth» - Site Camphin-en-Carembault (FR)*

47 For more information, please see our press release dated 02/09/2014 or visit www.montea.com.

48 For more information, please see our press release dated 03/12/2014 or visit www.montea.com.

### ➢ 3th December 2014 – Purchase of 22,000 m² site at Tilloy-lez-Cambrai (FR) [49]

Montea purchased an 11,200 m² logistics building at Tilloy-lez-Cambrai in 2008. The building was leased by C-Log, a subsidiary of the Beaumanoir Distribution Group that specialises in the logistics of clothing. At the time, Montea also took a purchase option for the adjoining plot of 22,000 m² on which a built-to-suit facility of 11,000 m² can be developed as a second phase. Montea will shortly proceed to the purchase of the land and starts today with the commercialization of the project. Development of the built-to-suit facility will only begin for the user once a lease agreement has been signed.

*Montea «Space for Growth» - Site Tilloy-lez-Cambrai (FR)*

### ➢ 17th December 2014 - Partnership agreement with Heembouw to develop the 120,000 m² "LogistiekPark A12" in Waddinxveen (NL) [50]

Montea and Heembouw have gone into partnership with Wayland Developments to develop "LogistiekPark A12". The site totals 120,000 m$^2$ and is situated alongside the A12 in Waddinxveen. It is ideally suited for becoming a base for logistics providers and distribution companies. Strong market interest in this logistics hotspot is what prompted the parties to pool their resources to develop LogistiekPark A12.


*Montea «Space for Growth» - LogistiekPark A12 (NL)*

[49] For more information, please see our press release dated 03/12/2014 or visit www.montea.com.

[50] For more information, please see our press release dated 17/12/2014 or visit ww.montea.com.

#### 4.3.3 Divestment activity in 2014

The following divestments were made in 2014:

➢ **17th December 2014 – Sale of the site at 28 Schoonmansveld, Puurs**

Montea finalised the purchase of the Puurs site on 25/02/2014. The building is situated on land of 30,600 m² and includes a modern warehouse of 12,000 m² and office space of 1,600 m². Montea acquired this property based on an initial yield of 8.15%, i.e. an investment value of EUR 7.9 million. This building was divested in the same year. This divestment generated a capital gain of EUR 176,000.

International Transport Gilbert De Clercq was looking for an additional location to buy in the Puurs region. Montea decided to take this opportunity and to transfer the current lease agreement to the aforementioned company. As of the end of December 2014, the Puurs site was no longer part of the Montea property portfolio.

#### 4.3.4 Lease activity in 2014

2014 saw a high level of lease activity in which more than 85,994 m² of new lease agreements were signed.

➢ **19th February 2014 – New lease agreement signed with Caterpillar Services Europe for the site in Grimbergen (BE)** [51]

Montea and WDP have signed a lease agreement at market conditions with Caterpillar Distribution Services Europe for a term of 9 years, commencing on 1st January 2015, for the site in Grimbergen, which the two companies will hold jointly. Montea and WDP have partially redeveloped and expanded the site into a strategic logistical hub of approximately 60,000 m² in consultation with Caterpillar Distribution Services Europe.

➢ **17th March 2014 – Long-term lease agreement signed with Essentra Components in Roissy-en-France (FR)** [52]

Montea and Essentra Components have signed a long-term lease agreement at market conditions for a term of 9 years and 6 months for +/- 4,000 m² of warehousing at the site in Roissy-en-France.

Essentra Components was formerly Moss Express, which was already the tenant at Montea’s site in Le-Mesnil-Amelot, and was looking for a bigger building in the vicinity of Charles de Gaulle airport (Paris). Essentra Components produces and distributes protective and finish products for a wide range of industries and applications.

➢ **6th November 2014 - 2 new lease agreements signed at existing sites** [53]

In the meantime, Montea continues to work towards its target of maintaining the occupancy rate above the 95% mark. In this context, 2 new lease agreements at market conditions were signed in Belgium, as follows:

(i) the site in Nivelles is fully leased to an SDIL for a period of 3.5 years;

(ii) part of the site in Bornem has been refurbished and leased to Decathlon for a period of 6 years. The lease involves 2,173 m² or warehousing and 290 m² of office space.

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51 For more information, please see our press release dated 19/02/2014 or visit www.montea.com.

52 For more information, please see our press release dated 19/02/2014 or visit www.montea.com.

53 For more information, please see our press release dated 06/11/2014 or visit www.montea.com.

- **Occupancy rate of >96.6%[54] – Average term of lease up to 6.3 years (until next break date)**

The occupancy rate at 31/12/2014 was 96.6%.

Total vacancies were 22,406 m², with the site in Herentals (14,600 m²) and the site in Savigny-le-temple (7,446 m²).

Thanks to the new investments with an average fixed lease term until the first break of more than 11 years and the above mentioned new leases, Montea achieved its target in 2014 of having an average lease term to the first expiry date of 6 years in 2014. At the end of 2014, the average lease term until the first break option date was 6.3 years.

### 4.3.5 Further strengthening and diversification of the financing structure

- **28th May 2014 - Successful private placement of EUR 30 million [55]**

In the press released dated 15th May 2014, Montea announced the issue of bonds by way of a private placement. As the result of a significant over-subscription on day one, the subscription period was closed early for a total amount of EUR 30,000,000. The bonds have a term of 7 years, with a maturity date of 28th May 2021 and offer a fixed annual gross return of 3.355%. The issue price per bond is equal to the par value and is EUR 100,000. These bonds were placed with institutional investors and were permitted to trade on Euronext Brussels from 28th May 2014.

- **24th June 2014 – Successful capital increase – Disclosure pursuant to article 15 of the Act of 2nd May 2007 relative to the disclosure of significant holdings (Transparency Act)**

In a press release dated 2nd June 2014, Montea announced a capital increase in cash with preference rights. On 19th June 2014, after the public offering to subscribe to the capital increase and the successful private placement of the scrips, the existing shareholders and new investors undertook to subscribe to 100% of the new shares being offered.

This capital increase was successfully underwritten on 24th June 2014 for an amount of EUR 52,526,232[56] with the issue of 1,945,416 new shares at an issue price of EUR 27 per new share. The total capital of Montea was EUR 178,414,971.96 on 24th June 2014, represented by 8,754,378 shares listed on both Euronext Brussels and Euronext Paris. Out of the total of 8,754,378 shares, Montea owns 23,346 of its own shares in the context of a share option plan.

There are no preference shares. Each of these shares gives the right to one vote at the annual general meeting and hence these shares represent the denominator for the purpose of disclosure in the event of reaching, exceeding or falling short of the statutory threshold of 5% or a multiple of 5% (transparency regulation). Montea has an additional statutory threshold of 3% regarding the disclosure of significant holdings.

As of 30th June 2014, Montea had allocated a large proportion (EUR 50 million) of the net proceeds of this capital increase to settle its bank debts. As a result, the debt ratio at 30th June 2014 was 45.3%. During the 2nd half of 2014, Montea has used the balance of the non-drawndown lines of credit to finance the investments already announced. As a result, the consolidated debt ratio at 31st December 2014 was 52,1%.

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[54] The occupancy rate is based on the number of m². When calculating this occupancy rate, neither the non-leasable m² intended for redevelopment nor the land bank are included in the numerator or the denominator.

[55] For more information, please see our press release dated 20/05/2014 or visit www.montea.com.

[56] For more information, please see our press release dated 2/06/2014, 19/06/2014 and 24/06/2014 or visit www.montea.com.

#### 4.3.6 Transition of the property trust (sicafi) to a regulated real estate company (RREC)

Montea has opted to adopt the status of a public regulated real estate company instead of retaining its previous status of a public property trust (sicafi). The European AIFMD directive, which focuses on providing additional regulation of investment funds, had meant that the status of a public property trust (sicafi) meant complying with a number of additional regulations.

On 22nd July 2014, Montea applied for a licence as a public regulated real estate company from the Financial Services and Markets Authority (FSMA). On 22nd September 2014, Montea was accredited and licensed by the FSMA as a public regulated real estate company under Belgian law. This accreditation came into effect on 30th September 2014, which was the date on which the extraordinary general meeting of Montea voted to adopt the new status.

As a public regulated real estate company, Montea is subject to the Act of 12th May 2014 relative to regulated property companies and the Royal Decree of 13th July 2014 relative to regulated real estate companies. It is important to note that the overall protection enjoyed by shareholders under the current property trust (sicafi) system is equivalent to that of PRREC status.

#### 4.3.7 Proposal to pay a gross dividend of EUR 1.97 per share

Based on the net current result (excl. IAS 39) of EUR 15.3 million, Montea's Board of Directors will propose a dividend of EUR 1.97 gross per share[57] (EUR 1.4775 net per share), which includes a payout percentage of 100% in relation to the net current result. This involves maintaining the gross dividend per share at the 2013 level (EUR 1,97 gross per share) in spite of the dilution following the major capital increase in 2014.

#### 4.3.8 Other events during the year 2014

- **20th May 2014 – Re-appointment of one director**

At the general meeting held on 20th May 2014, Gerard Van Acker was re-appointed as director for a term of one year (until the general meeting of 2015). Pursuant to article 144 of the Act of 25th April 2014 containing various provisions, from 7th May 2014 onwards, only natural persons may be appointed as directors of property trusts (which was Montea's status at that date). For this reason, Gerard Van Acker was nominated in his personal name as director of the Company. However, Gerard Van Acker submitted his resignation as a director, with effect from 30th September 2014.

- **30th September 2014 – Dirk De Pauw becomes new chairman of the Board of Directors of Montea Management NV**

Gerard Van Acker submitted his resignation on 30th September 2014 and was succeeded as chairman of the Board of Directors of Montea Management NV, which is the statutory business manager of Montea, by Dirk De Pauw from 1st October 2014. Dirk De Pauw[58] has been appointed by the Board of Directors as the new chairman of the Board of Directors of Montea Management NV, which is the statutory business manager of Montea Comm.VA. In view of his close involvement as the reference shareholder for the De Pauw family and his active role in the organisation, Mr De Pauw's appointment as chairman was a logical choice for the directors.

[57] On 24th June 2014, Montea proceeded with a capital increase of EUR 52.5 million through the issue of 1,945,416 new shares. The proposed dividend of EUR 1.97 per share consists of EUR 1.02 per share for the first half of 2014 (based on 6,808,962 shares) and EUR 0.95 per share for the second half of 2014 (based on 8,754,378 shares).

[58] Dirk De Pauw will exercise his mandate as director via DDP Management BVBA, represented by Dirk De Pauw, until 19th May 2015. Subsequent to this, Dirk De Pauw will exercise his mandate as director and chairman as a natural person.

### 4.3.9 Net current result of EUR 15.3[59] million (EUR 1.97 per share), an increase of 13% on recurrent base compared with the same period last year

The **net current result** of Montea over 2014 was EUR 15.3 million (EUR 1.97 per share), which was an increase of 13% compared with the same period in the previous year (EUR 13.5 million – EUR 2.05 per share).

This growth by EUR 1.8 million is the result of:

- the increase in the operating result before the result on the property portfolio with EUR 2.9 million (+15%):
    - the net rental income increased by EUR 3.2 million (+13%), determined to a large extent by the total annual income of the investments made in the previous financial year and the income from investments in the financial year 2014;
    - the higher rise in property result compared with the net rental result (+14%) was mainly due to the lower average vacancy rate in 2014;
    - taking account of the company's general overheads, the operating margin was 85.1%, which was with a full per cent point higher than in 2013.

- the increase in the negative net financial result of EUR 1 million (+16%):
    - the average financial debt[60] rose by 31% (EUR 55 million) while the negative net financial result increased by 16%. As a result, the average financial debt fell to 3.8%. When we subtract the costs related to the hedging instruments, we arrive at an average interest rate of 2.5%;
    - at the end of the financial year, the financial debt was 3.4%[61]. When we subtract the costs related to the hedging instruments, we arrive at an average interest rate of 2.1%.

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59 Net result excl. result on property portfolio (code XVI, XVII, XVIII and XIV of the income statement) and excl. the variation in the fair value of the interest covering instruments (code XXIII of the income statement).

60 The average financial debt burden is defined by the average of all financial debts of Montea, including the lines of credit, the bond loans and the other financial debts. For the average financial debt, no account is taken of the negative value of the hedges. The average funding cost is the entire financial cash cost (without taking into account the changes in hedges) compared to this average financial debt.

61 This relates to the financial cost at the end of the financial year 2014, taking into account the status of the financial debt burden at the end of the financial year and taking into account the current market interest rates.

## 4.4 Synthesis of the financial results

### 4.4.1 Shortened consolidated summary of results before profit distribution as of 31 December 2014 (in thousands of euro)[62]

| ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| **CURRENT RESULT** | | | |
| **NET RENTAL RESULT** | **26.819** | **23.659** | **19.927** |
| **PROPERTY RESULT** | **27.334** | **24.010** | **20.508** |
| **% compared to net rental result** | **101,9%** | **101,5%** | **102,9%** |
| **TOTAL PROPERTY CHARGES** | **-1.183** | **-708** | **-1.046** |
| **PROPERTY OPERATING RESULT** | **26.151** | **23.302** | **19.462** |
| General corporate expenses | -3.339 | -3.573 | -2.938 |
| Other operating income and expenses | 9 | 163 | 231 |
| **OPERATING RESULT BEFORE THE PORTFOLIO RESULT** | **22.821** | **19.892** | **16.756** |
| **% compared to net rental result** | **85,1%** | **84,1%** | **84,1%** |
| **FINANCIAL RESULT** | **-7.226** | **-6.206** | **-5.469** |
| **PRE-TAX NET CURRENT RESULT (*)** | **15.595** | **13.687** | **11.287** |
| Taxes | -324 | -193 | -39 |
| **NET CURRENT RESULT** | **15.271** | **13.494** | **11.248** |
| ***per share*** | **1,97** | **2,05** | **2,00** |
| **NON-CURRENT RESULT** | | | |
| Result on disposals of investment properties | 176 | 1.107 | 362 |
| Result on disposals of other non-financial assets | 0 | 0 | 0 |
| Changes in fair value of investment properties | 1.457 | -4.130 | -6.692 |
| Other portfolio result | 0 | 0 | 0 |
| **PORTFOLIO RESULT** | **1.632** | **-3.022** | **-6.330** |
| Changes in fair value of financial assets and liabilities | -10.796 | 5.497 | -8.023 |
| **RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES** | **-10.796** | **5.497** | **-8.023** |
| **NET RESULT** | **6.107** | **15.969** | **-3.106** |
| ***per share*** | **0,78** | **2,42** | **-0,55** |

✓ **The net rental result was EUR 26.8 million (+13%) – Increase in operating result before the result on the property portfolio (+15%)**

The **net rental** result was EUR 26.8 million, an increase of 13% compared with the same period in 2013 (EUR 23.7 million). This increase of EUR 3.1 million is attributable to:

- the EUR 3.9 million rise in rental income. The net increase in this rental income was the result of:
  - the full-year impact of the rental income from investments made in 2013, consisting principally of the rental income from 2 sites at Brucargo (leased to Geodis and St Jude Medical) and the 2 sites at Gent (leased to SAS Automotive and DSV Solutions);
  - the rental income from the investments made in 2014, mostly in the fourth quarter: two investments at Willebroek, Park De Hulst (leased to Dachser and Neovia) and one additional site at Brucargo (leased to Nippon Express);
  - the full-year impact of the rental income from the first investment made in 2013 in the Netherlands (Almere, leased to Aware food Group);
  - the new investments in 2014 (Waddinxveen, leased to Delta Wines, Oss, leased to Vos Logistics and Beuningen, leased to Depa Disposables).

[62] This abbreviated form of the consolidated profit-and-loss account takes account of 6,808,962 shares fully entitled to share in the result of the 2014 financial year. The total number of shares was 8,754,378 at the end of the 2014 financial year. The difference is attributable entirely to the issue of 1,945,416 new shares that were issued on 24th June 2014 in the context of the capital increase of EUR 52.5 million. These new shares only entitle the holder to a (pro rata) dividend per share (if there is a distributable profit) from their date of issue (24th June 2014).

- an increase of of rental-related charges of EUR 0.8 million, caused mainly by the increase in costs relating to building payments and concessions.

The **operating result before the result on the property portfolio** rose from EUR 19.9 million in the previous year to EUR 22.8 million on 31/12/2014. This increase (EUR 2.9 million) in the operating result before the result on the property portfolio (15%) was the result of:

- the EUR 3.1 million increase in the net rental result (see above);
- the smaller rise in the property result in addition to the increase in net rental result (impact of EUR 0.2 million), caused mainly by the positive impact resulting from a more limited number of cost items not being passed on (as the result of the higher average occupancy rate), with a higher income from property management fees and the recovery of property tax at vacant sites;
- the increase in property charges, the company's general overheads and other operating revenue and costs of EUR 0.5 million, produced mainly by (i) the difference in one-off revenue from this year and last year, (ii) higher general consultancy fees and (iii) the strengthening of the operating team in Belgium and France.

The **operating margin**[63] was 85.1% for the full year 2014, a full per cent point higher than last year.

The investments made in 2014 will see Montea on the way to achieving its target operating margin of >85%.

➢ **The financial result (excluding valuation of the hedging instruments) was EUR -7.2 million, representing an increase of 16% compared with the same period in the previous year. This was determined by a higher average level of financial debt**

The **financial result** (excl. the valuation of the hedges) at 31/12/2014 was EUR -7.2 million, a rise of 16% compared with the same period in the previous year (EUR -1.0 million). The average debt rose by EUR 55 million (+31%). By contrast, there was a slight fall in average financial charges (0.17%) to 3.8%[64] for the 2014 financial year. Making abstraction of the costs related to the hedges, we obtain an average interest charge of 2.5%.

The slight 0.17% fall in financial charges was the result of the reduction in the hedging percentage on the bank debt. This fall in the hedging percentage was the result of the restructuring carried out by Montea during the first half of the year, enabling the company to benefit from the lower variable interest rates on the remaining portion (which is not subject to interest rate hedging). Notwithstanding the above, Montea issued a bond loan at the end of the second quarter with a coupon of 3.355%.

➷ At 31/12/2014, Montea had a total bank debt (bilateral lines of credit) of EUR 165 million with 5 Belgian banking institutions. Montea has opted for a responsible policy, so that this bank debt is covered 55%[65] by IRS-type (Interest Rate Swap) hedging contracts.

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63 The operating result before the result on the real estate portfolio compared to the net rental result.

64 This financial charge is an average taken over the whole year, including the other financial debts in France, the Netherlands and Belgium. It has been calculated based on the total financial cost in relation to the average of the start and end balances of the financial debt for 2014, not taking account of the valuation of the hedging instruments.

65 Given the two bonds in circulation (fixed rate) and the other financial debts, the hedging rate is 67%

✓ **The result on the property portfolio was EUR 1.6 million**

The **result on the property portfolio** was EUR 1.6 million at 31/12/2014. This positive result can be attributed to:

a. a positive gain of EUR 0.2 million achieved on the sale of the site at Puurs;
b. a net positive variation in the fair value of the property portfolio of EUR 1.4 million, made up of the investments at the existing sites and the adjustment in the fair value by the property assessor

With regard to the valuation of the solar panels, gains are recorded in a separate component of equity capitals. Losses are also included in this component, except if they are realised or if the fair value falls below the original cost.

✓ **The negative result on hedging instruments was EUR -10.8 million as a result of the decrease in long-term interest rates during the year**

The **result on hedging instruments** was EUR -10.8 million at 31/12/2014. This negative result stemmed from the decrease in long-term interest rates in 2014.

➢ **The net result was EUR 6.1 million, a decrease of EUR 9.9 million compared with the previous year. This figure was strongly affected by the negative variation in the valuation of the rate hedging instruments**

The **net result** at 31/12/2014 was EUR 6.1 million (EUR 0.78 per share), compared with EUR 16.0 million for the same period in 2013. The variation in this net result (EUR -9.9 million) was dictated to a large extent by the negative variation in the value of the hedging instruments (EUR -10.8 million) and to a lesser extent by the positive change in fair value of the property portfolio (EUR 1.6 million). These latter variations are not cash overheads and in no way have any impact on the net current result.

➢ **Net current result of EUR 1.97 per share**

The **net current result** at 31/12/2014 was EUR 15.3 million, which was an increase of 13% compared with the same period in the previous year.

Based on the distributable profit, Montea will propose a dividend of EUR 1.97[66] per share to the general meeting of shareholders. This represents maintaining the gross dividend in comparison with 2013, despite the dilution following the major capital increase in 2014.

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[66] The proposed dividend of EUR 1.97 par share consists of EUR 1.02 per share for the first half-year (taking account of 6,808,962 shares) and of EUR 0.95 per share for the second half-year (taking account of 8,754,378 shares).

### 4.4.2 Shortened consolidated balance sheet as of 31 December 2014

| CONSOLIDATED BALANCE SHEET (EUR) | 31/12/2014 Conso | 31/12/2013 Conso | 31/12/2012 Conso |
|---|---|---|---|
| **NON-CURRENT ASSETS** | **421.821.417** | **320.347.115** | **290.229.600** |
| **CURRENT ASSETS** | **32.046.053** | **19.450.170** | **17.268.629** |
| **TOTAL ASSETS** | **453.867.470** | **339.797.286** | **307.498.229** |
| **SHAREHOLDERS' EQUITY** | **183.438.085** | **138.966.518** | **123.763.016** |
| **Shareholders' equity attributable to shareholders of the parent company** | **183.338.176** | **138.868.511** | **123.663.108** |
| **Minority interests** | **99.909** | **98.007** | **99.908** |
| **LIABILITIES** | **270.429.385** | **200.830.768** | **183.735.212** |
| **Non-current liabilities** | **202.019.311** | **158.798.489** | **141.897.714** |
| **Current liabilities** | **68.410.074** | **42.032.279** | **41.837.498** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **453.867.470** | **339.797.286** | **307.498.229** |

- As of 31/12/2014, the **total assets** (EUR 453.9 million) consisted mainly of investment property (91.9% of the total) and the solar panels (1.7% of the total). The remainder of the assets (6.4% of the total) consisted of intangible, other tangible and non-current financial assets and current assets, including cash investments, trade and tax receivables.

- The **total liabilities** consisted of shareholders' equity of EUR 183.4 million and total liabilities of EUR 270.4 million.

  The total liabilities of EUR 270.4 million consisted of:
  - lines of credit drawn down for EUR 165 million (61.0%);
  - the issue of two bond loans (spread over 2013 and 2014) each for a value of EUR 30 million (22.2%) with terms running until 2020 and 2021;
  - other financial debts still to be repaid of EUR 3.2 million (1.2%);
  - the combined negative value of the hedging instruments of EUR 24.7 million (9.1%);
  - a total amount of EUR 17.7 million in trade accounts payable, other debts and accruals. Accruals (EUR 9.3 million) make up the largest item, with pre-invoiced rental income for 2015.

  ➯ Montea currently has lines of credit contracted with 5 Belgian financial institutions totalling EUR 179 million, of which EUR 165 million has already been drawn down (92%).

  In 2014 Montea issued a bond loan of EUR 30 million, partly to refinance existing credit lines that came to maturity.

  In 2015 and 2016 respectively, EUR 49 million and EUR 27 million in lines of credit fall due.

- Montea's **debt ratio**[67] was 52.1**%**. The variation in the debt ratio compared to 31/12/2013 (52.8**%**) can be attributed to funding three new sites and two redevelopments in Belgium, three new sites in the Netherlands with bank debt, partly compensated by the increase in capital in June 2014 and the optional dividend.

  ➯ Montea also complies with all of the covenants in terms of debt ratio that it has entered into with its financial establishments under which Montea may not have a debt ratio greater than 60%.

[67] Calculated in accordance with the RD of 13th July 2014 relating to regulated real estate companies.

- The **net asset value** at 31/12/2014 was EUR 20.94[68] per share, although this was penalised significantly by the negative change in fair value of the hedging instruments. If no account is taken of the net negative change in fair value of the hedging instruments (IAS 39), the net asset value is EUR 23.76 per share.

## 4.5 Financial structure of the company

### 4.5.1 Overall financing policy

The financing cost is the largest expense item in the Montea result. Montea therefore proactively manages the cost of its financing. First of all, the company wants to guarantee that its various funds are available for the longest possible period of time. Additionally, the company aims to secure financing with a variable interest rate, the largest part of which is covered by hedging instruments such as IRSs (Interest Rate Swaps).

This policy is based on the fact that doing so provides protection against disruptive swings in the economic cycles.

During economic boom times, the financing cost may well rise. This is compensated in theory by higher operational incomes (such as higher occupancy and higher inflation). This compensation is rather limited. Therefore there was a transfer to a hedging policy, and one that hedges the greatest portion of the debt.

At 31/12/2014, the main characteristics of Montea's financial structure were:

- total financial debt of EUR 229 million, consisting of EUR 165 million in bilateral lines of credit and EUR 3.2 million of other financial debts and EUR 60 million in outstanding bond loans and EUR 1 million in rental guarantees paid;
- a debt ratio of 52.1%[69];
- a weighted average term for the financial debt of 3.45 years;
- a policy of hedging against the possible interest rate risk has the effect of limiting sudden major rises in short-term interest rates;
  an average financing cost on the total financial debt in 2014 (margin and hedging costs included) of 3.8%[70]. When we subtract the costs related to the hedging instruments, we obtain an average interest rate of 2.5%;
- an interest coverage ratio[71] of 3.08 (compared with 3.21 in 2013 and 3.06 in 2012).

### 4.5.2 Debt structure

The company ensures that any funding required in is place in timely fashion. In doing so, the balance between the cost of funding, term and diversification of the sources of finance always come first.

[68] In calculating the net asset value per share, the total number of shares of 8,754,378 at the end of the year was taken into account (including the 1,945,416 shares issued as the result of the capital increase of 24th June 2014 – see point 4.3.5).

[69] The debt ratio is calculated in accordance with article 24 of the RD of 13th July 2014 relative to regulated real estate companies and may not be more than 65%.

[70] This financing cost is the annual runrate, based on the total lines of credit drawn down on 31/12/2014, the hedging instruments in place on 31/12/2014 and the short-term interest rate (Euribor 3 months) on 31/12/2014.

[71] The interest coverage ratio is calculated by adding the operating result before the result on the portfolio with the financial income, divided by the net interest costs.

The total financial debt of Montea (excl. bank guarantees) is EUR 228 million (EUR 177.4 million long term and EUR 50.8 million short term) and consists of:

- total drawn-down lines of credit of EUR 165 million. As of 31/12/2014, Montea had total confirmed bilateral lines of credit of EUR 179 million with 5 Belgian financial institutions, of which 92% is drawn down. At 31/12/2014, the weighted average term of these lines of credit was 2.6 years.

  In 2015, a total of EUR 49 million will be refinanced. In 2016, a total of EUR 26.7 million will be refinanced.

- total other financial debts of EUR 3.2 million. This total corresponds with the financial debts for the following 2 sites:
  - Milmort – Liège: EUR 1.8 million
  - Orléans – Saint-Cyr-en-Val: EUR1.4 million

- a total of EUR 60 million on the outstanding bond loan. In the context of further diversification of financing, Montea proceeded in 2014 to the issue of a second bond with a nominal value of EUR 30 million. This bond has a term of seven years with a maturity date on 28/05/2021. The gross coupon is 3.355%.

- a total of EUR 1 million in guarantees deposited. Instead of establishing a rent guarantee, a number of French clients have deposited a security that serves as a rent guarantee.

### 4.5.3 Coverage of the rate risk

As already stated, Montea has a funding policy whereby a large proportion of its bank debt is hedged. As of 31/12/2014, 55% of the lines of credit drawn down was covered by IRS-type hedging instruments. Montea aims to hedge at least 50% of its bank debts and 70% of its total outstanding debt for a term of 3 to 10 years.

As of 31/12/2014, the company had a total of EUR 145 million of IRS-type hedging instruments in place of which EUR 90 million is taken. The difference regards Forward IRS contracts with start dates in 2015 and 2016 for a total nominal amount of EUR 55 million.

Note 17 provides an overview of the hedging instruments in place.

### 4.5.4 Financial plan (Art. 24 of the Royal Decree of 13/07/2014)

#### 4.5.4.1 General

If the consolidated debt ratio of the public RREC and its subsidiaries amounts to more than 50% of its consolidated assets, less the authorised financial hedging instruments, the public RREC is required to draw up a financial plan with an implementation schedule, setting out the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

A special report will be drawn up by the auditor about the financial plan, confirming that the auditor has verified the drafting of the plan, in particular its economic base, and that the figures contained in the plan correspond with those in the accounting records of the public RREC.

The financial plan and the special report from the auditor will be submitted to the FSMA for information.

The general guidelines of the financial plan are included in detail in the annual and half-yearly financial reports. The annual and half-yearly financial reports will set out and justify (a) how the financial plan was implemented during the course of the relevant period, and (b) how the public RREC will implement the plan in the future.

#### 4.5.4.2 Abbreviated form of the consolidated balance sheet at 31/12/2014

Based on the figures at 31/12/2014, the consolidated debt ratio of the RREC was 52.1%. For more information about the abbreviated form of the consolidated balance sheet at 31/12/2014, please see point 4.4.2 in this annual report.

#### 4.5.4.3 Changes to the debt ratio of the regulated real estate company

Historically, Montea's debt ratio rose to its highest level since the end of 2008, and above 50%, in mid-2010 when it rose to 57.6%. On 2nd July 2010, a capital raising was conducted, taking the debt ratio back under 50%.

The debt ratio rose to 55.3% in September 2012. However, on 20th December 2012, a capital raising operation generating EUR 21.1 million was conducted to fund the project at Brucargo for DHL Global Forwarding. This pushed the debt ratio back down to 50.80% in the first trimester of 2013.

The debt ratio rose back to 52.8% at 31/12/2013 due to the dividend payment, the acquisition of the shares in Evenstuk NV (which owns the property leased to DSV Solutions), the acquisition of the shares in Acer Parc NV (which owns the built-to-suit property leased to St-Jude Medical), the first investment in the Netherlands (fully funded by debt) and the acquisition of the shares in Ghent Logistics NV (financed by the issue of new Montea shares).

In the course of 2014, the debt ratio rose as the result of current investments. In anticipation of a well-stocked investment pipeline, with the peak occurring in the fourth quarter, a capital increase procedure was conducted in June 2014. This capital increase resulted in a sharp reduction of the debt ratio. After the growth spurt in the 4th quarter, with various purchases and a number of investments, the debt ratio was 52.1% at 31/12/2014.

Montea's debt ratio has never reached an alarming level, including during the period of financial crisis from the end of 2008.

#### 4.5.4.4 Montea's investment potential in the future

The debt ratio is currently at 52.1%. Based on this ratio, the investment potential would reach almost EUR 166 million[72] (a rise of almost 40%) without exceeding the maximum debt ratio level of 65%.

[72] This calculation does not take account of the variations in the fair value of the property investments, or of any variations in accruals, provisions for risks and deferred taxes on the liabilities and any future net operating results.

Montea has covenants with a number of banking institutions under which the debt ratio may not exceed 60%. Based on these covenants and using the same method of calculation, Montea's investment potential would be EUR 90 million.

The calculations above do not take account a/o of any variations in the value of the property portfolio. Any variations could also have a major impact on the debt ratio.

Based on current equity capital, only if there were a negative variation in the fair value of the investment properties of over EUR 90 million would the maximum debt ratio allowed of 65% be exceeded. This would correspond with a fall in the existing portfolio of almost 22%.

Since it was established, Montea has absorbed a total negative variation in the value of its property portfolio of EUR 34.5 million, the majority of this being caused by the recent financial crisis at the end of 2008 and 2009.

Based on the current state of Montea's portfolio and the value placed on that portfolio by an independent assessor, Montea does not foresee any substantial negative variations in the fair value in the future.

Montea is of the opinion that the current debt ratio of 52.1% provides a sufficient buffer for absorbing any possible further negative variations in the existing portfolio.

#### 4.5.4.5 Movements in the debt ratio forecast in 2015

The table below indicates movements in the debt ratio up to and including 31/12/2015.

| in euro | 31/12/2014 | 30/06/2015 | 31/12/2015 |
|---|---|---|---|
| Property investments | 414.005.197 | 474.005.197 | 474.005.197 |
| Other assets | 35.612.143 | 35.612.143 | 35.612.143 |
| Cash | 4.250.130 | 1.562.836 | 9.833.167 |
| **TOTAL ASSETS** | **453.867.470** | **511.180.175** | **519.450.506** |
| **Equity** | **183.438.085** | **201.750.790** | **210.021.121** |
| | | | |
| **Liabilities** | **270.429.385** | **309.429.385** | **309.429.385** |
| **Long term liabilities** | **202.019.311** | **241.019.311** | **241.019.311** |
| Provisions | - | - | - |
| Other long term financial liabilities | 24.626.567 | 24.626.567 | 24.626.567 |
| Deferred taks liabilities | - | - | - |
| Other long term liabilities | 177.392.744 | 216.392.744 | 216.392.744 |
| **Short term liabilities** | **68.410.074** | **68.410.074** | **68.410.074** |
| Provisions | - | - | - |
| Other short term financial liabilities | - | - | - |
| Accruals | 9.330.307 | 9.330.307 | 9.330.307 |
| Other short term liabilities | 59.079.766 | 59.079.766 | 59.079.766 |
| **TOTAL LIABILITIES** | **453.867.470** | **511.180.175** | **519.450.506** |
| **Debt ratio** | **52,10%** | **53,89%** | **53,03%** |

These changes in the debt ratio are based on:

- a debt ratio of 52.10% at 31/12/2014;
- For the debt ratio of 53.89% at 30/06/2015:
    - the implementation of the current investment programme at the existing sites, fully funded by debt;
    - the implementation of the investment pipeline (EUR 60 million external projects);
    - capital increase of EUR 21 million to support further growth;
    - the expected profit forecast for the first half of 2015, taking into account any vacancies and the additional income from the investment programme;
    - dividend payment of EUR 1.97 per share via stock dividend, of which 50% will be paid in cash.

- For the debt ratio of 53.03% at 31/12/2015:
    - the implementation of the current investment programme at the existing sites, fully funded by debt;
    - the expected profit forecast for the second half of 2015, taking into account any vacancies and the additional income from the investment programme.

These calculations do not take account of any variations in the value of the property portfolio.

#### 4.5.4.6 Conclusion

Montea believes that its debt ratio will not exceed 65% and that no additional measures need be taken based on the planned changes to the composition of the property portfolio and the expected changes in equity capital.

Montea's aim remains to fund itself with a debt ratio of approximately 55% and to ensure that it never has a debt ratio of more than 60% (covenants agreed with some banks).

The debt ratio of 52.1% is entirely justified given the nature of the property in which Montea invests, i.e. logistics and semi-industrial property with an average yield of about 7.5%. Should a situation arise in which certain events were to necessitate an adjustment to Montea's strategy, it would make this adjustment without delay and notify shareholders accordingly.

## 4.6 Conclusions for the financial year 2014

For Montea, financially, 2014 was mainly characterized by generally good operating results:

- The net current result increases by 13% compared to the same period last year;
- The net current result per share amounts to EUR 1.97 per share compared to EUR 2.05 per share for the same period last year;
- An operating margin of 85.1%.

### 4.7 Appropriation of profit

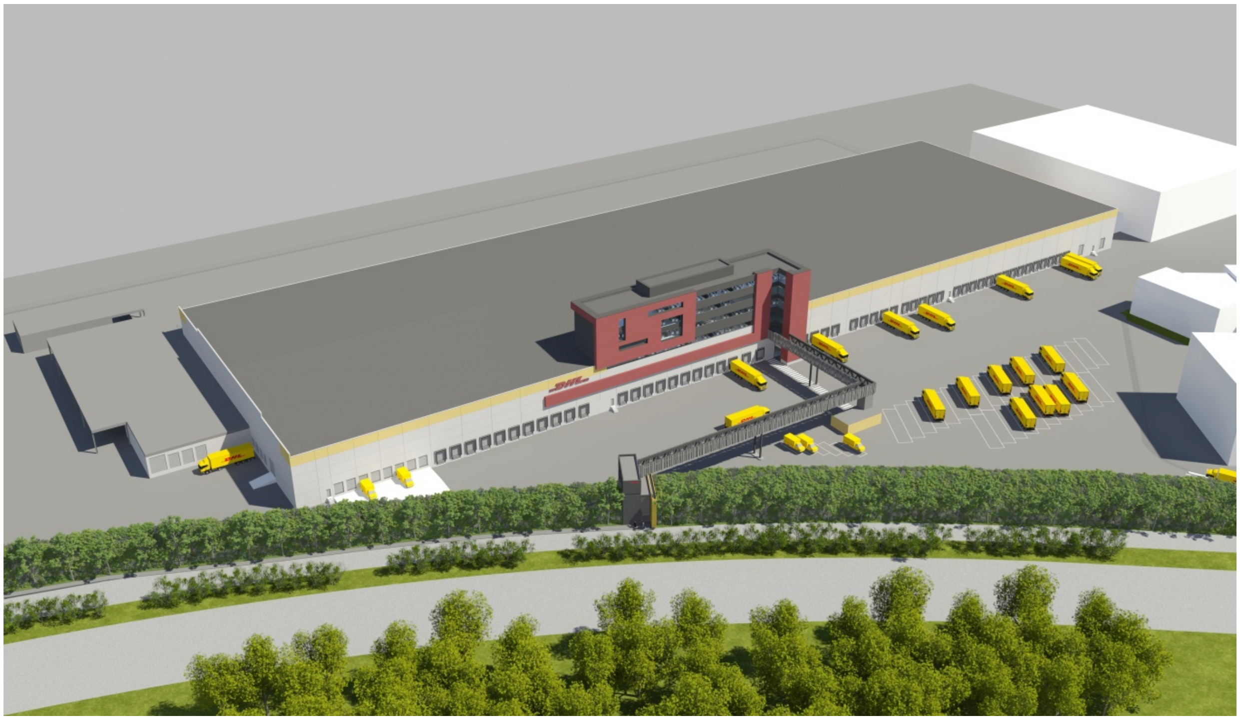
Based on the results of 31 December 2014, the Board of Directors of Montea Management NV proposes at the General Meeting of Shareholders of May, 19th 2015 paying out a gross dividend of EUR 1.97 per share. This corresponds with a net dividend of EUR 1.4775 per share.

### 4.8 Important post balance sheet date events

- **12 February 2015 – Development of new building of +/- 36,500 m² for DHL at Brucargo – Brussels Airport (BE)**

DHL has consolidated its airport activities at Brussels Airport by signing a cooperation agreement for the construction of a new hub in Brucargo. MG Real Estate (which is part of the De Paepe Group) will be responsible for this unique development comprising the build-to-suit construction of a storage area of about 31,500 m² and an office area of some 5,000 m². The building will be located at the entrance of Brucargo, the logistics platform of Brussels Airport for freight-handling purposes. In accordance with the development in 2012, Montea will acquire this building subject to the usual conditions precedent at its completion.

DHL will rent this highly strategic building for a fixed 15-year period. The development will start soon. The new build-to-suit project is expected to be operational by the fourth quarter of 2016.



*Montea "Space for Growth" - site Brucargo – Zaventem (BE)*

Montea obtained once again long-term building rights for 50 years for this project with Brussels Airport. After deduction of the building rights, the building will generate a rent of some 2.3 million euros and will be bought by Montea on the basis of an initial return of 7.70%.

- **3 April 2015 - Development of a build-to-suit project of approximately 9,000 m² for CdS at the Unilever site in Vorst (BE)**

As part of the redevelopment plan for the site in Vorst, a build-to-suit distribution centre has already been developed for Metro[73]. Following on from this, Montea is now developing a sustainable build-to-suit project for CdS, covering a total area of approximately 9,000 m². The new distribution centrum is scheduled to be operational in the first quarter of 2016.

*Montea "Space for Growth" – Site at Vorst – CdS (BE)*

Montea has signed an agreement with CdS for a fixed-term 15-year lease. CdS specialises in the hire of hospitality and catering accessories (www.cdsonline.be). This transaction was brokered by Allten.

Montea is conducting this project at a net initial yield of ±7.3%.

- **3 April 2015 - Start of a build-to-suit project of some 13,000 m² for Movianto at Erembodegem (BE) – Purchase of 46,000 m² of land**

In June 2014, logistics services-provider, Movianto, selected Montea to be its partner for the development and financing of an additional distribution centre in Aalst[74]. Since then, the building permit has been issued and Montea has purchased 46,000 m² of land at Industriezone Zuid IV in Erembodegem. Construction work on the project began recently.

The +/- 13,000 m² state-of-the-art logistics distribution centre, which features two GDP cross-dock areas (+2+8°C and +15°C+25°C) and attached offices, will be operational by the end of 2015.

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[73] For more information, please see our press release dated 07/02/2014 or visit www.montea.com.
[74] For more information, please see our press release dated 26/06/2014 or visit www.montea.com.

*Montea "Space for Growth" – Site at Zuid IV Erembodegem - Movianto (BE)*

- **3 April 2015 - Acquisition of a logistics building of approximately 10,000 m² in St. Priest-Lyon (FR), leased to Cofriset**

Montea has purchased a logistics building strategically located 10 km from St-Exupéry airport at St Priest, near Lyon. The facility, which consists of 9,400 m² of warehousing and around 600 m² of office space, includes 12 loading docks. The site also offers an additional expansion potential of approximately 4,500 m².

The building is leased to Cofriset for a remaining period of 2.7 years. Montea is currently in consideration with Cofriset to extend this lease agreement. Cofriset is a subsidiary of the Beijers group, which specialises in the distribution of air-conditioning and refrigeration units.

*Montea "Space for Growth" – Site at St. Priest - Cofriset (FR)*

The transaction represents a total investment value of € 6.55 million. It will generate an additional rent of € 596K per year, which is an initial yield of +/-9.1%.

This transaction enables Montea to strengthen its position in Saint-Priest, where it already owns a warehouse of 13,800 m² leased to Brosette (Saint-Gobain group).

- **3 April 2015 - Sale of the site at Meer (BE) to Smart Packaging Solutions NV (VPK)**

Montea has sold the Europalaan site in Meer to the current tenant, Smart Packaging Solutions. The site includes a warehouse of 9,250 m² and 460 m² of offices. This transaction represents € 3.78 million and is in line with the fair value.

### 4.9 Forecasts for the financial year 2015

#### 4.9.1 General

Montea’s business activities are affected in part by the overall economic climate. Lower economic growth can have an indirect effect on the occupancy rate and rental income. It also increases the risk that some tenants will be unable to fulfil their obligations.

At Montea, this risk is partly offset by the diversification of income streams (e.g. solar panels), geographic diversification (Belgium, France and the Netherlands) and signing leases for longer terms with good-quality tenants from a range of different sectors.

We are also seeing a growing appetite in Belgium, France and the Netherlands for logistics property, which is placing downward pressure on investment returns. For this reason, Montea is forced to be involved from the beginning of the project.

In 2015, Montea will focus further on the growth of its portfolio (external growth), as well as on improving the quality of its buildings (internal growth) and the diversification of its income streams.

- **External growth**

Montea will capitalise on its expertise and experience in order to differentiate its external growth in 2015. Thus, priority will go to:

- Sale & rent back projects, in which Montea acquires property from companies that wish to divest their property. Montea’s initial experience in these projects came with the acquisition of the logistics property of Unilever in Vorst (2008), Office Depot in Saint-Martin-de-Crau (2013), Delta Wines in Waddinxveen (2014) and Depa Disposables in Beuningen (2014).
- Build-to-suit projects, in which Montea goes looking with an end-user for the ideal logistics solution in an “open book” relationship. Montea gained the necessary experience in these projects with the construction of a new distribution centre for Coca-Cola (2010-2011) in Heppignies and for Metro in Vorst (2014). Through partnership agreements, built-to-suit buildings were developed for DHL Global Forwarding and St Jude Medical at Brucargo (2012-2013), for Dachser and Neovia Logistics Belgium at MG Park De Hulst in Willebroek, for Nippon Express Belgium at Brucargo in Zaventem (2014) and for Vos Logistics in Oss (2014).

- Collaboration with other property players, such as developers, land-owners and industrial parties, in which Montea uses its knowledge and experience in the logistics market to become involved in the development process at an earlier stage and hence realise part of the development margin. For instance, Montea has a collaborative agreement with De Paepe Group for the development of the De Hulst logistics park in Willebroek.
- Prospection relating to the acquisition or purchase of portfolios or buildings that are not part of the core investments and priorities of various investment groups.

- **Internal growth or quality improvement**

In addition to external growth, Montea will focus on enhancing its existing portfolio. Montea sees 2 major opportunities:

- Development of the land bank, in which Montea will work actively on marketing and selling the remaining land in the portfolio. Montea currently holds 149,944 m² of development potential.

- Improvement of the quality of the portfolio, in which Montea carries out full monitoring of its portfolio. The aim here is to have a clear view of the possible rises in value that can be created by a concerted adjustment/improvement of its products to the expectations and requirements of the market, without losing sight of sustainability.

- **Divestments**

Finally, Montea examines the divestment of some smaller sites in Belgium and France.

### 4.9.2 Specific prospects for Montea

- **Occupancy rate**

At 31/12/2014 the occupancy rate was 96.6 %.

During the course of 2015, a total area of 57,204 m$^2$ will be the subject of lease extensions and/or new leases (8.3% of the total floor space). Cambrai (leased to Les Hebihens) was already extended for 6 years (1.6% of the total floor space).

Montea is convinced that the good location and good condition of the sites will help it to find new tenants for current vacancies and any space becoming vacant in 2015, as well as for extending current leases.
In so doing, our aim is to maintain a minimum occupancy rate of 95%.

The site in Meer is expected to be sold during the first half of 2015. More information about this will be published once all of the suspensive conditions have been fulfilled.

- Ambition to increase the value of the property portfolio above EUR 500 million in 2015.

Taking the further growth based on its existing investment pipeline into account, Montea aims to increase the value of its property portfolio to above EUR 500 million.

- Investment capacity of EUR 90 million at a 60% debt ratio

  Taking a 60% debt ratio into account, Montea still has an investment capacity of EUR 90 million. With the investments already announced and the aim to achieve further growth based on its existing investment pipeline, Montea is currently examining various financing opportunities using debt and equity (such as a contribution in kind and/or the organisation of a capital raising).

- Net current result

  In 2014 Montea recorded a net current result of EUR 15.3 million (EUR 1.97 per share). Based on these results, taking account of the full-year impact of the investments made in 2014, the developed build-to-suit projects and an assessment of the re-leasing of vacant space, Montea has the ambition to increase the net current result with 20%-25%.

## 4.10 Corporate Governance statement

### 4.10.1 Applicable legislation and reference code

This corporate governance statement contains the most important rules that Montea has adopted from the legislation and the recommendations on corporate governance and the way these have been applied in 2014.

Montea is thus incorporating the provisions recorded in the Belgian Corporate Governance Code 2009 (www.corporategovernancecommittee.be). Should it deviate from this, it shall include this deviation in this corporate governance statement, pursuant to Article 96, §2 of the Belgian Company Code. This should at least take into account the size of the company and the nature of its activity.

The applicable legislation includes not only the Companies' Code, but also the Act of 12th May 2014 regarding regulated real estate companies (the **RREC Act**) and the Royal Decree of 13th July 2014 relative to regulated real estate companies (the **RREC RD**).

This statement of corporate governance is part of this annual report, pursuant to Article 96, §2 and § 3 of the Company Code.

Montea's company type is a General Partnership by shares and has only one appointed statutory manager. This Statutory Manager, Montea Management NV, is a Limited Liability Company (the **Manager**). As general partner, it is jointly and severally liable without limitations for all of Montea's obligations.

The Company and its Manager respect the provisions of the Belgian Corporate Governance Code 2009 and the legal recommendations on corporate governance by applying these within the organisation of the management of the Manager. As managing body of the Manager of the company, it is the Board of Directors of Montea Management NV, which collegially takes decisions concerning the values and the strategies of Montea, on the principal policy lines and its willingness to take risk.

The structure of the general partnership by shares is thus considered as transparent in terms of corporate governance.

In the corporate governance charter and in this corporate governance statement, the term “board of directors” refers to the board of directors of Montea’s manager, Montea Management NV.

The executive management shall be organized within the legal entity Montea Comm.VA and is under the supervision of the board of directors of the manager.

The Company has so far complied with the provisions of the Corporate Governance Code with the exception of the following provisions:

- pursuant to provision 4.6 of the Corporate Governance Code 2009, the mandate of director shall not be more than four years. This limit may be waived in order to make some rotation in the board of directors. This exception applies to the managing director. He was appointed on 30/09/2010 for six years, in order to allow him to implement a long-term strategy.

  For more information, please see the table in section 4.10.3.6, (iii) (Board of Directors – Composition).
- in view of the limited size of the company, the Board of Directors of the company’s manager has decided not to establish a separate appointments committee. The duties of the appointments committee will be handled by the remuneration committee, in the remuneration and appointments committee;
- pursuant to provision 2.9 of the Belgian Corporate Governance Code 2009, the Board of Directors of the Manager must appoint a secretary who advises the Board on all governance matters. This has not happened as yet, given the limited staff and limited complexity of the company’s organisation. However, an agreement was closed with a lawyer, if necessary, to provide advice in governance matters and in the application of corporate governance rules.

### 4.10.2 Report on internal audit and risk management systems

#### 4.10.2.1 General

The board of directors of the Manager is responsible for assessing the risks that are characteristic of the Company and also for assessing the effectiveness of internal auditing.

In turn, the Company’s executive management is responsible for putting in place a system for monitoring risk management and the effectiveness of internal auditing.

Montea organises the way the Company’s internal auditing and risks are managed by:

- defining its audit environment (general legal, financial and operational context);
- identifying and ranking the main risks[75] to which the Company is exposed;
- analysing the extent to which the Company manages these risks.

As part of this process, special attention is also paid to the reliability of the reporting and financial communication process.

[75] We refer to chapter 1: Risk factors for the description of these risks.

#### 4.10.2.2 The audit environment

The main features of the audit environment consist of:

- The culture of risk:
  Montea conducts itself responsibly in order to generate steady and recurrent revenue. Montea adopts a cautious approach regarding its investment policy and will avoid any speculative projects.

- A clear description of the Company's purpose:
  Montea is a leading RREC, listed on the stock exchange, which specialises in semi-industrial and logistics property. Montea has set itself the aim of building up a diversified property portfolio that generates stable and recurrent income. In doing so, Montea allows itself to be guided by the interests of the logistics world in the Benelux and France.

- A definition of the role of the various management bodies:
  Montea has a Board of Directors, an audit committee, a remuneration and appointments committee and an investment committee. The audit committee has the specific task of handling the company's internal auditing and risk management. For the accountancy of the French companies and the companies in the Netherlands, Montea is assisted by third parties, Primexis and Vistra, which provide Montea with material support only (this is in no way a delegation of management tasks).

- Company organisation:
  The Company is organised into various departments, which are shown in an organisation chart. Each person within the organisation is aware of what powers and responsibilities have been allocated to them.

- Measures to ensure sufficient capabilities:
  The Company assures itself that the following have sufficient skills and capabilities:
  - directors (see below): in view of their experience the directors have the skills they need to carry out their mandate, including in the area of accountancy and general financial matters, legal matters and knowledge of the logistics market;
  - executive management and staff: carrying out the various functions within the Company is assured by:
    - a recruitment process based on carefully defined employee profiles;
    - an assessment policy and appropriate remuneration based on achievable and measurable objectives;
    - appropriate training for all positions within the Company.

#### 4.10.2.3 Risk analysis and audits

The person, in charge of the company's risk management, draws up a list of all risks that are evaluated by the audit committee twice a year. These risks are discussed in the chapter on "Risk factors" in this report.

The Company's specific audit processes can be subdivided into the following categories:

- audits based on statutory requirements:
  Every transaction involving the purchase or sale of property can be traced in terms of origin, the parties involved, the nature of the transaction and the time it was carried out, by using official notarised documents.
- audits based on internal procedures:
  - any purchase, sale and lease contract is signed by the permanent representative of the Manager and at least one of the Manager's directors;
  - incoming invoices are approved by at least 2 people (the person responsible and the manager of each department). All invoices are also additionally approved by the CEO.
  - outgoing payments are approved by at least 2 people (2 effective managers and/ or the CFO and 1 effective manager).
- audits on financial matters:
  - the Company is assisted by an external adviser with regard to consolidation and accounting practices whenever necessary;
  - an overview is conducted systematically of any discrepancies in the actual figures, compared with the budget and actual figures of the previous year;
  - ad hoc samples are taken according to their material importance.
- audits in the area of the main financial risks, such as:
  - consulting external database in relation to the creditworthiness of customers;
  - the proactive monitoring of interest rate risks, in which the Company is assisted by external hedging consultants.

#### 4.10.2.4 Financial information and communication

General communication within the Company is tailored to the size of the Company. It is based mainly on general staff communication, internal work meetings and general e-mail traffic.

The process of financial information is based on retroplanning made on a quarterly, half-yearly and annual basis. The internal accounting team in Belgium and the external office in France and in The Netherlands provide the accounting figures. These figures are consolidated and verified by the controlling team, which reports to the CFO.

#### 4.10.2.5 Supervision and assessment of internal auditing

The quality of internal auditing is assessed during the course of the financial year by:

- the audit committee;
- the Auditors as part of their half-yearly and annual audit of the financial figures.
- the internal audit: an internal audit programme will be approved in the audit committee. The internal audit function has been outsourced for a term of three years to an external contractor BDO Bedrijfsrevisoren Burg. Ven. CVBA, represented by Mr Koen Claessens. The final responsibility for the internal audit lies with the effective manager PSN Management BVBA, represented by its permanent representative Peter Snoeck.

### 4.10.3 Board of Directors and committees

#### 4.10.3.1 General

Montea has the legal form of a joint stock company and was accredited on 26th September 2006 by the FSMA as a public property trust under Belgian law. This accreditation came into effect on 1st October 2006. On 22nd September 2014, Montea was accredited by the FSMA as a public regulated real estate company under Belgian law. This accreditation came into effect on 30th September 2014, which was the date on which Montea's extraordinary general meeting voted to approve the new status.

In accordance with the Company Code and its articles of association, Montea is managed by a statutory Manager/Partner, Montea Management NV ("Montea Management" or the "Manager"), a company that is jointly and severally liable, without limitation, for all commitments made by Montea and which itself is represented by its permanent representative, Mr Jo De Wolf.

Montea Management is managed by a Board of Directors that is made up in such a way that Montea can be run in accordance with article 4 of the RREC Act and has at least three independent directors in the sense of article 526c of the Companies' Code, in accordance with the requirements of the Act of 12th May 2014 and the RD of 13th July 2014 relating to regulated real estate companies.

The structure of the partnership limited by shares is totally transparent. This means that all of the rules of the Act of 12th May 2014 and the RD of 13th July 2014 relating to regulated real estate companies apply to its management body, the Manager and the directors of the Manager.

In this regard, Montea has expanded the principles in the area of corporate governance to the directors of the Manager.

Montea's corporate governance structure, in accordance with the Belgian Corporate Governance Code 2009, can be shown diagrammatically as follows:

- the management bodies, on two levels:
  - the Manager, Montea Management NV, represented by its permanent representative, Mr Jo De Wolf;
  - the board of directors and the individuals to whom the day-to-day management of Montea Management NV is entrusted;
- the supervisory bodies:
  - internal: supervision of the day-to-day management by the effective managers, supervision by the compliance officer and the person tasked with the risk management of the company and the person tasked with the internal audit;
  - external: the auditors and the FSMA.

The individuals who form part of the company's Board and statutory manager have their business address at Montea's registered offices (solely for matters relating to Montea).

#### 4.10.3.2 Board of Directors

**A. Composition Board of Directors**

**(i) Appointment**

The members of the Board are appointed by the General Meeting of Montea Management NV by a simple majority from a list of candidates presented by the Board of Directors on the advice of the Renumeration and Nomination Committee. With the exception of one share held by Jo De Wolf, the General Meeting of the Manager is composed of the five children of the late Mr Pierre De Pauw, who each hold 20% of the shares.

The members of the Board of Directors are all natural persons. However, the transition measure contained in article 109 of the RREC Act applies to legal entities appointed as directors prior to 7th May 2014. Their mandate expired on 7th May 2014.

The directors are in principle appointed for a maximum period of four years, but, contrary to recommendation 4.6. of the Belgian Corporate Governance Code 2009, this limit may be waived in order to make a certain rotation within the board.

Nominations for appointments or renewal of appointments, or the non-renewal or the resignation of directors will be submitted in advance to the FSMA for approval and/or communication purposes pursuant to article 14, §4, paragraph 4 of the RREC Act.

The appointment process is led by the Chairman of the Board of Directors. Nominee directors or candidates for reappointment as director are nominated by the board of directors to the shareholders of the Manager on recommendation of the Remuneration and Nomination Committee.

Before any new appointment, an evaluation is made of the skills, knowledge and experience already present on the Board and for which there remains a need. This ensures the necessary diversity and complementarity of the diverse backgrounds and skills of the directors. A profile of the required role is detailed.

Non-executive directors are made aware of the extent of their duties at the time of their candidacy nomination.

**(ii) Qualification requirements**

The members of the Board of Directors are evaluated on the basis of the following criteria:

- knowledge of the sector of semi-industrial real estate, of the transport and logistics sector in Belgium and in Europe;
- knowledge of the operation of seaports and of the contacts with their operators;
- knowledge of the construction industry and of the market for logistics and semi-industrial property in the Benelux and France;
- knowledge of the logistical flows of goods;
- knowledge in the field of real estate development projects;
- experience in leading a Board of Directors or in participating in such a board, of a listed (real estate) business;
- financial knowledge and knowledge of corporate finance in the context of complex real estate transactions.
- knowledge of accountancy codes including the IFRS rules.

Non-executive directors may not hold more than five (5) directorships in listed companies simultaneously. Any changes to their other commitments outside Montea are to be reported to the Chairman and the Renumeration and Nomination Committee in a timely manner.

In accordance with article 13 of the RREC Act, at least three directors must be independent in the sense of article 526c of the Companies' Code. At the present time, the following directors comply with the independence criteria of the aforementioned article 526c of the Companies' Code:

- EMOR SPRL, with its permanent representative Francis Rome;
- Ciska Servais SPRL, with its permanent representative Ciska Servais;
- Insumat SA, with its permanent representative Sophie Maes.

### (iii) Composition

The Board of Directors is made up of nine members[76]. As a result of the resignation of Van Acker Gerard BVBA (represented permanently by Mr Gerard Van Acker), with effect on 30th September 2014, the composition of the Board of Directors was as follows at 31st December 2014:

| Name | Acting as/Function | Start date mandate | End date mandate |
|---|---|---|---|
| DDP Management BVBA, represented by Dirk De Pauw | Executive director, chairman of the investment committee, responisble for the business development in France and since 1/10/2014 also chairman of the board of directors | 01/10/2006 | 19/05/2015 |
| Jo De Wolf BVBA, represented by Jo De Wolf | Managing director, Chief Executive Officer (CEO). | 30/09/2010 | 17/05/2016 |
| PSN Management BVBA, represented by Peter Snoeck | Executive director | 01/10/2006 | 19/05/2015 |
| André Bosmans Mgt BVBA, represented by André Bosmans | Non-executive and non-independent director | 01/10/2006 | 19/05/2015 |
| Federale Verzekering, represented by Jean-Marc Mayeur | Non-executive director | 15/05/2012 | 19/05/2015 |
| Belfius Insurance Belgium NV (before Dexia Insurance Belgium NV), represented by Dirk Vanderschrick | Non-executive director | 15/05/2012 | 19/05/2015 |
| EMOR BVBA, represented by Francis Rome | Independant director | 21/05/2013 | 17/05/2016 |
| Ciska Servais BVBA, represented by Ciska Servais | Independant director | 21/05/2013 | 17/05/2016 |
| Insumat NV, represented by Sophie Maes | Independant director | 03/10/2013 | 17/05/2016 |

[76] The smooth and efficient operation of the Board of Directors is not impeded by its relatively large composition. Given that the mandate of Mr Gerard Van Acker ended on 30th September 2014, the Board of Directors has consisted of nine members since 1st October 2014.

Based on the advice of the remuneration and appointments committee, the Board of directors has verified that the independent directors meet the independence criteria of article 526ter of the Company Code.

The resignation of Gerard Van Acker as director of Montea Management NV was accepted at the extraordinary general meeting held on 30th September 2014. At the meeting of the Board of Directors held on 5th September 2014, DDP Management BVBA, represented by Dirk De Pauw, was appointed as chairman of the Board of Directors of Montea Management NV with effect from 1st October 2014[77].

The Board of Directors currently has two female members. The Board of Directors is aware that by 1st March 2017, at least 1/3 of directors' mandates must be held by persons of the other gender. In view of the fact that at the time the mandate of directors will expire, the Board of Directors will undertake the necessary action to have these mandates filled by persons of the other gender. In this context two expired mandates (2013) were replaced by two female members.

### (iv) Curricula

Following is the brief curriculum of each of the directors or, in case of the companies being directors, of their permanent representatives, with report of the other mandates they have fulfilled in the course of the past five years as members of the administrative, management or supervisory bodies in other companies (with the exception of the subsidiaries of the Company).

**DDP Management BVBA, represented by Dirk De Pauw**
**Representative of the family De Pauw**
**Chairman of the board of directors and of the investment committee**
**Start of mandate: 1/10/2006 - End of mandate: 15/05/2012 – Prolongation till May 2015**

Dirk De Pauw, born in 1956, is one of the founding shareholders of Montea. He received his diploma in accounting and business management from the INHUS in Ghent, followed by additional training at the Vlerick Leuven Gent Management School.

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
   Since 1982 he has been managing director of the NV CLIPS in Asse. Dirk De Pauw is Chairman of the board of directors of the Manager of Montea and Chairman of the Investment committee of the Company van het Investeringscomité van de Vennootschap. He represents the Pierre De Pauw family on the Board of Directors.

**Jo De Wolf BVBA, represented by Jo De Wolf**
**Managing Director and CEO**
**Start of mandate: 30/09/2010 - End of mandate: May 2016**[78]

Jo De Wolf, born in 1974, holds a Master's degree in Applied Economics from KU Leuven, an MBA from the Vlerick Leuven Ghent Management School and pursued the Master's Real Estate programme at the KU Leuven.

a. The mandates that have lapsed in the past five years:
   In 2006 (until October 2010), he headed the real estate division of The Brussels Airport Company, where he was responsible for the redevelopment strategy and the expansion of the Brucargo logistics area at Brussels Airport.

[77] Mr Dirk De Pauw exercises his mandate as director via DDP Management BVBA, represented by Dirk De Pauw until 19th May 2015. After that, Mr Dirk De Pauw will exercise his mandate as director and chairman as a natural person.
[78] In previous annual reports, the end date of the mandate of Jo De Wolf BVBA was incorrectly stated.

b. The current mandates:
As of 19 October 2010, Jo De Wolf BVBA, represented by Mr Jo De Wolf, was appointed as effective leader of Montea Comm. VA, in accordance with Article 14 of the RREC Law). Since May 2011: Director of BVS-UPSI (Professional Association of the Property Sector).

**PSN Management BVBA, represented by Peter Snoeck**
**Representative of the Family De Pauw – Executive director**
**Start of mandate: 1/10/2006 - End of mandate: 15/05/2012 – Prolongation till May 2015**

Peter Snoeck, born in 1957, received his diploma in industrial engineering in electromechanics in Ghent. He then studied business management at the KUL (Katholieke Universiteit Leuven) and pursued training to become a realtor.

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
Since 2006, Peter Snoeck has been executive director of the Manager of Montea. He represents the Pierre De Pauw family on the Board of Directors. PSN Management BVBA, represented by Mr Peter Snoeck has been appointed as an effective manager of Montea Comm. VA, in accordance with article 14 of the RREC Act.

**André Bosmans Management BVBA, represented by André Bosmans**
**Director[79]**
**Start of mandate: 1/10/2006 – End of mandate: 15/05/2012 – Prolongation till May 2015**

André Bosmans, born in 1954, earned a law degree (State University of Ghent - RUG) and earned a diploma in 1978 as notary public at the RUG.

a. The mandates that have lapsed in the past five years:
Picardie Invest NV: director till 2009
H4 Invest NV: director till 2009
PPF Brittany GP Sàrl: manager till 2010
Cardev NV: director till 2014
City Mall Development NV: director till 2014
City Mall Invest NV: director till 2014
Comulex NV: director till 2014
Dolce La Hulpe NV: director till 2014
Immo Property Services (IPS): director till 2014
Lex 84 NV: director till 2014
Luso Invest NV: director till 2014
S.D.E.C. NV: director till 2014

b. The current mandates:
Till 30 June 2014 he has been Secretary-General and member of the management committee of Banimmo. He has been, through his management company, director of Banimmo NV (since 2011) and NV Conferinvest (since 2007). He is also director on his own behalf of the NV Grondbank The Loop and Schoonmeers Bugten NV and manager of CVBA P.D.S.M. Finally, he is an independent director of NV VEDIS on his own behalf and of the NV International Commerce and Trading, through his management company. He is a member of the executive committee of Belgian Land NV and director of the subsidiaries of Belgian Land. He is member of the investment committee “Vastgoed” of PMV.

79 The director was a representative of Banimmo, which was a reference shareholder of the Company until November 15, 2014.

**Federale Verzekering NV, represented by Mr Jean-Marc Mayeur**
**Director**
**Start of mandate: 15/05/2012 – End of mandate: May 2015**

Jean-Marc Mayeur, born in 1970, has a degree in Commercial Engineering (Solvay Business School – ULB).

a. The mandates that have lapsed in the past five years: Retail Estates
b. De current mandates:
   Federale Management since 2012, Federale Invest since 2013, K building (Subsidiary of de Federale Verzekering investing in student housing) since 2012, Senior Housing Invest (Subsidiary of de Federale Verzekering investing in nursing homes) since 2012; Milsenhof NV since 2012, De Muze NV since 2013. Since May 2012 he has represented Federale Verzekering as Chief Investment Officer as a director of Montea.

**Belfius Insurance Belgium NV, represented by Mr Dirk Vanderschrick**
**Director**
**Start of mandate: 15/05/2012 – End of mandate: May 2015**

Dirk Vanderschrick, born in 1965, is a graduate in Commercial and Financial Sciences and a Master of Business Administration from K.U. Leuven.

a. Mandates that have expired in the past five years:
   AAMC, Livingstone Building, Realex, Corona, DIB Invest, DELP Invest, DIS Finance SA, Dexia Re, Eurco RE, Eurco Ltd, IWI (International Wealth Insurer), Belfius Ireland, Quest for Growth, Capricorn Health-tech Fund, Auxipar, Promotion Leopold.
b. Current mandates:
   Belfius Bank, Belfius Insurance, VDK Spaarbank, ABB/BVB, Febelfin.
   Since May 2012 he has represented Belfius Insurance Belgium NV as a director of Montea.

**EMOR BVBA, with its permanent representative, Mr Francis Rome**
**Independant director**
**Start of mandate: 21/05/2013 – End of mandate: May 2016**

Francis Rome, born in 1948, has a degree in Applied Economic Sciences and an M.A. and Doctorate in International Relations.

a. Mandates expiring in the past five years:
   Eurobrokers N.V. (transport and distribution) and Logit Systems
b. Current mandates:
   Inno.com CVBA (I.T. consultancy) and Logit Systems NV.

Francis Rome is a professor at the University of Antwerp, Director of the Flemish Institute for Logistics and chairman of the Flemish Port Commission.

**Ciska Servais BVBA, with its permant representative, Ms Ciska Servais**
**Independent director**
**Start of mandate: 21/05/2013 – End of mandate: May 2016**

Ciska Servais, born in 1965, has a degree in Law, a Master’s in International Legal Cooperation and a special diploma in Environmental Sciences.

a. Mandates expiring in the past five years:
   Nautinvest Vlaanderen (PMV NV)
b. Current mandates:
   CFE NV (construction company) and Astrea BV CVBA (law practice).

**Insumat NV, with its permant representative, Ms Sophie Maes**
**Independent director**
**Start of mandate: 03/10/2013 - End of mandate: May 2016**

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Sophie Maes, born in 1957, has a degree in Commercial and Financial Sciences.

a. Mandates in her own name (+ as permanent representative of Bevalex NV) expiring in the past five years:
   Director of Saturno NV and Romano NV as permanent representative for Bevalex NV, VOKA-Kamer van Koophandel Oost-Vlaanderen VZW, Messiaen NV, Espace Belliard NV, Alides NV, Fonsny NV, R. Maes NV, Alides Projects NV, Krekelendries NV, Immo Spa NV, Investate NV as permanent representative for Bevalex NV, Aedifica as permanent representative for Bevalex NV, ACS Technics NV, Building Hotel Maes NV
b. Mandates of the company Insumat expiring in the past five years: Aedifica
c. Current mandates in her own name:
   Director of Investissement Leopold NV, Profin BVBA, Algemene Bouw Maes NV, MAPP SCI, Imco SCI, VOKA Vlaams Economisch Verbond VZW, Insumat NV, BVS- UPSI (chairman for Flanders), BNP Paribas Fortis Bank (Management commitee), Vlaams Overleg voor Ruimtelijke Ordening en Huisvesting VZW, Aedifica, Voka – Kamer van Koophandel Oost-Vlaanderen
d. Current mandates of the company Insumat:
   Director of Alides Projects NV, Orelio NV, Building Hotel Maes NV, Investera NV, Investpool NV, ACS Technics NV, Alides NV, Espace Belliard NV, Fonsny NV, Gindac NV, Immo Spa NV, Krekelendries NV, R. Maes NV, Paestum NV, Ghent Industrial Investment NV, Aalterpaint NV, ACS Technics NV, Building Hotel Maes NV.

The Company confirms that the non-executive directors mentioned above (see 4.10.3.2) comply with requirement 4.5 of the Belgian Corporate Governance Code 2009 (see (iii) Composition), which states that non-executive directors may not exercise more than five mandates in companies listed on the stock exchange.

No member of the Board of Directors and its committees has been convicted of fraud in the past 5 years.

The NV Insumat is one of the directors of NV Gindac and is to that effect represented by Mrs Sophie Maes. The NV Gindac was as of 26 June 2013 one of the directors of NV Afinco – of which it held a participation – and was as from that same date represented by Mrs Sophie Maes. After a procedure of judicial reorganization by a transfer subject to judicial authority NV Afinco was declared bankrupt on 29 January 2015.

There have been no further abnormalities about allegations made and/or sanctions imposed by supervisory authorities relating to any member of the Board of Directors and its committees in the past 5 years in which a member has been disqualified to act as member of the management body.

**B. Duties of the Board of Directors**

Montea Management NV acts, in carrying out its duties in the capacity of Manager, in the exclusive interest of Montea. The Board of Directors of Montea Management NV has the following specific duties in this context:

- defining the strategy of Montea, its risk profile and in particular defining the sectors and the geographical area in line with the relevant legal requirements;
- approval of investment decisions in line with relevant legal requirements;
- monitoring and approval of periodic financial information;

- oversight of the executive management, particularly in light of strategy monitoring;
- approval of public information;
- proposal of profit distribution;
- other duties expressly assigned to the manager (strategy and budget, annual, quarterly and half-yearly accounts, use of the authorized capital, approval of the merger/demerger reports, convening of the Ordinary and Extraordinary General Meetings, organising the decision-making bodies and appointing their members).

## C. Activity Report of the Board of Directors

The Board of Directors met on five occasions in 2014. In between, where necessary in the interests of the company, there were ad hoc meetings of the Board of Directors via telephone conferencing. In view of the resignation of Van Acker Gerard BVBA on 30th September 2014, he did not take part in any further Board meetings from 1st October 2014. The directors attended in the way illustrated by the table below[80]:

| Name | Function | Administrator, represented by | End date of mandate | Attendance list in 2014 |
|---|---|---|---|---|
| DDP Management BVBA, representedy by Dirk De Pauw | Chairman | Family De Pauw | May 2014 | 5/5 |
| Van Acker Gerard SPRL, represented by Gerard Van Acker | Chairman | Independant Director | May 2013 | 4/4 |
| Jo De Wolf SPRL, represented by Jo De Wolf | CEO Montea Comm.VA | Delegated Director | May 2016 | 5/5 |
| André Bosmans Management SPRL, represented by André Bosmans | Non-executif Director | Non-independant Director | May 2015 | 5/5 |
| PSN Management SPRL, represented by Peter Snoeck | Executif Director | Family De Pauw | May 2015 | 5/5 |
| Jean-Marc Mayeur | Director | Federale Verzekering | May 2015 | 5/5 |
| Dirk Vanderschrick | Director | Belfius Insurance Belgium | May 2015 | 3/5 |
| Emor SPRL, respresented by Francis Rome | Independant Director | Independant Administrator | May 2016 | 5/5 |
| Ciska Servais SPRL, respresented by Ciska Servais | Independant Director | Independant Administrator | May 2016 | 3/5 |
| Insumat SA, respresented by door Sophie Maes | Independant Director | Independant Administrator | May 2016 | 3/5 |

The issues addressed at the Board of Directors' meetings include the following issues:

- review and discussion of the reports from the remuneration and appointments committee;
- review and discussion of the reports from the audit committee;
- review and discussion of the reports from the investment committee;
- deliberation and decisions regarding investments and divestments on the advice of the investment committee;
- deliberation and decisions regarding the quarterly, half-yearly and annual consolidated and statutory financial statements and press releases;
- discussion and approval of the annual budget;
- evaluation and monitoring of the strategy set;
- allocation of the authorised capital on 24th June 2014;
- deliberation and decision regarding RREC status.

## D. Operation of the Board of Directors

In order to optimise the operation of the Board of Directors, it has established two advisory committees within itself and answerable to it:

- the Audit Committee
- the Remuneration Committee, which also functions as a Nomination Committee given the limited size of the Company.

The Board of Directors assesses the effectiveness of its committees.

[80] The mandate of Mr Gerard Van Acker ended on 30th September 2014. On 1st October 2014, DDP Management, represented by Mr Dirk De Pauw, was appointed as chairman of the Board of Directors. As a result, the Board of Directors has consisted of nine members since 1st October 2014.

After each committee meeting the Board of Directors receives a report on that committee's findings and recommendations. In between meetings, ad hoc information is sent to the directors and any director may demand any information at first request at any time through the Chairman of the Board of Directors.

Individual directors and the committees may at any time, through the Chairman of the Board of Directors, request the Board of Directors to call upon external experts (legal advisors, tax advisors etc., in accordance with Article 4.11 of the Belgian Corporate Governance code 2009) under the aegis of the company. These external experts may be appointed in the light of new purchases, divestments and new regulations on environmental and legal matters. The Board of Directors is obliged to examine such questions from a director or committee if they are approved by a majority of the directors.

The Board of Directors is advised on investment projects by an investment committee, of which the composition is determined by the Board.

Given the size of the company, its activities and the efficiency of its decision-making process, there is no need to formally designate a secretary.

### E. Chairman of the Board of Directors

The Chairman of the Board is chosen by the Board of Directors from amongst its members. The Chairman is appointed on the basis of his knowledge, skills, experience and mediation abilities.

The post of Chairman may not be combined with that of CEO.

The Chairman has the special duty to:

- promote the leadership and proper functioning of the Board of Directors;
- act as intermediary between the Board and the CEO;
- ensure that the directors and its committees have accurate, timely and clear information for the meetings and if necessary, between the meetings. In this context, the agenda of the Board and its committees is set at the beginning of each calendar year;
- to chair, lead and ensure the smooth running of the shareholders' meetings.

### F. Professional development of directors

Professional development of directors is guaranteed by:

- on the one hand, the personal development of each director in their own field of expertise by attending various seminars and the change in the property market;
- and on the other, by the organisation of various in-house trainings and seminars.

This year there have been informal training sessions about a/o the evolution of the logistics property market.

### G. Evaluation of directors

The evaluation of the directors is done at different levels:

- the Board of directors performs an annual evaluation of its size, composition, functioning and performance, as well as that of the committees and the interaction with executive management;
- the directors evaluate each other on a permanent basis and may put problems or comments about the contribution of a director on the agenda for the Board of directors or may discuss this with the Chairman. The Chairman can then, at his discretion, take the necessary steps.

The board of directors is assisted in this by the remuneration and nomination committee, as well as by any external experts, as required.

The contribution of each director is assessed on a periodic basis so that in the event of changing circumstances, the composition of the board of directors can be modified. In the event of a re-appointment, an assessment is conducted of the director's contribution based on a previously defined and transparent procedure.

The board of directors ensures that directors can be succeeded. It also sees to it that all appointments and re-appointments of both executive and non-executive directors allow for an even balance of qualifications and experience within the board of directors to be maintained.

**4.10.3.3 Audit committee**

**A. Composition of the audit committee**

**(i) Set-up**

The audit committee was established under Article 526bis of the Belgian Company Code put into effect on 1 January 2009 and assists the Board of Directors in fulfilling its oversight role on the internal and external audit in the broad sense of the term.

**(ii) Composition**

Following the resignation of Van Acker Gerard BVBA, with effect from 30th September 2014, the Board meeting of 5th September 2014 modified the composition of the audit committee. The audit committee is made up of the following directors:

- Insumat SA, represented by Sophie Maes, chairman of the audit committee, independent director;
- Ciska Servais SPRL, represented by Ciska Servais, independent director and
- Mr Dirk Vanderschrick, non-executive director.

The mandate of Van Acker Gerard BVBA, represented by Gerard Van Acker, ended on 30th September 2014 and was replaced by Insumat NV, represented by Sophie Maes.

According to Article 526*bis* of the Belgian Company Code, at least one member of the Audit Committee must have the necessary expertise in the field of accountancy and auditing. We refer to the wide experience and expertise of the total committee.

Mrs Sophie Maes has relevant experience as CEO of the various companies in the Maes group.

Mr Dirk Vanderschrick has relevant experience given that he is responsible for retail and commercial banking at Belfius Bank.

Mrs Ciska Servais has relevant experience as a member of the audit committee at CFE NV.

When the audit committee deliberates on the annual financial audit, an external financial adviser and/or Auditor can also be invited to attend the meeting, if so desired.

## B. Duties of audit committee

The audit committee is charged with the legal duties in accordance with Article 526*bis* of the Belgian Company Code. The duties of the audit committee include:

- assisting the Board of Directors in its supervisory responsibilities, particularly with regard to providing information to shareholders and third parties;
- monitoring of the financial reporting process, particularly of the quarterly, half-yearly and annual results;
- monitoring of the legal control of the annual statutory accounts and the consolidated financial statements;
- monitoring the effectiveness of the systems for internal control and risk management of the company;
- monitoring the internal audit and its effectiveness;
- assessing and monitoring the independence of the auditor, and approving the remuneration of this auditor, with particular reference to the provision of additional services to the company;
- analysing the observations made by the auditor, and, where necessary, making recommendations to the Board of Directors;
- ensuring that all legislation relating to any conflict of interest is strictly applied.

In addition, the recommendation to appoint (or renew an appointment) of the Auditor made by the Board of directors at the General Meeting can only be made upon proposal by the Audit Committee.

The Audit Committee reports, after each meeting, to the Board of directors on the performance of its duties, and at least when the Board of directors drafts the annual account and the consolidated annual account, and, as the case may be, the shortened financial summary intended for publication.

## C. Audit Committee activity report

In 2014 the audit committee was convened five times. The members' attendance was as shown in the table below[81]:

| Name | Function | Attendance list in 2014 |
|---|---|---|
| Insumat NV, represented by Sophie Maes | Director and Chairman | 1/1 |
| Van Acker Gerard SPRL, represented by Gerard Van Acker | Independant Director | 4/4 |
| Ciska Servais SPRL, represented by Ciska Servais | Independant Director | 4/5 |
| Dirk Vanderschrick | Director | 4/5 |

At these meetings the issues dealt with included the following:

- discussing the quarterly, half-yearly and annual consolidated and statutory financial statements;
- discussing and evaluating the internal audit systems: (i) follow-up of financial solvency of clients, (ii) follow-up and analysis of current legal matters, (iii) follow-up and analysis of liquidity needs;
- discussing the annual financial figures audited by the auditor-revisor;
- reporting to the full Board of Directors regarding the main conclusions of the Audit Committee.

At two meetings, previous points were also discussed with the auditor. At all meetings, previous points were also discussed with the CEO and the CFO.

[81] Insumat NV, represented by Mrs. Sophie Maes, was appointed on October 1, 2014 as Chairman of the Audit Committee. Therefore she could only attend 1 meeting of the Audit Committee.

D. **Evaluation of the audit committee**

The most important criteria for evaluating the audit committee and its members are:

- experience in the field of accounting and auditing;
- experience in sitting on other audit committees;
- experience in the analysis, control and monitoring of financial, legal and business risks.

The evaluation of the members and operation of the audit committee is done on a permanent basis (i) both by colleagues and (ii) by the full Board of Directors. If someone has questions regarding the contribution of a fellow colleague/member, he can discuss this with the chairman of the board of directors. The chairman can then, at his discretion, take the necessary steps.

**4.10.3.4 Remuneration and Nomination Committee**

**A. Composition of Remuneration and Nomination Committee**

**(i) Set-up**

The Board of Directors has established a Remuneration Committee in accordance with Article 526quater of the Belgian Company Code. The Remuneration Committee also functions as a Nomination Committee. given the limited size of the company.

**(ii) Composition**

Following the resignation of Van Acker Gerard BVBA, with effect from 30th September 2014, the Board meeting of 5th September 2014 modified the composition of the remuneration and appointments committee. The remuneration and appointments committee is made up of the following members:

- Ciska Servais SPRL, represented by Ciska Servais, chairman of the committee, independent director;
- André Bosmans Management SPRL, represented by André Bosmans, non-executive director;
- Insumat SA, represented by Ciska Servais, independent director.

The mandate of Van Acker Gerard BVBA, represented by Gerard Van Acker, ended on 30th September 2014 and was replaced by Insumat NV, represented by Sophie Maes.

This composition ensures that the committee has the necessary expertise in the area of remuneration policy on account of their far-ranging professional experience.

Mrs Sophie Maes has a/o relevant experience as CEO of the various companies in the Maes group.

Mrs Ciska Servais has among others the relevant experience as member of the remuneration committee of CFE NV.

**B. Duties of the Remuneration and Nomination Committee**

The Remuneration and Nomination Committee performs the following activities on its behalf:

- make proposals to the Board of directors on the remuneration policy for directors and members of executive management and, where applicable, on the resulting proposals that should be submitted to the shareholders by the Board of Directors;

- make proposals to the Board of directors on the individual remuneration of directors and members of executive management, including variable remuneration and long-term performance bonuses, whether or not linked to shares in the form of stock options or other financial instruments, and of severance pay, and where appropriate, the resulting proposals that should be submitted to the shareholders by the Board of Directors;
- preparing the remuneration report that will be added by the Board of Directors in the corporate governance statement in the annual report;
- the explanation of the remuneration report at the Annual General Meeting of shareholders

**C. Activity report of the Remuneration and Nomination Committee**

The Remuneration and Nomination Committee met twice in 2014: The members' attendance was as shown in the table below[82]:

| Name | Function | Attendance list in 2014 |
|---|---|---|
| Ciska Servais SPRL, represented by Ciska Servais | Independant Director | 2/2 |
| André Bosmans Management SPRL, represented by André Bosmans | Non-executif, non-independant Director | 2/2 |
| Insumat NV, represented by Sophie Maes | Independant Director | 0/0 |

At these meetings the following issues were discussed:

- evaluation of the management for 2014 and discussion of the goals for 2015;
- discussion and evaluation of the overall staff policy;
- discussion and approval of stock option plan (see 4.10.7. D);
- discussion and preparation of the remuneration report 2014.

The CEO attends the meetings of the Remuneration and Nomination Committee whenever it discusses the goals and the remuneration of the executive management and its staff.

**D. Evaluation of the Remuneration and Nomination Committee**

The functioning of the Remuneration and Nomination Committee is evaluated by means of the following criteria:

- experience in the field of personnel management, remuneration policy and remuneration systems;
- experience in sitting on other remuneration committees.

The evaluation of the members and operation of the Remuneration and Nomination Committee is done on a permanent basis (i) both by colleagues and (ii) by the full Board of Directors. If someone has questions regarding the contribution of a fellow colleague/member, he can discuss this with the chairman of the board of directors. The chairman can then, at his discretion, take the necessary steps.

**4.10.3.5 Investment Committee**

**A. Composition of the investment committee**

**(i) Set-up**

In 2013, the Board of Directors divided up the investment committee into geographical regions for the purpose of obtaining professional advice in investment dossiers.

82 Insumat NV, represented by Mrs. Sophie Maes, was appointed on October 1, 2014 as member of the remuneration and nomination committee. Therefore she could not attend any meeting of the remuneration and nomination committee.

### (ii) Composition

The Investment Committee Belgium – The Netherlands consists of the following parties:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee, Director and responsible for business development in France;
- Jo De Wolf BVBA, represented by Mr Jo De Wolf, Managing Director and Chief Executive Officer (CEO);
- PSN Management BVBA, represented by Mr Peter Snoeck, Executive Director;
- Peter Verlinde (CFO);
- PDM cv, represented by Peter Demuynck (Chief Commercial Officer) (CCO);
- GCA Consult BVBA, represented by Mrs Griet Cappelle, Chief Operating Officer (COO).
- EMOR BVBA, represented by Francis Rome;
- Insumat NV, represented by Sophie Maes.

The Investment Committee France consists of the following parties:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee, Director and responsible for business development in France;
- Jo De Wolf BVBA, represented by Mr Jo De Wolf, Managing Director and Chief Executive Officer (CEO);
- Peter Verlinde (CFO);
- Jean de Beaufort (General Manager of the subsidiary in France);
- Laurent Horbette

### B. Duties of the Investment Committee

The investment committee is responsible for the preparation of investment and divestment files for the Board of Directors. The investment committee also follows the negotiations with the various counterparties of Montea. These negotiations are mainly related to the acquisition (in any form) and the divestment of property, the conclusion of major lease agreements and/or acquisitions of property companies.

### C. Investment Committee activity report

In 2014, the Investment Committee Benelux met seven times. The members' attendance was as shown in the table below:

| Name | Function | Attendance list in 2014 |
|---|---|---|
| DDP Management BVBA, representedy by Dirk De Pauw | Chairman | 7/7 |
| Jo De Wolf BVBA, represented by Jo De Wolf | Member | 7/7 |
| PSN Management BVBA,represented by Peter Snoeck | Member | 6/7 |
| Peter Verlinde | Member | 7/7 |
| PDM cv, represented by Peter Demuynck | Member | 7/7 |
| GCA Consult BVBA, represented by Griet Cappelle | Member | 7/7 |
| Emor BVBA, represented by Francis Rome | Member | 7/7 |
| Insumat NV, represented by Sophie Maes | Member | 7/7 |

In 2014, the Investment Committee France met six times. The members' attendance was as shown in the table below:

| Name | Function | Attendance list in 2014 |
|---|---|---|
| DDP Management BVBA, representedy by Dirk De Pauw | Chairman | 6/6 |
| Jo De Wolf BVBA, represented by Jo De Wolf | Member | 6/6 |
| Peter Verlinde | Member | 6/6 |
| Jean de Beaufort | Member | 6/6 |
| Laurent Horbette | Member | 6/6 |

### 4.10.4 Executive management and daily management

### A. Composition of the executive management and daily management

### (i) Set-up

The Board of Directors has entrusted the executive and daily management of Montea to the executive management.

On 31 December 2014, the executive management consisted of[83]:

(i) Jo De Wolf BVBA, represented by Mr Jo De Wolf, in the position of CEO;
(ii) PSN Management BVBA, represented by Mr Peter Snoeck, Executive director;
(iii) Peter Verlinde, in the position of CFO;
(iv) PDM cv, represented by Mr Peter Demuynck, in the position of CCO;
(v) Jean de Beaufort, in the position of Director France;
(vi) GCA Consult BVBA, represented by Mrs Griet Cappelle, in the position of COO.

Jo De Wolf BVBA, represented by Mr Jo De Wolf, and PSN Management BVBA, represented by Mr Peter Snoeck, also qualify as effective leaders in the sense of article 14 of the RREC Act.

No member of the executive management has been convicted in connection with fraud offences in the past 5 years.

There have been no further abnormalities with regard to bankruptcies, receiverships or liquidations in which a member of the executive management has been involved in the past 5 years.

There have been no further abnormalities about allegations made and/or sanctions imposed by supervisory authorities relating to any member of the executive management in the past 5 years in which a member has been disqualified to act as member of the executive management.

### B. Duties of the executive management

The executive management is responsible for the following:

- preparing the decisions that have to be taken by the Board of Directors in order to fulfil its obligations, and the timely provision of the information required to do so;
- implementing decisions taken by the Board of Directors;
- carrying out internal audits, without prejudice to the supervisory role of the Board of Directors, based on approvals made by the Board of Directors;
- proposing the full, timely, reliable and accurate preparing of the annual accounts to the Board of Directors;
- preparing the publication of the annual accounts and other material financial and non-financial information;
- proposing a balanced and understandable assessment of the financial situation to the Board of Directors;
- setting out the responsibility and accountability to the Board of Directors regarding the exercise of its duties.

The executive management is charged in particular with the management of property, the financing policy, the overall management of staff and the HR policy, the preparation of all statutorily required financial and other information and the reporting and distribution of all information required to the public or competent authorities.

[83] Mr Peter Verlinde, PDM cv, represented by Mr Peter Demuynck, Mr Jean de Beaufort and GCA Consult BVBA represented by Griet Cappelle, have no decision-making powers, but only consultative powers.

### C. Functioning of the executive management and daily management

The executive management works closely together and in constant consultation. When the executive management does not reach an agreement, the decision is left to the Board of Directors.

The executive management meets weekly. The agenda items of these meetings are, inter alia, the operational decisions regarding the daily management, the status of current projects and leases and evaluation of new projects under study.

The executive management regularly reports to the Board of directors on the fulfilment of its mission.

The executive management provides the Board of directors with all relevant business and financial information. These include: key figures, an analytic presentation of the results versus the budget, a summary of the evolution of the property portfolio, the consolidated financial statements and details on the consolidated financial statements.

Proposals for decisions that the Board of directors must take are explained to the Board of Directors by the CEO.

### D. Evaluation of the executive management and daily management of the Manager

The executive management is evaluated by the Board of Directors on the basis of performance and objectives.

## 4.10.5 Remuneration Report

### 4.10.5.1 The Manager

### A. Remuneration policy

The articles of association of the Manager make provision for remuneration of the contract of Montea Management NV as statutory Manager of the RREC. This remuneration consists of two parts: a fixed part and a variable part.

The fixed part of the remuneration of the Manager is established every year by the Annual General Meeting of the RREC. This lump sum cannot be less than EUR 15,000 per year.

The variable statutory portion is equal to 0.25% of the amount equal to the sum of the adjusted results[84] and of the net gains on disposal of property not exempt from the mandatory payment. The Manager is entitled to reimbursement of the actual costs incurred, directly related to his/her mission and of which sufficient proof is provided.

### B. Remuneration for the financial year 2014

During the financial year ending on 31st December 2014, the remuneration of the Manager was EUR 592,903 excl. VAT. This amount includes the total remuneration cost on the part of the Board of Directors of the Manager, the remuneration for the managing director and the operating costs of Montea Management NV.

The final allocation of this remuneration to the Business Manager will be submitted for approval to the annual meeting on 19th May 2015.

[84] The corrected result = Net result + Depreciation + Amortization - Reversal of losses - Reversals transferred and discounted rent +/- Other non-monetary items +/- Result of sold property +/- Variations in the fair value of property.

### 4.10.5.2 The Board of Directors and its committees

### A. Remuneration policy

The continuity principle is applied for non-executive directors. They are reimbursed in the form of attendance fees per Board of Directors meeting attended and for those of committees within the Board of Directors. Next to the attendance fees, the Chairman of the Board of Directors receives a fixed remuneration.

This disbursement of "attendance fees" does not apply to executive directors. In accordance with the principles regarding Corporate Governance, the compensation of directors is proportionate to their responsibilities and to the time they devote to their functions.

The amount for the attendance fees for non-executive directors is approved every year through the General Meeting on the proposal of the Board of Directors, prepared by the Remuneration and appointments Committee. All members of the Board are also covered by a civil liability insurance for directors, whose total premium of EUR 20,358.74 for all directors together is borne by Montea.

There are no additional fees (company car, pension, options, mobile phones etc.) paid to the directors. The non-executive directors are not eligible for the award of variable compensation.

### B. Remuneration for the financial year 2014

The attendance fee for FY 2014 for the non-executive directors was established at EUR 1,500 per meeting for all directors who actually participate in the Board of Directors. The executive directors do not receive attendance fees.

The Chairman of the Board of Directors receives an annual fixed emolument of EUR 50,000. From 1st October 2014 (through the appointment of DDP Management BVBA, represented by Mr Dirk De Pauw), the annual fixed emolument is EUR 30,000.

Members of the audit committee and the remuneration and appointments committee receive an additional attendance fee for each effective attendance at a committee meeting. For the 2014 financial year, this attendance fee was set at EUR 2,000 per meeting for the chairman of the audit committee and EUR 1,000 per meeting for the chairman and members of the remuneration and appointments committee. The members of the audit committee receive a fee of EUR 1,500 per meeting.

For directors, this means that for FY 2014, they received the following compensation:

| Name | Function | Director, representative of | Board of Directors Annual fixed remuneration | Board of Directors Presence fee | Audit Committee Presence fee | Remuneration Committee Presence fee | Total | IC | Total |
|---|---|---|---|---|---|---|---|---|---|
| DDP Management BVBA, representedy by Dirk De Pauw | Chairman Executive Director | Family De Pauw | 7.500,00 € | 0,00 € | 0,00 € | 0,00 € | **7.500,00 €** | 26.228,00 € | **33.728,00 €** |
| Van Acker Gerard SPRL, represented by Gerard Van Acker | Chariman | Independant Director | 37.500,00 € | 6.000,00 € | 6.000,00 € | 2.000,00 € | **51.500,00 €** | 0,00 € | **51.500,00 €** |
| Jo De Wolf SPRL, represented by Jo De Wolf | CEO Montea Comm.VA | Delegated Director | 0,00 € | 0,00 € | 0,00 € | 0,00 € | **0,00 €** | 0,00 € | **0,00 €** |
| André Bosmans Management SPRL, represented by André Bosmans | Non-executif Director | Non-independant Director | 0,00 € | 7.500,00 € | 0,00 € | 2.000,00 € | **9.500,00 €** | 0,00 € | **9.500,00 €** |
| PSN Management SPRL, represented by Peter Snoeck | Executif Director | Family De Pauw | 0,00 € | 0,00 € | 0,00 € | 0,00 € | **0,00 €** | 0,00 € | **0,00 €** |
| Jean-Marc Mayeur | Director | Federale Verzekering | 0,00 € | 7.500,00 € | 0,00 € | 0,00 € | **7.500,00 €** | 0,00 € | **7.500,00 €** |
| Dirk Vanderschrick | Director | Belfius Insurance Belgium | 0,00 € | 4.500,00 € | 6.000,00 € | 0,00 € | **10.500,00 €** | 0,00 € | **10.500,00 €** |
| Emor SPRL, respresented by Francis Rome | Independant Director | Independant Director | 0,00 € | 7.500,00 € | 0,00 € | 0,00 € | **7.500,00 €** | 14.000,00 € | **21.500,00 €** |
| Ciska Servais SPRL, respresented by Ciska Servais | Independant Director | Independant Director | 0,00 € | 4.500,00 € | 7.500,00 € | 2.000,00 € | **14.000,00 €** | 0,00 € | **14.000,00 €** |
| Insumat SA, respresented by door Sophie Maes | Independant Director | Independant Director | 0,00 € | 4.500,00 € | 2.000,00 € | 0,00 € | **6.500,00 €** | 14.000,00 € | **20.500,00 €** |
| | | | **45.000,00 €** | **42.000,00 €** | **21.500,00 €** | **6.000,00 €** | **114.500,00 €** | **54.228,00 €** | **168.728,00 €** |

C. Remuneration policy for the next two years

The Board of Directors shall benchmark at all times the remuneration of the members of the board of directors and its committees with the market. The remuneration and nomination committee will discuss on an annual basis these remunerations and submit them to the Board of Directors.

For the financial years 2015 and 2016 no changes have been made to the current remuneration for the members of the board and its committees.

### 4.10.6 The Investment Committee Benelux and France

#### A. Remuneration policy

**Remuneration policy and remuneration for the financial year 2014**

With the exception of executive management, members receive an attendance fee of EUR 2,000 per meeting attended. The chairman of the investment committee received annual remuneration of EUR 26,228.

#### B. Remuneration for the financial year 2014

The members received the following remuneration for the financial year 2014:

| Investment committee Benelux | Function | Remuneration |
|---|---|---|
| DDP Management BVBA, represended by Dirk De Pauw | Chairman | € 26.228 |
| Jo De Wolf BVBA, represended by Jo De Wolf | Member | 0 |
| PSN Management BVBA, represended by Peter Snoeck | Member | 0 |
| Peter Verlinde | Member | 0 |
| PDM cv, represended byPeter Demuynck | Member | 0 |
| GCA Consult BVBA, represended by Griet Cappelle | Member | 0 |
| Emor BVBA, represended by Francis Rome | Member | € 14.000 |
| Insumat NV, represended by Sophie Maes | Member | € 14.000 |

| Investment committee France | Function | Remuneration |
|---|---|---|
| DDP ManagementBVBA, represended by Dirk De Pauw | Chairman | 0 |
| Jo De Wolf BVBA, represended by Jo De Wolf | Member | 0 |
| Peter Verlinde | Member | 0 |
| Jean de Beaufort | Member | 0 |
| Laurent Horbette | Member | € 12.000 |

#### C. Remuneration policy for the next two financial years

The board of directors of the Manager shall evaluate and analyze at all times the remuneration of the investment committee. This will be discussed on an annual basis in the remuneration and nomination committee and submitted to the Board of Directors.

For the financial years 2015 and 2016, no changes are made to the current remuneration for the members of the board and its committees.

### 4.10.7 The executive management

#### A. Remuneration policy

Members of executive management who are also directors receive no remuneration for the performance of their directorship.

The remuneration for people responsible for day-to-day management consists of two parts: a fixed part and a variable part. The amount of these two parts is determined by the Board of Directors, taking into account the responsibilities and the time required for these functions, as well as the industry standard practice. For the CEO the variable part amounts to 25% maximum of the total remuneration. For the other members of the executive management the variable part amounts to between 10% and 25% of the total remuneration.

Neither the fixed remuneration nor the variable remuneration of the members of the executive management may be determined based on the operations and transactions carried out by Montea or its subsidiaries[85].

For example, if they are eligible for variable remuneration, the criteria that make up all or part of the variable remuneration that depends on the results must relate exclusively to the consolidated net result, with the exception of any fluctuations in the fair value of the assets and hedging instruments.

Each year, at the proposal of the remuneration and appointments committee, the Board of Directors decides on the variable compensation that members of the executive management are entitled to in relation to their activities for the following financial year. The Board of Directors also defines the amounts of variable compensation, as well as the performance criteria on which this compensation depends. Where appropriate, the terms of articles 520*b*, 520*c* and 525 of the Companies' Code are complied with.

**B. Remuneration in the financial year 2014**

The variable remuneration of the CEO for the year 2014 was set at the beginning of FY 2014 by the Remuneration Committee, based on the following targets, which proportionally represent a possible variable remuneration:

- external growth of the portfolio through the implementation of the proposed investment plan;
- internal growth of the portfolio through the establishment and implementation of the proposed investment plans on the existing portfolio that increase the quality of the portfolio;
- retaining the occupancy rate at the level of the previous year (i.e. > 95%);
- the development of "property management" in France;
- further development of investor relations with institutional parties in the Benelux and France in order to support further growth, develop relations with French banks and expand share ownership;
- redefining Montea's corporate image.

Each year, through an assessment interview with the Chairman of the board of directors, it will be determined whether the proposed objectives have been achieved, either in full or in part. This assessment (and any variable remuneration) will be discussed by the remuneration and nomination committee and then submitted to the next meeting of the board of directors.

The variable remuneration for the FY 2014 of the other members of the executive management was set at the beginning of FY 2014 by the Remuneration Committee based on the following objectives:

- investing EUR 80 million via internal and external growth in the Benelux and France;
- developing sustainable development plans for the existing portfolio;
- developing collaborative links with third parties;
- implementation of the proposed divestment plan;
- redevelopment of the sites in Vorst and Puurs;
- retaining a minimum 95% occupancy rate in the Benelux and France;
- further development of investor relations with institutional parties in the Benelux and France in order to support further growth;
- expanding share ownership;

85 Article 35, §1, subparagraph 2 of the Law of 12 May 2014 on regulated real estate companies.

Each year, through an assessment interview with the CEO, it will be determined whether the proposed objectives have been achieved, either in full or in part. This assessment (and any variable remuneration) will be presented by the CEO to the remuneration and nomination committee and then submitted to the next meeting of the board of directors.

During the financial year closed at 31 December 2014, the executive management received the following fixed and variable remuneration[86]:

| Name | Fixed remuneration | Variable remuneration | Pension compensation | Other renumerations and advantages (*) | Total |
|---|---|---|---|---|---|
| BVBA Jo De Wolf | € 361.506 | € 116.930 | € 0 | € 0 | **€ 478.436** |
| Other members of the executive management (*) | € 1.015.702 | € 264.260 | € 8.644 | € 16.595 | **€ 1.305.201** |
| | **€ 1.377.207** | **€ 381.190** | **€ 8.644** | **€ 16.595** | **€ 1.783.636** |

(*) Other elements include the benefit of hospitalisation insurance, company car and mobile phone. This only applies for Peter Verlinde and Jean de Beaufort.

The remuneration of the other members of the executive management includes both the amounts invoiced by the management companies (PDM cv, PSN Management BVBA and GCA Consult BVBA) and the full salary costs for Peter Verlinde and Jean de Beaufort.

The contracts of executive management do not provide for any claim back clauses in relation to variable remuneration granted on the basis of incorrect financial data.

**C. Remuneration policy for the next two years**

The CEO shall make each year an analysis and evaluation based on market terms, for the remuneration of the executive management. The summary of this analysis and evaluation will be discussed by the CEO together with the Chairman of the Board of directors before it will be discussed in the remuneration committee.

The remuneration committee discusses the analysis and evaluation and makes a proposal for the remuneration of the whole Montea team, including the remuneration of the executive management, for approval in the next Board of Directors.

The following objectives for the executive management for 2015 were discussed and recorded at the remuneration and appointments committee meeting on 26th January 2015:

For the CEO:

1. Commercial and Asset management:
   - improvement of Montea's accessibility and service level to existing clients
   - retain occupancy rate > 95%
2. Business development:
   - growth of the portfolio by EUR 80 million in Belgium, the Netherlands and France
   - guide the structure of Dutch investments
3. Financial
   - strengthening and further diversification of the financial structure, based on growth through 2015.

[86] The executive management consits of six members (see section 4.10.4 A. (i)).

For the other members of the executive management:

1. Commercial/Asset management:
   - draw up a general set of “Internal Regulations” for tenants/users (incl. Lean and Green, sustainability, rights and obligations of owner and tenant)
   - draw up a general model for the management of park management and communal sites
   - retain occupancy rate >95%

2. Business development:
   - growth of the portfolio by EUR 60 million in Belgium and the Netherlands
   - growth of the portfolio by EUR 20 million in France
   - further development of the divestment programme
   - redevelopment of the sites in Vorst and Grimbergen
   - development of the Bluelabel programme

3. Financial
   - strengthening of the financial structure, based on growth through 2015
   - further diversification of debt

**D. Share options and share buy-back programme**

A share option plan was approved at the meeting of the board of directors held on 14 November 2011 for all members of executive management, including executive directors. The main features of the share option plan are as follows:

- option plan lasting 10 years (expiry date 31/12/2021);
- allocation of the number of options based on a one-third per year for the first three years;
- retention period of 3 years (until 31/12/2014) during which time the options cannot be exercised;
- option exercise price at EUR 24.06.

As part of the approved option plan, the Board of Directors decided on 5th November 2012 to allocate a further 1,046 additional options to Jo De Wolf BVBA, represented by Mr Jo De Wolf, on the advice of the remuneration and appointments committee. This option plan is not linked in any way to any targets that any member of executive management may have in exercising their tasks.

The table below provides a summary of the beneficiaries from the option plan, with the number of options allocated, unexercised and unexpired options.

| Name | Number of options |
|---|---|
| Jo De Wolf BVBA, represented by Jo De Wolf | 6.446 |
| PSN Management BVBA, represented by Peter Snoeck | 3.900 |
| PDM cv, represented by Peter Demuynck | 3.900 |
| Peter Verlinde | 3.900 |
| DDP Management BVBA, represented by Dirk De Pauw | 1.300 |
| Jean de Beaufort | 3.900 |

From 2015, options can be exercised twice a year, specifically between 15th March to 30th March or between 15th September to 30th September.

To furnish this option plan, in 2013 Montea proceeded with the purchase of 23,346 of its own shares with a total par value of EUR 639K. This purchase of its own shares (valued at EUR 639,000[87]) was included in Montea's equity capital.

**E. Payments made on departure**

The management agreement entered into between the CEO and Montea provides for a one-off equivalent payment of 6 months (fixed and variable part) in the event of the agreement being terminated prematurely.

The management agreements of the other members of executive management provide for the allocation of a one-off equivalent payment of 1 to 12 months in the event of the agreement being terminated prematurely. The statutory terms regarding employment agreements are not departed from in the employment agreements.

The summary below gives an overview of the payments made on departure for members of executive management.

| Name | Departure fees |
|---|---|
| Jo De Wolf BVBA,represented by Jo De Wolf | 6 months |
| PSN Management BVBA, represented by Peter Snoeck | 12 months |
| PDM cv, represented by Peter Demuynck | 3 months (*) |
| Peter Verlinde | (**) |
| Jean de Beaufort | (**) |
| GCA Consult BVBA, represented byGriet Cappelle | 3 months (*) |

(*) this is increased by 1 month for each year of service, with a maximum of 6 months.
(**) payments made on departure are determined in accordance with the statutory terms regarding employment agreements.

### 4.10.8 Control - Internal control - Supervision of the executive management

The supervision of the executive management is, in accordance with the Belgian Corporate Governance Code 2009, the responsibility of the full Board of Directors of the Manager. In fulfilling this task of supervising, the Board of directors is assisted by two individual directors, namely the Chairman of the Board of Directors and André Bosmans Management BVBA, represented by André Bosmans, who jointly collect the required information for the entire board of directors and prepare the relevant deliberations as well as the board of directors meeting.

This supervision does not control the content of all acts made by the persons who are responsible for the executive management.

### 4.10.9 Other persons involved

#### 4.10.9.1 Compliance officer

Compliance is an independent function within Montea. It focuses on investigating and encouraging compliance by Montea of the rules relating to its business.

The rules relating to compliance and integrity are included in the function of the compliance officer. Under principles 3.7 and 6.8, as well as Appendix B of the Corporate Governance Code 2009, the independent operational compliance function resides with Peter Verlinde, CFO, member of the executive management, who has been appointed as compliance officer. The compliance officer is charged with investigating and encouraging compliance by the company of the rules relating to the integrity of its business activities.

[87] The difference in the amount of EUR 636K (see 4.10.13.4) is related to EUR 3K costs resulting from the purchase of own shares.

The rules cover the requirements that arise from the company's policy and its status, as well as other statutory and regulatory requirements. It therefore relates to part of the corporate culture in which emphasis is placed on honesty and integrity, compliance with high ethical standards in conducting business, and compliance with the applicable regulations. Hence the compliance officer is also charged with supervising compliance with the rules on market abuse, such as those imposed by the Act of 2nd August 2002 relating to supervision of the finance sector and financial services, and Directive 2003/6/EC regarding insider trading and market manipulation. The compliance officer is also charged with supervising compliance with the rules regarding conflicts of interest, as set out in section 9 of Montea's corporate governance charter with regard to the incompatibility of mandates. The compliance officer reports to the managing director, Jo De Wolf BVBA, represented by Jo De Wolf.

**4.10.9.2 Person charged with risk management for the company**

Risk is a constantly present element in the business world. Montea identifies the risks in all of its processes and builds in the necessary internal controls to restrict exposure to these risks.

The awareness of risks in its internal and external environment is demonstrated on various levels by the Company to its staff by setting a good example at the top, as well as through the corporate governance charter – in other words the corporate culture.

It is the task of the Board of Directors to monitor identification of the risks and the way those risks are controlled. The Board of Directors pays attention to the various risk factors to which the Company is subject. The constant developments on the property and financial markets require the constant tracking of risks associated with monitoring the Company's results and financial situation.

The audit committee, which assists the Board of Directors in carrying out its supervisory role, submits the necessary recommendations to the Board of Directors regarding risk management and the control of financial risks. In conjunction with management and the auditor, the audit committee monitors the principal risks and the measures needed to control these risks.

At Montea, Peter Verlinde is charged with the risk management function for a period of 3 years, with effect from 23rd September 2014, tacitly renewable for periods of 1 year and which can be cancelled early at any time by a decision taken by the Board of Directors of the statutory manager. His duties include responsibility for drawing up, developing, monitoring, updating and implementing the risk management policy and risk management functions. He reports to the effective manager, namely Jo De Wolf BVBA, represented by Jo De Wolf.

**4.10.9.3 Internal audit**

Internal audit is an independent assessment function within the organisation. It focuses on examining and assessing the proper operation, effectiveness and efficiency of internal auditing. Internal audit assists the members of the organisation in the effective execution of their responsibilities and provides them in this regard with analyses, evaluations, recommendations, advice and information regarding the activities examined.

The scope of internal audit covers, in general, the examination and evaluation of the suitability and effectiveness of internal auditing, as well as the extent to which the allocated responsibilities are complied with.

The person charged with internal auditing examines the company's compliance with the policy lines, risk management (both measurable and non-measurable risks), reliability (including integrity, correctness and completeness) and the timeliness of the financial and management information, as well as external reporting, the continuity and reliability of the electronic information systems and the operation of staff services.

The person charged with internal auditing examines and assesses all aspects of Montea's overall business. In doing so, he or she uses various types of audit, such as:

a. the financial audit, designed to verify the dependability of the accounting records and annual financial statements based on them;
b. the compliance audit, aimed at checking compliance with legislation, regulations, policy lines and procedures;
c. the operational audit, focused on checking the quality and suitability of the systems and procedures, the critical analysis of the organisation structures and the assessment of the conclusive nature of the methods and resources used in relation to the objectives;
d. the management audit, focused on assessing the quality of the management function in terms of the company's objectives.

The internal audit function at Montea is for a period of three years (commencing on 23rd September 2014), delegated to and carried out by the external service-provider, BDO Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Koen Claessens. He issues a report to the executive directors, who in turn produce a report for the entire Board of Directors of the Manager, where appropriate via the audit committee. The person responsible for internal auditing can also inform the chairman of the Board of Directors or Montea's auditors directly. He can examine all of the company's documents, files and information data, including the management information and minutes from the advisory and decision-making bodies, insofar as these are necessary for him to carry out his assignment. The person ultimately responsible for internal auditing is at the effective manager, PSN Management BVBA, represented by its permanent representative, Peter Snoeck, who has the required professional reliability and expertise (fit and proper) to carry out this function.

The person who is responsible for the internal audit function at Montea does not combine this function with that of risk manager or compliance officer.

**4.10.9.4 Auditor**

The Auditor is appointed by the General Meeting of shareholders, and is chosen from the list of auditors approved by the FSMA. The Auditor is Ernst & Young Bedrijfsrevisoren, with registered office at 1831 Diegem, De Kleetlaan 2, represented by Ms Christel Weymeersch. The auditor was reappointed at the Annual General Meeting of May 21, 2013 for a term of three years until the annual meeting of 2016. This appointment was ratified by the extraordinary general meeting of August 13, 2013.

In accordance with the Belgian Company Code, the Auditor must perform the following duties. These duties are mainly related to the audit of accounting information in the annual financial statements.

1. The Auditor exercises supervision over the financial statements and the consolidated financial statements and makes a detailed written report on these annually.
2. A special report by the auditor is furthermore required in the following cases:
   - for contribution in kind;
   - for quasi-contribution;
   - when issuing shares below the par value of the old shares;
   - in the event of reduction or waiver of the preferential right to a capital increase or the issuance of convertible bonds or warrants;
   - in the event of conflict of interest of a director (no separate report is necessary but the information should be included in the auditor's annual report);
   - in the event of a patrimonial benefit given to an influential shareholder of a listed company (no separate report is necessary but the information should be included in the auditor's annual report);
   - when changing the purpose of the company;

- when converting the company into another company type (legal entity);
- with mergers and demergers;
- when proposing to dissolve the company and the conclusion of the liquidation.

The Auditor also cooperates with the supervision conducted by the FSMA and to that end will:

1. ascertain that the RREC has taken appropriate measures for the administrative, accounting, financial and technical organisation, as well as for internal auditing in order to comply with the RREC Act and RREC RD and the implementation decrees and regulations put in place, as well as the management regulations or articles of association;
2. confirm that the annual reports and half-yearly reports have been provided to it by the RREC in accordance with article 50 of the RREC Act, in fully accurate form and in accordance with the applicable rules;
3. issue a periodic report to the FSMA or issue a special report at the FSMA's request about the organisation, operations and financial structure of the RREC;
4. issue a report to the FSMA as soon as it has knowledge of:
   a) decisions, events or developments that affect or may affect significantly the position of the RREC financially or in the area of its administrative, accounting, financial or technical organisation, or its internal auditing;
   b) decisions or events that may refer to breaches of the Companies' Code, the articles of association, the RREC Act, the RREC RD and the decrees and regulations put in place for implementation;
   c) other decisions or events that may result in a refusal to certify the accounts or to formulate a reservation.

The base for calculating the remuneration of the Auditor is a fixed annual emolument. For the financial year ending on 31st December 2014, the fixed emolument for the auditors, Ernst & Young Bedrijfsrevisoren, represented by Mrs Christel Wymeersch, for its examination and auditing of the individual and consolidated accounts for the Montea group was EUR 43,232.23 (excl. VAT). In addition to the remuneration stated, EUR 13,695.64 was also paid as remuneration for additional auditing work.

### 4.10.9.5 Property expertise

Article 24 of the RREC Act, provides that the RREC's property should be valued by one or more independent property experts. The expert shall act in full independence and have the necessary professional reliability in real estate valuation and appropriate experience and has a suitable organisation for the fulfilment of its missions. The expert is appointed for a renewable term of three years. He may only be charged with the valuation of a particular property for a maximum period of three years.

The experts are "Crombrugghe & Partners", Herman-Debrouxlaan 54, 1160 Brussels, for the assets in Belgium. Outside Belgium, De Crombrugghe & Partners is assisted by Jones Lang Lasalle Netherlands for assets in the Netherlands and "Deloitte France"[88], 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, for assets in France.

At the Board meeting held on 14th November 2011, the appointment of Crombrugghe & Partners NV, represented by Mr Pascal van Humbeeck, was approved for a period of three years. This agreement has been extended for a period of one year, during which time Crombrugghe & Partners NV will be represented by Mr Guibert de Crombrugghe[89].

[88] Deloitte France is the same property specialist as Drivers Jonas France, which was acquired by Deloitte France in 2013.

[89] De Crombrugghe & Partners NV signed an agreement on 30th March 2011 with Deloitte France, represented by Mr O. Gerarduzzi, for the valuation of the assets in France. In 2014, De Crombrugghe & Partners NV signed an agreement (with a commencement date of 1st January 2014) with Jones Lang LaSalle B.V., represented by Mr J. Vonck, for the valuation of the assets in the Netherlands for a period of three years.

Pursuant to article 24, paragraph 4 of the RREC Act, the remuneration of the property specialist shall not have any direct or indirect connection with the value of the property being assessed.

The fees of the property specialists are calculated based on a fixed fee per site in Belgium, the Netherlands and France. The specialists may also receive fees in the context of specific assignments.

These specialists will determine and report on the market value of the property in accordance with the applicable statutory requirements for valuing property under the RREC Act, of which the specialist will take account. The arrangements made between the parties remain subject to and come under the terms of the RREC RD and in particular all of the statutory requirements that apply to RRECs, as well as all statutory requirements that may supplement or supersede the current requirements that apply to RRECs.

For the financial year ending on 31st December 2014, the total amount paid in fees in the context of these assignments was EUR 176,834.8792 (excl. VAT).

#### 4.10.9.6 Entities charged with financial services

Euroclear Belgium NV is tasked with the company's financial service.

Carrying out this financial service incurred a total cost of EUR 6,155.30. This fee includes both a fixed fee per year and a variable fee per dividend paid out for non-registered shares.

### 4.10.10 Activities in the field of research and development

Montea has no activities in the field of research and development.

### 4.10.11 Conflicts of Interest

Pursuant to article 523 of the Companies' Code, every director who, directly or indirectly, holds a financial interest that conflicts with a decision or action that comes under the authority of the Board of Directors, is required to report this to the other members of the Board, nor may he or she take part in the Board's deliberations.

Pursuant to article 524 of the Companies' Code, any decision or action that relates to the relations between the Company and an associated company (with the exclusion of subsidiaries) and between subsidiaries of the Company and an associated company (other than a subsidiary), is to be the subject of a special report that is required to be drafted by three independent directors, assisted by an independent specialist.

During the 2014 financial year, the Board of Directors had to apply the procedure provided for in article 523 of the Companies' Code once at the meeting on 12th May 2014:

"Prior declarations
Before proceeding to deal with points on the agenda, Onderlinge Verzekeringsvereniging Federale Verzekering and Belfius Insurance NV declare that they may have an interest of a financial nature that may be in conflict with the decision taken by the Company and Montea about the approval of the bond issue by Montea, as well as about the approval of the documents drawn up in the context of the bond issue. Specifically, Onderlinge Verzekeringsvereniging Federale Verzekering and Belfius Insurance NV intend to subscribe to the bonds.

In view of the fact that the issue terms for the bonds and the other documents drawn up in the context of the issue are the result of in-depth discussions with the joint lead managers based on thorough investigations and market surveys, the directors are nevertheless convinced that the issue terms are in line with the market, because in the first instance, the aim is for third parties to invest in the bonds.

The bond issue is in the interests of Montea, because it gives the company access to additional external financing needed to effect its further growth and hence in particular with regard to compliance with the financial ratios statutorily imposed by the RD of 13th July 2014 relative to regulated real estate companies.

Pursuant to article 523 of the Companies' Code, Jean-Marc Mayeur, in his capacity as permanent representative of Onderlinge Verzekeringsvereniging Federale Verzekering, and Dirk Vanderschrick, in his capacity as permanent representative of Belfius Insurance NV, left the telephone meeting. They did not take part in either the deliberations about the points on the agenda or the vote in that regard.

An extract of these minutes will also be included in the annual report relating to the financial year ending on 31st December 2014.

*Deliberation and decisions*

*The Board of Directors then took the following decisions unanimously:*

*1. The Board of Directors examined the draft Terms and Conditions for the issue by Montea Comm. VA of 3.355 per cent fixed-rate bonds with a maturity date of 28th May 2021 for an expected amount of EUR 30,000,000 (the Bonds). The draft of the Terms and Conditions is attached to these minutes as Section 5 of the Securities note (the Terms & Conditions).*

*The bond issue mentioned above will take place by way of a private placement with Bank Degroof NV and Belfius Bank NV as placement agents. Until the bonds are permitted to be traded on NYSE Euronext Brussels, the Terms & Conditions will remain confidential and will be sent by Bank Degroof NV and Belfius Bank NV to a limited number of persons only who have shown an interest in the possibility of subscribing to the bonds.*

*The monies raised by the bond issue mentioned above will be used to finance the growth and development of Montea and to diversify its sources of funding.*

*Montea wishes to raise EUR 30,000,000 with the bond issue. This amount may be increased by Montea, in mutual consultation with Bank Degroof NV and Belfius Bank NV on condition that the financial ratios stated in the Terms & Conditions and the other covenants that bind Montea at the date on which the Bonds are issued continue to be complied with.*

*The Terms & Conditions provide for early repayment of the Bonds if Montea Comm. VA is not successful in gaining permission for the Bonds to be traded on NYSE Euronext Brussels at the latest by 28th June 2014.*

*The Board of Directors decided to approve, in principle, the issue by Montea of the Bonds mentioned above, substantially in line with the draft Terms & Conditions attached to these minutes, on the condition that their placement and subscription are in accordance with the terms and conditions developed in the Terms & Conditions.*

*2. The Board of Directors decided to approve the Terms & Conditions as attached to these minutes."*

Pursuant to article 37 of the RREC Act, the FSMA must be informed whenever with a transaction any benefit is acquired by the parties listed in this article. In so doing, the Company must state the interest of the transaction, as well as the fact that the planned transaction falls within its area of investment. These transactions must then be carried out on market terms and must be made public immediately. Pursuant to article 49, §2 of the RREC Act, the fair value, as determined by the property specialist, in the event of a transaction with the parties listed in article 37 will be the maximum price when the Company acquires property, or the minimum price when the Company is disposing of property. These transactions must also be explained in the annual report.

During the financial year, the Company carried out the following transactions pursuant to the old article 18 of the Royal decree of 7th December 2010 relative to property trusts (now article 37 of the Act of 12 May 2014 regarding Regulated Real Estate Companies):

- In the context of the further diversification of its financing, Montea issued a bond loan from a private placement on 28th May 2014, for a total amount of EUR 30 million. This bond loan has a term of seven years and a maturity date of 28th May 2021.[90].
- On 24th June 2014, a capital increase of EUR 52,526,232[91] and the issue of 1,945,416 new shares were successfully underwritten (issue price of EUR 27 per new share). Montea's total capital is now EUR 178,414,971.96, represented by 8,754,378 shares that are listed on both Euronext Brussels and Euronext Paris. Out of the total of 8,754,378 shares, Montea holds 23,346 of its own shares in the context of an option plan[92].

There are no significant arrangement and/or agreements with major shareholders, clients, suppliers or other parties on the grounds of which individuals have been selected as members of board, managerial or supervisory bodies, or as members of the company management.

There are no potential conflicts of interest between the issuing institution and members of the board, managerial or supervisory bodies and any member of executive management.

The are no details of any restrictions to which members of the board, managerial or supervisory bodies and any member of executive management have agreed with, with regard to disposing of the securities from the issuing institution in their possession within a specific period.

90 For more information we refer to the press release of 24/06/2014 or www.montea.com.
91 For more information we refer to the press releases of 2 June 2014, 19 June 2014 and 24 June 2014 or www.montea.com.
92 For more information we refer to the press release of 24/06/2014 or www.montea.com.

### 4.10.12 Transparency Reporting

Any person who directly or indirectly acquires voting securities of the company, should declare to the FSMA, as well as to the company, the number of securities that he/she owns, when voting rights pertaining to the voting rights securities that he/she holds, actively or passively exceed the statutory threshold of 3% of the total voting rights pertaining to the securities of the company. The same notification is also required to transfer, directly or indirectly, voting rights securities, if as a result, the voting rights fall below this 3% threshold. The provisions of Articles 6 to 17 of the Act of 2 May 2007, on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, shall apply to the aforementioned quota.

This provision is without prejudice to the obligation to notify in case the legal thresholds[93] of 5%, 10%, 15%, etc., each time at intervals of 5% points, are reached or fall below that threshold.

### 4.10.13 Protection against public takeover bids - Elements that may have an impact in the event of a public takeover bid (in accordance with Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market)[94]

#### 4.10.13.1 Capital structure (on 31 December 2014)

The capital, EUR 178,414,971.96, is represented by 8,754,378 shares. There are no preference shares. Each one of these shares is entitled to one vote at the General Meeting and hence these shares represent the denominator for purposes of notification in the event of reaching, exceeding or falling short of the statutory or legal thresholds (transparency regulations). The voting right is not restricted either by law or statutorily.

#### 4.10.13.2 Decision-making bodies

Montea is headed by a Manager, Montea Management NV, in its capacity as managing partner. Montea Management NV was appointed statutory as of 1 October 2006 for a period of 10 years. The main consequence of the fact that Montea is a general partnership is that the Manager, Montea Management NV, has, under the articles of association, extensive powers and even a veto right regarding important decisions and amendments of the articles of association[95].

Montea Management NV, for the performance of the contract as Manager for and on behalf of the company, is represented by a permanent representative in accordance with Article 61 para 2 of the Company Code. The Manager may submit his/her resignation at any time.

The mandate of Manager can only be revoked by a court order after a claim by a General Meeting of Montea on the basis of reasonable grounds is established.

When the general meeting must decide on this issue, the Manager shall not vote. The Manager continues to exercise his duties until his resignation, following a court decision, which has the force of res judicata. The Manager must be organized in such a way that, in the framework of its Board of Directors, at least two individuals in a group are jointly responsible for monitoring the person(s) responsible for the executive management of operations in the interest of Montea.

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[93] Act of May 2, 2007 concerning the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market.

[94] Unless stated otherwise in the following paragraph, Montea confirms that the other elements of Article 34 of the Royal decision of November 14, 2007 do not apply.

[95] See also Article 25 of the articles of association of Montea Comm. VA concerning the decision-making.

The members of the supervisory bodies of the Manager need to possess the professional reliability and the required experience as prescribed by the RREC Act.

In the event of the loss on the part of the members of the management bodies or the Manager's day-to-day management body of the required professional reliability or required experience, as required by the RREC Act (fit and proper), the Manager or the auditor(s) must convene a general meeting of Montea Comm. VA, with the point on the agenda to deal with the recording of the loss of these requirements and the measures to be taken.

If one or more members of the bodies entrusted with the management or the executive management of the Manager no longer meet the above requirements, the Manager must replace them within the month. When this period has expired, a General Meeting of Montea must be convened, as described above, without prejudice to the measures that can be taken by the FSMA in connection with the exercise of its powers.

The mission of the Manager consists, in particular, of taking all actions that are useful or necessary for achieving the civic objectives of Montea, with the exception of those that are reserved by law or under the articles of association for the General Meeting of Montea. The Manager may increase the capital of Montea within the limits of the authorised capital.

#### 4.10.13.3 Authorised capital

The Business Manager has express permission to increase the corporate capital, on one or more occasions, up to a maximum amount of EUR 178,414,971.96, and in accordance with the terms set by the Manager and in line with the rules of the Companies' Code and the RREC Act. The Manager was authorised to do so by the extraordinary general meeting held on 30th September 2014. Pursuant to article 7 of the articles of association of Montea Comm. VA, this consent was granted for a period of 5 years (until 21st October 2019). These capital increases may be in cash, by contribution in kind or by the conversion of reserves.

The extraordinary general meeting held on 30th September 2014 also authorised the Manager to proceed with one or more capital increases in the event of a public takeover bid, under the terms provided for in article 607 of the Companies' Code and subject to compliance, where appropriate, with the irreducible allocation right provided for in the RREC legislation.

#### 4.10.13.4 Buyback of shares

Montea can repurchase its own shares or pledge these in accordance with a decision by the General Meeting, pursuant to the provisions of the Belgian Company Code. The same Meeting also sets the conditions for the disposal of these shares.

On 17th September 2012, Montea announced its decision[96] to implement a programme to buy back its own shares up to a maximum of EUR 0.75 million, based on the consent granted at the extraordinary general meeting of shareholders on 17th May 2011. This programme began on 18th September 2012 and ended on 31st December 2012. This buy-back programme was part of the approved option plan at Montea.

In total, 23,346 Montea shares were bought back for a total acquisition value of EUR 636,329. In line with IFRS rules, a separate reserve for this amount was established in the consolidated accounts.

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[96] See press release of 17 September 2012.

#### 4.10.13.5 Contractual conditions

There are no significant agreements to which Montea is party and that enter into force, can be modified or expire, when the control of the issuer would change as a result of a public take-over bid, except for the provision in the issue conditions of the bonds (Terms and Conditions) that were issued in 2013 and 2014.

## 5. Montea on the stock exchange

### 5.1 Evolution of the Montea share

The Montea share is aimed at private and institutional investors from Belgium and overseas who are attracted by an indirect investment in logistics and semi-industrial property and who aim at a high dividend return with a moderate risk profile.

Since October 2006 the Montea share is listed on Euronext Brussels' continuous market (MONT) and since January 2007 on Euronext Paris (MONTP). It is part of the compartment C (Small Caps).

Based on the closing price on 31/12/2014 (EUR 34.39), Montea shares were 44.8% above the value of the net assets per share (excl. IAS39).

Taking account of the closing price on 31/12/2014, Montea shares rose by 8.7% (3.7% if the average price over 2014 and 2013 is taken into account.

Montea's board of directors will propose to the General Meeting that a gross dividend of EUR 1.97[97] per share be paid. This corresponds with a net dividend of EUR 1.4775 per share.

Key figures for the Montea share:

| STOCK MARKET PERFORMANCE | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **Share price (€)** | | | |
| At closing | 34,39 | 31,65 | 28,40 |
| Highest | 34,40 | 34,00 | 28,70 |
| Lowest | 30,00 | 27,51 | 23,91 |
| Average | 31,94 | 30,80 | 26,27 |
| **Net asset value / share (€)** | | | |
| Incl. IAS 39 (*) | 20,94 | 20,39 | 19,18 |
| Excl. IAS 39 (*) | 23,76 | 22,43 | 22,17 |
| **Premium / (discount) (%)** | **44,8%** | **41,1%** | **28,1%** |
| **Dividend return (%)** | **5,7%** | **6,2%** | **6,8%** |
| **Dividend (€)** | | | |
| Gross | 1,97 | 1,97 | 1,93 |
| Net | 1,48 | 1,48 | 1,45 |
| **Volume (number of securities)** | | | |
| Average daily volume | 3.929 | 1.453 | 1.027 |
| Volume of the period | 1.001.779 | 370.419 | 261.919 |
| **Number of shares** | **8.754.378** | **6.808.962** | **6.448.274** |
| **Market capitalisation ('000 euro)** | | | |
| Market capitalisation at closing | 301.063 | 215.504 | 183.131 |
| **Ratios (%)** | | | |
| Velocity | 12,4% | 5,7% | 4,1% |

| | |
|---|---|
| Return on Dividend (%): | Gross dividend divided by the share price at the end of the period. |
| Velocity: | Volume over the period divided by the number of shares. |
| Free Float "Velocity": | Volume over the period divided by the number of shares of the Free Float. |

97 The proposed dividend of EUR 1.97 per share consists of EUR 1.02 per share for the first half of the year (based on 6,808,962 shares) and EUR 0.95 per share for the second half of the year (based on 8,754,378 shares).

## 5.2 Shareholder status of Montea per 31 December 2013

| | | |
|---|---|---|
| Number of issued shares | **8,754,378** | |
| Family De Pauw | 1,877,003 | 21.44% |
| Belfius Insurance Belgium | 1,156,361 | 13.21% |
| Federale Verzekeringen | 875,508 | 10.00% |
| Family De Smet | 287,381 | 3.28% |
| Patronale Life | 263,350 | 3.00% |
| Own shares | 23,346 | 0.27% |
| Public (Free float) | 4,271,429 | 48.80% |

All shareholders have the same voting rights. Each share gives the right to one vote. Major holdings about which Montea was briefed in application of the transparency legislation are posted on www.montea.com, based on the transparency disclosures that Montea has received.

As a manager Montea Management NV has, in accordance with Article 659 of the Belgian Company Code, a veto against decisions of the General Meeting representing the interests of the Company to third parties or which relate to amending the articles of association.

The silent partners are responsible for the debts and losses of Montea only up to the sum of their contribution, on condition that they do not carry out any act of management.

Typical of the limited partnership by shares is that the statutory Manager has a veto on all important decisions of the General Meeting.

## 5.3 Family relationships between shareholders, directors and effective leaders

There are no known agreements that, when entering into force at a later date, could result in a change of control over the issuer.

A. Family De Pauw

The Family De Pauw consists of:
- Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw (brother and four sisters);
- the De Pauw joint ownership;
- The NV Montea Management, controlled by the five aforementioned De Pauw siblings.

They own 21.44% of the voting rights of Montea Comm. VA.

The family De Pauw acts in concert. This is also shown in the notifications made to the FSMA, in press releases and this information can also be found on the Montea website.

Dirk De Pauw is permanent representative of BVBA DDP Management, as already mentioned in the annual report. The BVBA DDP Management is director and chairman of the board of directors of the statutory manager Montea Management NV. Peter Snoeck is permanent representative of BVBA PSN MANAGEMENT and is an executive director, as already mentioned in the annual report. Peter Snoeck is the husband of Dominika De Pauw.

B. Family De Smet

The Family De Smet consists of:

- the cousins Erik De Smet and Guy De Smet
- De Smet Investments NV (Erik and Guy De Smet control the De Smet Investments NV).

They own 3.28% of the voting rights of Montea Comm. VA.

The Family De Smet acts in concert as shown by the notification that was given to the FSMA and in the information that can be found on the Montea website.

## 5.4 Shareholders agenda

- 13/05/2015 Interim statement – results per 31/03/2015
- 19/05/2015 Annual General Meeting of shareholders
- 20/08/2015 Half-yearly financial report – results per 30/06/2015
- 05/11/2015 Interim statement – results per 30/09/2015

## 6. Corporate social responsibility

As a benchmark player in the logistics and semi-industrial property sector, Montea makes every effort to conduct itself as a socially responsible company. For this reason, Montea is involved in an ongoing improvement process in which economic, environmental and social considerations are systematically taken into account in the way the business is conducted on a day-to-day basis. Montea aims not only to comply with statutory requirements, but through its initiatives and actions, seeks to go further than the legislation in effect.

Montea's management is convinced that taking a responsible approach to these activities is a decisive factor in the company's sustainability.

### 6.1 Further implementation of the "Blue Label" plan

Montea has implemented, together with its outside specialists, its own "**Blue Label**". The plan encompasses Montea's overall approach with regard to sustainability, both for its existing portfolio and for new investments.

There are various standards worldwide in relation to sustainability for the property sector. The best known of these are: HQE (France), BREEAM (UK standard) and LEED (US standard). Montea has included the most important standards in its "Blue Label" plan.

**"Blue Label" includes**:

- an efficient approach to energy, water and waste management;
- cost-conscious and proactive maintenance management;
- limiting CO2 emissions;
- creating comfort and safety in the work environment;
- risk management;
- monitoring and improving energy consumption;
- document management and making documents available to customers and partners;
- the repeated screening of the property portfolio and related activities.

### 6.2 Montea places the spotlight on sustainability with the Lean and Green Award

On 10th December 2013, Montea was presented the Lean and Green Award by Minister Joke Schauvliege for its efforts made regarding the sustainability of its property portfolio.

As a member of the VIL (Flemish Logistics Institute), Montea supports the Lean and Green sustainability programme. Lean and Green encourages and supports companies in making dramatic reductions to their $CO_2$ emissions. Given that Montea is very much involved with sustainability and making its property portfolio sustainable, it was the ideal time to join in with this project.

By obtaining this additional independent recognition, Montea is able to pass on its sustainability targets to both its partners (contractors, architects, suppliers, etc.) and to its tenants. At Montea, we are convinced that we, as the owner of logistics buildings, can act as the catalyst to promote the Lean and Green programme with our tenants and in so doing develop a coherent concept on sustainability. DHL Freight, VDAB, Coca-Cola Enterprises Belgium and Norbert Dentressangle are all Montea tenants that have received the Lean and Green Award.

**Efforts already made in the area of making Montea's property portfolio sustainable:**

- 156,000 $m^2$ of logistical space has been equipped with energy monitoring systems for the day-to-day evaluation of the energy consumption of tenants;
- 80% of existing buildings have already undergone an in-depth energy scan. Based on these scans, sustainable investments have been carried out (increase insulation values, reduce ventilation losses, increase lighting yields, more effective HVAC systems, etc.);
- 136,000 $m^2$ area equipped with solar panels;
- 108,000 $m^2$ of buildings have been bought or built in which the K-value is lower than the legal maximum of K=40 applicable;
- 19,000 $m^2$ of buildings have been demolished or sold, to be replaced by sustainable new-build projects.

## 6.3 Sustainable development

As a responsible company, Montea is well aware of the potential consequences of its business activities for the environment in the broad sense of the word and as such it subscribes to targets in relation to sustainable development.
The Company undertakes to manage its property assets with respect for the following aspects:

## 6.4 Energy management

Montea has developed a rational policy aimed at optimising the use of energy.

In 2012 the programme regarding energy scans was further optimised, along with the implementation of Life Cycle Analyses. On the basis of these detailed analyses and additional energy calculations a complete study was performed for the sites in Mechelen and Puurs.

This study enabled Montea to draw up a full investment programme with these items:
- investments with an immediate impact on energy;
- investments in consultation with the tenant based on its operations;
- refurbishment and replacement investment objectives;
- investments from a commercial point of view.

With this in-depth study Montea confirms its focus on optimising the sustainability and quality of its real estate portfolio.

The sites at Erembodegem, Mechelen, Milmort, Heppignies, Bornem, Herentals, Puurs Schoonmansveld 18 and Grimbergen are equipped with a monitoring system. This monitoring enables Montea to monitor its energy management closely and to make adjustments when there is extreme consumption.

## 6.5 Solar panels

From the monitoring mentioned above, the total energy produced from the PV installations is up to the forecast expectations: 4.5 MWh was produced by the solar panels, representing a saving of 1,100 tons of $CO_2$ emissions.

Depending on their operations, our tenants use up to 90% of the solar energy produced. Each quarter, we inform our tenants about the solar energy generated, as well as the solar energy consumed locally and the financial benefit.

### 6.6 Facility Management programme

At the end of 2011, a Facility Management programme was introduced. This programme is an internal management system and also provides tenants with access to a secure “My Montea” web portal. The Facility Management programme features the following applications:

- By using the “work order” module in “My Montea”, Montea is able to monitor and track its work orders and their due dates accurately and then generate reports for each site, project and, if required, each tenant.

- Tenants can also use our “My Montea” web portal to register and monitor all messages/problems/queries themselves so that the service and communication relating to buildings management can run clearly and smoothly.

- For 4 sites the maintenance module can be used so that maintenance purchase orders relating to these buildings are generated automatically and the maintenance can be tracked in detail. In 2013, a maintenance plan was implemented for all sites.

Implementation of the Facility Management programme fits in perfectly with the “Blue Label” plan and the transparency that Montea wishes to give its tenants and partners.

### 6.7 Waste management

Montea encourages its tenants to sort their waste, making separate containers available and offering solutions for waste collection.

# 7. Consolidated and statutory financial statements as of 31 December 2014

## 7.1 Consolidated balance sheet as of 31 December 2014[98]

| | | CONSOLIDATED BALANCE SHEET (EUR x 1.000) | Note | 31/12/2014 Conso | 31/12/2013 Conso | 31/12/2012 Conso |
|---|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | | **421.821** | **320.347** | **290.230** |
| | A. | Goodwill | | 0 | 0 | 0 |
| | B. | Intangible assets | 19 | 125 | 114 | 141 |
| | C. | Investment properties | 20 | 414.005 | 312.545 | 282.100 |
| | D. | Other tangible assets | 21 | 7.655 | 7.651 | 7.883 |
| | E. | Non-current financial assets | 22 | 0 | 0 | 0 |
| | F. | Finance lease receivables | | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 23 | 37 | 37 | 105 |
| | H. | Deferred taxes (assets) | | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity method | | 0 | 0 | 0 |
| II. | | **CURRENT ASSETS** | | **32.046** | **19.450** | **17.268** |
| | A. | Assets held for sale | 24 | 3.775 | 0 | 2.225 |
| | B. | Current financial assets | | 0 | 0 | 0 |
| | C. | Finance lease receivables | | 0 | 0 | 0 |
| | D. | Trade receivables | 25 | 12.453 | 6.978 | 5.720 |
| | E. | Tax receivables and other current assets | 26 | 1.586 | 638 | 844 |
| | F. | Cash and cash equivalents | 27 | 4.250 | 4.092 | 7.007 |
| | G. | Deferred charges and accrued income | 28 | 9.981 | 7.741 | 1.472 |
| | | **TOTAL ASSETS** | | **453.867** | **339.797** | **307.498** |
| | | **TOTAL SHAREHOLDERS' EQUITY** | | **183.438** | **138.967** | **123.763** |
| I. | | **Shareholders' equity attributable to shareholders of the parent company** | | **183.338** | **138.869** | **123.663** |
| | A. | Share capital | 29 | 176.061 | 137.537 | 128.340 |
| | B. | Share premiums | 29 | 14.650 | 1.771 | 533 |
| | C. | Reserves | 30 | -13.480 | -16.410 | -2.108 |
| | D. | Net result of the financial year | 31 | 6.107 | 15.970 | -3.102 |
| II. | | **Minority interests** | **32** | **100** | **98** | **100** |
| | | **LIABILITIES** | | **270.429** | **200.831** | **183.735** |
| I. | | **Non-current liabilities** | | **202.019** | **158.798** | **141.898** |
| | A. | Provisions | 33 | 0 | 0 | 208 |
| | B. | Non-current financial debts | 34 | 177.393 | 144.517 | 121.913 |
| | C. | Other non-current financial liabilities | 35 | 24.627 | 13.830 | 19.327 |
| | D. | Trade debts and other non-current debts | | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 36 | 0 | 452 | 450 |
| | F. | Deferred taxes - liabilities | | 0 | 0 | 0 |
| II. | | **Current liabilities** | | **68.410** | **42.032** | **41.837** |
| | A. | Provisions | 37 | 0 | 0 | 0 |
| | B. | Current financial debts | 34 | 50.752 | 28.529 | 31.851 |
| | C. | Other current financial liabilities | | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 38 | 7.540 | 3.365 | 3.184 |
| | E. | Other current liabilities | 38 | 788 | 2.610 | 439 |
| | F. | Accrued charges and deferred income | 39 | 9.330 | 7.528 | 6.364 |
| | | **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **453.867** | **339.797** | **307.498** |

98 There has been no change of significance in the financial or trading position of the group since the end of the last reporting period for which either controlled financial information or interim financial information has been published.
Also see the press release dated 4th March 2015 relative to the amendment of the initial press release dated 12/02/2015. This amendment related to a reclassification in the liabilities between obligations and equity capital.

## 7.2 Consolidated statement of comprehensive income before profit appropriation as of 31 December 2014[99]

| | CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000) | Note | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|---|---|
| I. | Rental income | 1 | 27.908 | 24.038 | 19.849 |
| II. | Write-back of lease payments sold and discounted | | 0 | 0 | 0 |
| III. | Rental-related expenses | 2 | -1.089 | -379 | 78 |
| | **NET RENTAL RESULT** | | **26.819** | **23.659** | **19.927** |
| IV. | Recovery of property charges | | 0 | 0 | 0 |
| V. | Recovery of charges and taxes normally payable by tenants on let properties | 3 | 4.322 | 3.910 | 3.546 |
| VI. | Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease | | 0 | 0 | 0 |
| VII. | Charges and taxes normally payable by tenants on let properties | 3 | -5.041 | -4.803 | -4.463 |
| VIII. | Other rental-related income and expenses | 4 | 1.234 | 1.244 | 1.498 |
| | **PROPERTY RESULT** | | **27.334** | **24.010** | **20.508** |
| IX. | Technical costs | 5 | -83 | -14 | -29 |
| X. | Commercial costs | 6 | -130 | -111 | -91 |
| XI. | Charges and taxes of un-let properties | 7 | -297 | -255 | -174 |
| XII. | Property management costs | 8 | -663 | -244 | -637 |
| XIII. | Other property charges | 9 | -9 | -83 | -115 |
| | **PROPERTY CHARGES** | | **-1.183** | **-708** | **-1.046** |
| | **PROPERTY OPERATING RESULT** | | **26.151** | **23.302** | **19.462** |
| XIV. | General corporate expenses | 10 | -3.339 | -3.573 | -2.938 |
| XV. | Other operating income and expenses | 11 | 9 | 163 | 231 |
| | **OPERATING RESULT BEFORE PORTFOLIO RESULT** | | **22.821** | **19.892** | **16.756** |
| XVI. | Result on disposal of investment properties | 12 | 176 | 1.107 | 362 |
| XVII. | Result on disposal of other non-financial assets | | 0 | 0 | 0 |
| XVIII. | Changes in fair value of investment properties | 13 | 1.457 | -4.130 | -6.692 |
| XIX. | Other portfolio result | | 0 | 0 | 0 |
| | **OPERATING RESULT** | | **24.453** | **16.870** | **10.425** |
| XX. | Financial income | 14 | 343 | 49 | 178 |
| XXI. | Net interest charges | 15 | -7.521 | -6.219 | -5.537 |
| XXII. | Other financial charges | 16 | -48 | -36 | -110 |
| XXIII. | Change in fair value of financial assets & liabilities | 17 | -10.796 | 5.497 | -8.023 |
| | **FINANCIAL RESULT** | | **-18.023** | **-708** | **-13.492** |
| XXIV. | Share in the result of associates and joint ventures | | 0 | 0 | 0 |
| | **PRE-TAX RESULT** | | **6.431** | **16.161** | **-3.067** |
| XXV. | Corporation tax | 18 | -324 | -193 | -39 |
| XXVI. | Exit tax | | 0 | 0 | 0 |
| | **TAXES** | | **-324** | **-193** | **-39** |
| | **NET RESULT** | | **6.107** | **15.969** | **-3.106** |
| | Attributable to: | | | | |
| | Shareholders of the parent company | | 6.105 | 15.970 | -3.102 |
| | Minority interests | | 2 | -2 | -4 |
| | **NET CURRENT RESULT** | | **4.474** | **18.991** | **3.224** |
| | **NET CURRENT RESULT (excl. IAS 39)** | | **15.271** | **13.494** | **11.248** |
| | Number of shares in circulation entitled to the result of the period (SHARES) | | | 6.587.896 | 5.634.126 |
| | Number of weighted number average of shares before the period | | 7.781.658 | 6.536.507 | 5.701.972 |
| | Number of shares at the end of the period (SHARES) | | 8.754.378 | 6.808.962 | 6.448.274 |
| | **NET RESULT PER SHARE (EUR)** | | **0,78** | **2,42** | **-0,55** |
| | **NET OPERATING RESULT PER SHARE (excl. IAS39) / number of shares, participating in the result (EUR)** | | **1,97** | **2,05** | **2,00** |
| | **NET RESULT PER SHARE / weighted number average of shares (EUR)** | | **0,00** | **2,44** | **-0,54** |
| | **NET CURRENT RESULT PER SHARE (excl. IAS 39) (EUR)** | | **1,97** | **2,05** | **2,00** |

99 The consolidated summary of the realised and non-realised results before the distribution of profit at 31st December takes account of 6,808,962 shares that are entitled to profit from the result of the 2014 financial year. The total number of shares was 8,754,378 at the end of the 2014 financial year. The difference is attributable entirely to the issue of 1,945,416 new shares on 24th June 2014 as the result of a capital increase. These new shares are of the same nature and have the same rights as Montea's existing shares on the understanding that they only entitle the holder to a (pro rata temporis) dividend per share (if there is a distributable profit) from their date of issue (24th June 2014).

The net current result is the same as the net result, excluding the result on the portfolio (XVI to XIX of the consolidated summary of the realised and non-realised results before the distribution of profit).

The net current result (excluding IAS 39) is the same as the net result, excluding the valuation of the hedging instruments (see XXIII of the consolidated summary of the realised and non-realised results before the distribution of profit and excluding the result on the portfolio (XVI to XIX of the consolidated summary of the realised and non-realised results before the distribution of profit).

Montea reports in the consolidated summary of the realised and non-realised results before the distribution of profit at 31st December 2014 the net current result excl. IAS 39 per share and the net result per share, based on:

- the number of shares with profit-sharing entitlement in the result;
- the number of weighted shares;

The diluted result per share (both for the net current result (excl. IAS 39) and for the net result) is the same as the net result and the net current result per share excl. IAS 39, according to the weighted number of shares.

## 7.3 Consolidated comprehensive income before the distribution of profit as of 31 December 2014

| ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| **Net result** | **6.107** | **15.969** | **-3.106** |
| **Other items of the comprehensive income** | **-8.267** | **-1.286** | **-1.196** |
| **Items taken in the result** | **-8.204** | **-1095** | **-1068** |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties | -8.204 | -1.095 | -1.068 |
| Changes in the effective part of the fair value of authorized cash flow hedges | 0 | 0 | 0 |
| **Items not taken in the result** | **-63** | **-191** | **-128** |
| Impact of changes in fair value of solar panels | -63 | -191 | -128 |
| **Comprehensive income** | **-2.160** | **14.682** | **-4.302** |
| Attributable to: | | | |
| Shareholders of the parent company | -2.160 | 14.684 | -4.297 |
| Minority interests | 0 | 0 | 0 |

## 7.4 Consolidated cash flow summary as of 31 December 2014

| CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR** | **4.092** | **7.007** | **4.948** |
| **Net result** | **6.107** | **15.969** | **-3.106** |
| **Financial cash elements (not dedectable of the net profit) to become the operating result** | **7.226** | **6.206** | **5.469** |
| Received interests | -343 | -49 | -178 |
| Payed interests on finances | 7.569 | 6.255 | 5.647 |
| Received dividends | 0 | 0 | 0 |
| **Taxes (dedected from the net result) to become the operating result** | **324** | **193** | **-39** |
| **Non-cash elements to be added to / deducted from the result** | **9.299** | **-2.448** | **13.270** |
| **Depreciations and write-downs** | **135** | **220** | **77** |
| Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-) | 127 | 154 | 155 |
| Write-downs on current assets (+) | 9 | 143 | 26 |
| Write-back of write-downs on current assets (-) | -1 | -77 | -104 |
| **Other non-cash elements** | **9.164** | **-2.668** | **13.193** |
| Changes in fair value of investment properties (+/-) | -1.457 | 4.130 | 6.692 |
| IAS 39 impact (+/-) | 10.796 | -5.497 | 8.023 |
| Other elements | 0 | | |
| Realized gain on disposal of investment properties | -176 | -1.107 | -362 |
| Provisions | 0 | 0 | -1.200 |
| Taxes | 0 | -193 | 39 |
| **NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS** | **22.955** | **19.919 0** | **15.594 0** |
| **Change in working capital requirements** | **-4.509** | **-3.846** | **2.201** |
| **Movements in asset items** | **-8.664** | **-7.363** | **658** |
| Trade receivables | 0 | 23 | 256 |
| Other long-term non-current assets | -5.475 | -1.324 | 626 |
| Other current assets | -948 | 206 | 144 |
| Deferred charges and accrued income | -2.240 | -6.269 | -368 |
| **Movements in liability items** | **4.155** | **3.517** | **1.543** |
| Trade debts | 3.863 | -112 | 244 |
| Taxes, social charges and salary debts | 312 | 293 | 205 |
| Other current liabilities | -1.822 | 2.171 | 246 |
| Accrued charges and deferred income | 1.802 | 1.165 | 849 |
| **NET CASH FLOW FROM OPERATING ACTIVITIES (A)** | **18.446** | **23.080** | **22.744** |
| **Investment activities** | **-104.335** | **-31.420** | **-43.152** |
| Acquisition of intangible assets | -44 | -18 | -119 |
| Investment properties and development projects | -112.086 | -43.623 | -47.633 |
| Other tangible assets | -129 | -26 | -9 |
| Solar panels | 0 | -4 | -2 |
| Disposal of investment properties | 7.924 | 5.350 | 4.612 |
| Disposal of superficy | 0 | 6.901 | 0 |
| **NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)** | **-104.335** | **-31.420** | **-43.152** |
| **FREE CASH FLOW (A+B)** | **-85.888** | **-8.340** | **-20.408** |
| **Change in financial liabilities and financial debts** | **55.298** | **19.284** | **22.681** |
| Increase (+)/Decrease (-) in financial debts | 55.298 | 19.282 | 22.661 |
| Increase (+)/Decrease (-) in other financial liabilities | 0 | 2 | 19 |
| Increase (+)/Decrease (-) in trade debts and other non-current liabilities | 0 | 0 | 0 |
| **Change in other liabilities** | **-452** | **-208** | **208** |
| Increase (+)/Decrease (-) in other liabilities | -452 | -208 | 208 |
| Increase (+)/Decrease (-) in other debts | 0 | 0 | 0 |
| **Change in shareholders' equity** | **38.426** | **-438** | **9.995** |
| Increase (+)/Decrease (-) in share capital | 38.525 | 9.197 | 21.011 |
| Increase (+)/Decrease (-) in share premium | 12.879 | 1.239 | -10 |
| Increase (+)/Decrease (-) in consolidation differences | 0 | 0 | 0 |
| Dividends paid | -12.978 | -10.874 | -10.367 |
| Increase (+)/Decrease (-) in reserves | 0 | 0 | -639 |
| Increase (+)/Decrease (-) in changes in fair value of financial assets/liabilities | 0 | 0 | 0 |
| Disposal of treasury shares | 0 | 0 | 0 |
| **Dividend paid (+ profit-sharing scheme)** | **0** | **0** | **0** |
| Interim dividends paid (-) | 0 | 0 | 0 |
| **Financial cash elements** | **-7.226** | **-6.206** | **-5.469** |
| **NET FINANCIAL CASH FLOW (C)** | **86.046** | **12.432** | **27.415** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A+B+C)** | **4.250** | **4.092** | **7.007** |

## 7.5 Summary of the variation in the consolidated equity capital and reserves as of 31 December 2014

| CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000) | Share capital | Share premiums | Reserves | Result | Deduction of transfer rights and costs | Minority interests | Shareholders' equity |
|---|---|---|---|---|---|---|---|
| **ON 31/12/2012** | **128.340** | **533** | **8.596** | **-3.102** | **-10.704** | **100** | **123.763** |
| **Elements directly recognized as equity** | | | | | | | |
| Capital increase | 9.197 | 1.238 | 0 | 0 | 0 | 0 | 10.435 |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties | 0 | 0 | -1.095 | 0 | 1.095 | 0 | 0 |
| Positive change in value of solar panels (IAS 16) | 0 | 0 | -191 | 0 | 0 | 0 | -191 |
| Own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Own shares held for employee option plan | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | -2 | -2 |
| Corrections | 0 | 0 | -135 | 0 | 0 | 0 | -135 |
| **Subtotal** | **137.537** | **1.771** | **7.175** | **-3.102** | **-9.609** | **98** | **133.870** |
| Dividends | 0 | 0 | -10.874 | 0 | 0 | 0 | -10.874 |
| Result carried forward | 0 | 0 | -3.102 | 3.102 | 0 | 0 | 0 |
| Result for the financial year | 0 | 0 | 0 | 15.971 | 0 | 0 | 15.971 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **ON 31/12/2013** | **137.537** | **1.771** | **-6.801** | **15.971** | **-9.609** | **98** | **138.967** |
| **Elements directly recognized as equity** | | | | | | | |
| Capital increase | 38.524 | 12.879 | | | | | 51.403 |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties | | | 8.204 | | -8.204 | | 0 |
| Positive change in value of solar panels (IAS 16) | | | -63 | | | | -63 |
| Own shares | | | | | | | 0 |
| Own shares held for employee option plan | | | | | | | 0 |
| Minority interests | | | | | | 2 | 2 |
| Corrections | | | | | | | 0 |
| **Subtotal** | **176.061** | **14.650** | **1.340** | **15.971** | **-17.813** | **100** | **190.309** |
| Dividends | | | -12.978 | | | | -12.978 |
| Result carried forward | | | 15.971 | -15.971 | | | 0 |
| Result for the financial year | | | | 6.107 | | | 6.107 |
| | | | | | | | 0 |
| **ON 31/12/2014** | **176.061** | **14.650** | **4.333** | **6.107** | **-17.813** | **100** | **183.438** |

(1) + (2) The total of the reserves shown in the balance sheet under "C. Reserves" consist of the "Reserves (1)" and the "Deduction Right of transfer taxes and charges (2)."

For more information about the table above, please see Notes 29, 30, 30.1, 30.2, 31 and 32.

| MUTATION IN RESERVES ('000 EUR) | Statutory reserve | Reserve for the balance of changes in fair value of real estate | Reserve for the impact on the fair value of estimated transaction rights and costs resulting from hypothetical alienation of investment properties (-) | Reserve for the balance of changes in fair value of authorized hedging instruments not subject to hedge accounting as defined in IFRS (-) | Reserve for own shares | Other reserves | Transferred result of previous fiancial years (+/-) |
|---|---|---|---|---|---|---|---|
| **AT 31/12/2012** | **30** | **-32.031** | **-10.704** | **-19.327** | **-639** | **60.563** | **0** |
| Mutation during the financial year | 799 | -3.850 | -1.095 | 5.497 | 0 | -15.653 | 0 |
| **AT 31/12/2013** | **829** | **-35.881** | **-11.799** | **-13.830** | **-639** | **44.910** | **0** |
| Mutation during the financial year | 6 | 1.394 | -6.014 | -10.796 | 0 | 17.676 | 664 |
| **AT 31/12/2014** | **835** | **-34.487** | **-17.813** | **-24.627** | **-639** | **62.586** | **664** |

## 7.6 Notes to the consolidated financial statements as of 31 December 2014

### 7.6.1 Background

#### 7.6.1.1 Statement of compliance

The financial statements of the company are prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), with those approved by the EU, with those issued by the International Accounting Standards Board (IASB) and with those interpreted by the International Financial Interpretations Committee of the IASB. The consolidated financial statements are prepared on the basis of historical cost except for the investment property (including the projects) and financial instruments that are booked at fair value assets. When the figures are indicated in thousands of euro, there may be slight rounding-off differences.

### 7.6.1.2 Consolidation principles

**Subsidiaries**[100]

Subsidiaries are entities over which the company exercises control. The term “control” over a company must be understood to mean the power in law or fact to exert an influence over the appointment of the majority of directors or business managers or on the direction taken by policy (for more information about “control”, we refer you to IFRS10).

IFRS 10 requires that there can only be a question of control if the 3 conditions below are met cumulatively:

- “control” over subsidiaries;
- exposure to the rights to the net income / net outgoings as the result of their influence on their subsidiaries; in other words that the “investor” is exposed to – or has arrangements about – the variable (net) revenue (both positive and negative) from involvement with the “investee” (subsidiaries).
- the possibility to use its controlling power over its subsidiaries in order to influence net income / net outgoings, in other words that the “investor” can actually exercise the existing rights to realise the (net) revenue.

The annual accounts of the subsidiaries are included in the consolidated annual accounts from the date on which the company began exercising control until the date it relinquished control. Where necessary, the valuation rules of the subsidiaries will be adjusted to guarantee consistency with the principles adopted by the group.

The annual accounts of the subsidiaries relate to the same accounting period as those of the consolidating company. The minority interests are interests in the subsidiaries that are held neither directly or indirectly by the group.

**Intercompany transactions**

Intra-group balances and transactions and any unrealized profits within the group are eliminated in proportion to the Group's interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of value loss ("impairment").

### 7.6.1.3 Use of estimates and assessments

The preparation of consolidated financial statements in accordance with IFRS requires good management to make assessments, estimates and assumptions that may apply to the policies and regulations, and reporting the assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical events and various factors that are considered reasonable in such circumstances. The actual results may deviate from these estimates. The estimates and underlying assumptions are revised on an ongoing basis. Revision and accounting estimates are recognized in the period in which the estimate is revised, both when the estimate impacts the audited financial year and when the estimate impacts the future. As of 31 December 2014, there are no significant assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet, which would carry a significant risk of material adjustment to the book value of assets and liabilities for the next financial year.

[100] For all the companies included in the consolidation, we refer to section 8.1.7 of this annual report. With the exception of Montea Management NV, statutory manager of Montea Comm.VA, all companies listed under 8.1.7, are included in the consolidation.

### 7.6.2 Valuation rules

#### 7.6.2.1 Investment property

Investment properties comprise all lands and buildings that can be leased and which (wholly or partly) generate rental income, including buildings where a limited portion is held for the firm's own use. In accordance with IAS 40, investment property is valued at fair value. An external, independent expert, De Crombrugghe & Partners in Belgium, assisted by Deloitte in France and Jones Lang Lasalle Nederland in the Netherlands make a quarterly valuation of the property portfolio.

Any gain or loss, after the acquisition of a building, as a result of a change in fair value is booked in the income statement. The valuation is carried out in accordance with the method of incorporation of rental income as set forth in the International Valuation Standards 2005, published by the International Valuation Standards Committee.

The fair value (as defined in IFRS 13) is the price that would be received on the sale of the asset or paid to transfer an obligation in a normal transaction between market parties on the evaluation date.
The fair value must also reflect current lease contracts, current cashflows and reasonable assumptions in relation to expected rental income and costs. The sale of a property investment is usually subject to the payment to the public authorities of registration fees or added value tax. Regarding the extent of these registration fees, the Belgian Association of Asset Managers (BEAMA) published on 8th February 2006 a notice in this regard. After analysis of a large number of transactions, the conclusion was that the impact of the acquisition costs on major investment property that exceeds a value of EUR 2,500,000 is limited to 2.5%. The investment value corresponds with the “fair value” with the addition of 2.5% acquisition costs.

The fair value is thus to be calculated by dividing the value less legal charges by 1.025. Items below the threshold of EUR 2,500,000 remain subject to the usual registration fee and their fair value therefore corresponds with the value exclusive of registration, notary and VAT, and taking into account the current leases. The impact on the fair value of the estimated transfer rights and costs on hypothetical transfer of the investment property is shown as a separate section of shareholders' equity (as part of the item I.C. Reserves). The net change in fair value of investment property is shown in the income statement under the section XVIII.

#### 7.6.2.2 Development projects

Property to be constructed or developed for future use as investment property is recorded under the heading “investment properties” and will be valued at fair value.

All costs directly related to the development are capitalized, and the directly attributable interest expenses are capitalized in accordance with the provisions of IAS 23-financial costs.

#### 7.6.2.3 Other tangible non-current assets

All tangible non-current assets which neither meet the definition of investment property, nor the definition of development project have been catalogued under this section. Other tangible non-current assets are initially recorded at cost and valued in accordance with the cost model. Grants are deducted from the cost. Additional costs are only capitalised if the future economic benefits related to tangible current assets increase for the company. Other tangible non-current assets are depreciated on the basis of the linear depreciation method. The following rates will apply on an annual basis:

- plant, machinery and equipment: 20%-25%
- furniture and rolling stock: 20%
- IT equipment: 33%
- real estate for own use: 2%

If the asset is subject to a special value loss, the book value is compared to the recoverable value. If the latter is lower, a special write-in will be taken dependent on the outcome for the difference.

Solar panels are valued on the basis of the revaluation model in accordance with IAS 16 – Tangible non-current assets. After the initial take-up, an asset for which the fair value can be reliably established needs to be entered in the accounts at the revalued value, i.e. the fair value at the time of revaluation, minus any depreciations accumulated later and any extraordinary reductions in value accumulated later. The fair value is determined based on the discounting method of future returns.

The service life of the solar panels is estimated, in line with revenue from green power certificates, at 20 years in Flanders, 10 years in Brussels and 15 years in Wallonia.

The solar panels are evaluated on a quarterly basis.

Gains recorded at the start-up of a new site are stated in a separate component of shareholders' equity. Losses are also recorded in this component, except where they are realized or unless the fair value falls below the initial cost. In these latter cases, they are recorded in the result.

#### 7.6.2.4 Long-term receivables

Long-term receivables are valued on the basis of their discounted value according to the prevailing market rate at the time of their issuance. A reduction is booked where there is uncertainty regarding the full payment of the claim at maturity.

#### 7.6.2.5 Financial non-current assets

Financial non-current assets are valued at the purchase price or contribution value. The claims and guarantees for the receivables are instead booked at face value. A reduction is made in the case of a permanent write-down or devaluation.

#### 7.6.2.6 Cash and cash equivalents

Cash and cash equivalents include bank accounts, cash and short-term investments.

#### 7.6.2.7 Equity

The capital includes net cash obtained from creation, merger or capital increase whereby the direct external costs are deducted (such as registration fees, notary and publication costs, etc.) The difference between the fair value of the property and the investment value of the property as determined by the external experts, is included in the section "Reserve for the impact on fair value of estimated transfer rights and costs on hypothetical transfer of investment property" of the equity. If the company proceeds to buy back own shares, the amount paid, including directly attributable costs, is deducted from equity (restricted reserves). Dividends are a part of results carried forward until the General Shareholders Meeting grants dividends.

#### 7.6.2.8 Provisions

A provision is made if the company has a legal or contractual obligation as a result of an event from the past and where it is probable that a cash outflow will be required to meet the obligation. Provisions are valued at the discounted value of expected future cash flows to the market rate.

#### 7.6.2.9 Debts

Trade and other debts are valued at their face value on the balance sheet date. Interest-bearing debts are initially recorded at cost, less any directly attributable costs. Then the difference between the book value and the refundable amount is included in the income statement over the period of the loan using the actual interest method.

#### 7.6.2.10 Revenues

Revenues include gross rental income and proceeds resulting from the services and the management of the buildings. Revenue is measured at the fair value of the indemnity that is received or is entitled. Revenue is recorded only from the time that it is sufficiently certain that the economic benefits will accrue to the company. Gratuity costs and benefits granted to the tenants are recognized to reduce the rental income over the term of the lease, the period between the entry into force and the first break option. Indemnification for early termination of lease is immediately included in the income statement.

#### 7.6.2.11 Costs

The costs are measured at the fair value of the indemnity that is paid or owed.

**Executed works in the buildings**

Concerning work executed in the buildings, a distinction is made between:

- maintenance and repairs: these are costs that do not increase the expected future economic benefits of the building, and as such are integrally dependent on the result of the period in which they are paid;
- extensive renovation work: these are costs as a result of occasional work on the building, which will significantly increase the expected economic benefits of the building. The direct costs attributable to such work, such as materials, construction work by contractors, architect’s fees and remuneration of other potential advisors etc. are capitalized;
- rental advantages: this is provided by the lessor to the lessee to convince the latter to rent existing or additional space. These costs are spread over the period from the commencement of the lease to the first break and are deducted from the rental income.

**Commissions paid to real estate brokers**

Commissions regarding the rental of buildings are charged against profits in the period in which they were paid. Commissions relating to the purchase of buildings, registration fees and other additional costs are considered as part of the purchase price of the building and are consequently capitalised. Commissions paid by selling buildings are deducted from the selling price obtained for the realized gain or loss to be determined.

**General expenses**

General expenses are expenses associated with the management and overall operation of the RREC. These include general administrative costs, staff costs for general management, and depreciation of assets used for general management.

### 7.6.2.12 Financial restult

The financial result consists on the one hand of interest costs on loans and associated costs, and investment income, and on the other hand of positive and negative fair value variations of hedging instruments. Interest income and costs are recognised pro rata temporis in the income statement. Potential dividend income is booked in the income statement on the day the dividend is granted.

### 7.6.2.13 Taxation and exit tax

The tax on the profit for the year comprises the current tax burden. The tax on profit or loss is recognized in the income statement with the exception of the elements recorded directly in equity. Deferred tax assets and liabilities are recorded based on the liability method for all temporary differences between the taxable basis and book value for financial reporting purposes, for both assets and liabilities. Deferred tax assets are only recognized if it is probable that these could be compared against taxable profits in the future.

The exit tax is the tax levied on the profit and on the tax-free reserves as the result of a merger, split, contribution in kind or transfer of a regulated real estate company with a company that is not a regulated real estate company[101].

If the latter is incorporated for the first time in the consolidation of the Group, a provision for exit tax is included together with a revaluation value equal to the difference between the value with costs for the buyer (investment value minus all sales-related costs such as registration and notary fees) of the building at the time of acquisition and book value. The exit tax is generally payable by the contributor of a property or company but Montea must record these due to the fact that the tax is only assessed after a certain time. This tax is deducted from the value of the property or company to be transferred.

Any subsequent adjustment of the exit tax liability is included in the income statement. The amount of the exit tax can vary even after the transfer or merger from which this variation may arise.

### 7.6.2.14 Derivative financial instruments

Montea concludes loans with financial institutions with a variable interest rate. The company uses financial hedging instruments of the IRS type (Interest Rate Swaps) to hedge against the risk of increases to these variable interest rates. In so doing, the loans linked to variable interest rates are to a large extent swapped against a fixed interest rate. In accordance with its financial policy and in application of its regulations, Montea holds no derivative instruments nor would it issue any for speculative purposes.

The hedging instruments do not satisfy the conditions for the type of "hedging" as defined in IAS 39, whereby all movements in the real value of the instrument are entirely included in the income statement. The market-to-market balance sheet date is used to determine the fair value.

[101] The exit tax is the tax levied on the difference between the fair value and the book value and on the tax-free reserves and is 16.5% + crisis tax.

### 7.6.2.15 Off balance sheet rights and obligations

These rights and obligations are valued at face value based on the amount stated in the contract. If there is no face value or if valuation is not possible, the rights and obligations are reported as token entries.

### 7.6.2.16 New standards and interpretations

#### 7.6.2.16.1 Changes to the bases – New and changed standards and interpretations applied from 1 January 2014

The Group has applied, for the first time, certain accounting rules and changes that require an amendment to the previous financial statements. These accounting rules are IFRS 10 Consolidated financial statements, IFRS 11 Joint Agreements, and IAS 32 Financial Instruments – Presentation.

Various other accountancy rules were applied for the first time in 2014. However, these have no effect on the Group's consolidated financial statements.

The nature and impact of each of the following new accountancy rules, changes and/or interpretations are described below:
- IFRS 10 the consolidated annual accounts, in effect from 1st January 2014
- IFRS 11 Joint agreements, in effect from 1st January 2014
- IFRS 12 Disclosure about interests in other entities, in effect from 1st January 2014
- Enhancements to IFRS 10, IFRS 11 en IFRS 12 Transitional provisions, in effect from 1st January 2014
- Enhancements to IFRS 10, IFRS 12 en IAS 27 – Investment institutions, in effect from 1st January 2014
- IAS 27 Separate financial statements (2010), in effect from 1st January 2014
- IAS 28 Investments in associates and joint ventures (2011), in effect from 1st January 2014
- Enhancements to IAS 32 Financial instruments: Presentation: Offsetting financial assets and financial obligations, in effect from 1st January 2014
- Enhancements to IAS 36 Special impairment of assets – Disclosure of information about the recoverable value of non-financial assets, in effect from 1st January 2014
- Enhancements to IAS 39 Financial instruments: Recognition and measurement – Renewal of derivatives and continuation of hedge accounting, in effect from 1st January 2014

#### 7.6.2.16.2 Changes to accounting policies – Standards published (and accepted by the EU) not yet in effect

- On the date of publication of the Group's financial summaries, the standards and interpretations set out below had already been published, but were not yet in effect. Here only the standards and interpretations are summarised for which the group has a reasonable expectation that if they are applied in the future, they will have an impact on the Group's explanations, financial position or results. The Group plans to apply these standards and interpretations as soon as they come into effect.
- IFRS 9 Financial instruments[102], in effect from 1st January 2018
- Enhancements to IFRS 10, IFRS 12 and IAS 28 – Investment institutions: Application of consolidation exception, in effect from 1st January 2016
- Enhancements to IFRS 10 Consolidated annual accounts and IAS 28 Investments in associated entities and joint ventures – Sale or contribution of assets between the investor and the associated party or joint venture, in effect from 1st January 2016

[102] Not yet accepted by the EU at January 16, 2015.

- Enhancements to IFRS 11[103] Joint arrangements: Processing of the acquisition of interests in joint operations, in effect from 1st January 2016
- IFRS 14[104] Regulatory deferral accounts under tariff regulation, in effect from 1st January 2016
- IFRS 15[105] Revenue from contracts with customers, in effect from 1st January 2017
- Enhancements to IAS 1[106] Presentation of annual accounts – Initiative on notes, in effect from 1st January 2016
- Enhancements to IAS 16 Tangible fixed assets and IAS 38 Intangible fixed assets: Clarification of acceptable depreciation methods, in effect from 1st January 2016
- Enhancements to IAS 16 Tangible fixed assets and IAS 41 Agriculture: Fruit-bearing plants, in effect from 1st January 2016
- Enhancements to IAS 19 Employee benefits: Defined benefit plans: Employee contributions, in effect from 1st February 2015
- Enhancements to IAS 27 Separate financial statements: Equity method in Separate financial statements, in effect from 1st January 2016
- IFRIC 21 Government levies, in effect from 17th June 2014
- Annual enhancement of IFRSs, cycle 2010-2012 (published in December 2013), in effect from 1st February 2015
- Annual enhancement of IFRSs, cycle 2011-2013 (published in December 2013), in effect from 1st January 2015
- Annual enhancement of IFRSs, cycle 2012-2014 (published in September 2014), in effect from 1st January 2016

## 7.7 Notes to the consolidated financial statements as of 31 December 2014

### 7.7.1 Comments to the consolidated balance sheet and income statement

**Note 1: Rental income**

Montea leases its property investments based on lease agreements. This income is gross rental income generated by these lease agreements and appears under this heading.

The table below shows a summary of rental income over the whole year:

| RENTAL INCOME (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Rent | 27.349 | 23.329 | 19.849 |
| Guaranteed rental income | 0 | 0 | 0 |
| Rental discounts | 0 | 0 | 0 |
| Rental incentives | 0 | 0 | 0 |
| Compensation for early breach rental contracts | 560 | 709 | 0 |
| Compensation financial leasing | 0 | 0 | 0 |
| **TOTAL** | **27.908** | **24.038** | **19.849** |

Rental income rose in 2014 by 16.1% to EUR 27,908,000. This increase was mainly the result of the rising rental income in Belgium (EUR 2,094,000 or + 16.1%), as well as the new rental income in the Netherlands (EUR 2,171,000). In France, there was a fall in rental income (EUR -395,000 or -3.7%)

The rise in rental income in Belgium was mainly the net result of

- the extra income from the lease agreements with Neovia and Dachser (De Hulst Willebroek), Nippon (Brucargo), Metro (Vorst) and Caterpillar (Grimbergen).

103 Not yet accepted by the EU at January 16, 2015.
104 Not yet accepted by the EU at January 16, 2015.
105 Not yet accepted by the EU at January 16, 2015.
106 Not yet accepted by the EU at January 16, 2015.

The fall in rental income in France was the net result of:

- lower rental income in Cambrai;
- the partial vacancy in Savingy-le-Temple (lease not extended).

The rise in rental income in the Netherlands was the net result of:

- the full year's income from the new site in Almere;
- the newly acquired sites in Waddinxveen (Delta Wines), Oss (Vos Logistics) and Beuningen (Depa Disposables).

When we take account of all the properties that have been part of the property portfolio for the past 3 years (i.e. disregarding the acquisition of new sites or divestments - total of 28 sites), the rental income is as follows (also see table):

- 2012: EUR 19,301,000
- 2013: EUR 21,842,000 (+13.2%)
- 2014: EUR 22,384,000 (+2.5%).

| RENTAL INCOME (EUR x 1.000) | | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|---|
| **Belgium** | | **12.056** | **11.329** | **9.574** |
| Aalst | Tragel 48-58 | 1.974 | 1.952 | 1.919 |
| Bornem | Industrieweg 4-24 | 98 | 418 | 413 |
| Grimbergen | Eppegemsestwg 31-33 | 1.131 | 1.012 | 1.012 |
| Hoboken | Smallandlaan 7 | 237 | 235 | 230 |
| Meer | Europastraat 28 | 359 | 354 | 330 |
| Herentals | Toekomstlaan 33 | 0 | 440 | 739 |
| Nivelles | Rue de la Technique 11 | 459 | 0 | 0 |
| Puurs | Schoonmansveld 18 | 769 | 763 | 747 |
| Erembodegem | Industrielaan 27 | 1.029 | 976 | 881 |
| Mechelen | Zandvoortstraat 16 | 830 | 573 | 653 |
| Vorst | Humaniteitslaan 292 | 1.231 | 920 | 1.030 |
| Milmort | Avenue du Parc Industriel | 1.091 | 975 | 895 |
| Heppignies | Rue Brigade Piron | 757 | 742 | 725 |
| Zaventem | Brucargo 830 | 2.090 | 1.969 | 0 |
| **France** | | **10.329** | **10.513** | **9.727** |
| Savigny-le-Temple | Rue du Chrome 2 | 345 | 541 | 593 |
| Feuqueires | Zoning Industriel du moulin | 359 | 354 | 344 |
| Bondoufle | Rue Henrie Dunant 9-11 | 233 | 233 | 228 |
| Saint-Priest | Chemin de la Fouilousse | 707 | 707 | 695 |
| Cambrai | P.d. Activité Actipole | 485 | 553 | 535 |
| Roissy | Rue de la Belle Etoile 280+ 383 | 927 | 869 | 1.018 |
| Décines | Rue a Rimbaud 1 | 370 | 369 | 357 |
| Le Mesnil Amelot | Rue du Gué 4, Rue de la Grande Borne | 723 | 704 | 717 |
| Alfortville | Le Techniparc | 235 | 233 | 224 |
| Le Mesnil Amelot | Rue du Gué 1-3 | 472 | 477 | 463 |
| St-Cyr en Val | Rue des Genêts 660 | 3.240 | 3.208 | 3.132 |
| Marennes | La Donnière | 809 | 825 | 884 |
| Saint-Laurent-Blangy | Actipark | 636 | 627 | 326 |
| Saint-Martin-de-Crau | Ecopole | 788 | 814 | 211 |
| **TOTAL** | | **22.384** | **21.842** | **19.301** |

When we take account of the contracted rental income of the properties that were in the portfolio between 01/01/2012 and 31/12/2014, the summary looks like this:

| RENTAL INCOME (EUR x 1.000) | | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|---|
| **Belgium** | | **17.124** | **13.037** | **10.122** |
| Aalst | Tragel 48-58 | 1.974 | 1.952 | 1.919 |
| Aartselaar | Helstraat 47 | 0 | 0 | 4 |
| Berchem | Vosstraat 200 | 0 | 0 | 197 |
| Bornem | Industrieweg 4-24 | 98 | 418 | 413 |
| Grimbergen | Eppegemsestwg 31-33 | 1.131 | 1.012 | 1.012 |
| Laken | Emiel Bockstaellaan 74 | 0 | 87 | 244 |
| Moorsel | Waverstraat 3 | 0 | 0 | 0 |
| Vilvoorde | Schaarbeeklei 207-213 | 0 | 38 | 103 |
| Hoboken | Smallandlaan 7 | 237 | 235 | 230 |
| Meer | Europastraat 28 | 359 | 354 | 330 |
| Herentals | Toekomstlaan 33 | 0 | 440 | 739 |
| Nivelles | Rue de la Technique 11 | 459 | 0 | 0 |
| Puurs | Schoonmansveld 18 | 769 | 763 | 747 |
| Erembodegem | Industrielaan 27 | 1.029 | 976 | 881 |
| Mechelen | Zandvoortstraat 16 | 830 | 573 | 653 |
| Vorst | Humaniteitslaan 292 | 1.231 | 920 | 1.030 |
| Milmort | Avenue du Parc Industriel | 1.091 | 975 | 895 |
| Heppignies | Rue Brigade Piron | 757 | 742 | 725 |
| Zaventem | Brucargo 830 | 2.090 | 1.969 | 0 |
| Zaventem | Brucargo 831 | 613 | 325 | 0 |
| Gent | Evenstuk | 1.008 | 530 | 0 |
| Zaventem | Brucargo 763 | 288 | 187 | 0 |
| Gent | Korte Mate | 636 | 22 | 0 |
| Zaventem | Brucargo 738-1 | 456 | 0 | 0 |
| Willebroek | De Hulst Neovia | 1.081 | 0 | 0 |
| Willebroek | De Hulst Dachser | 986 | 0 | 0 |
| Damages for breach of contract | | | 519 | 0 |
| **France** | | **10.329** | **10.703** | **9.727** |
| Savigny-le-Temple | Rue du Chrome 2 | 345 | 541 | 593 |
| Feuqueires | Zoning Industriel du moulin | 359 | 354 | 344 |
| Bondoufle | Rue Henrie Dunant 9-11 | 233 | 233 | 228 |
| Saint-Priest | Chemin de la Fouilousse | 707 | 707 | 695 |
| Cambrai | P.d. Activité Actipole | 485 | 553 | 535 |
| Roissy | Rue de la Belle Etoile 280+ 383 | 927 | 869 | 1.018 |
| Décines | Rue a Rimbaud 1 | 370 | 369 | 357 |
| Le Mesnil Amelot | Rue du Gué 4, Rue de la Grande Borne | 723 | 704 | 717 |
| Alfortville | Le Techniparc | 235 | 233 | 224 |
| Le Mesnil Amelot | Rue du Gué 1-3 | 472 | 477 | 463 |
| St-Cyr en Val | Rue des Genêts 660 | 3.240 | 3.208 | 3.132 |
| Marennes | La Donnière | 809 | 825 | 884 |
| Saint-Laurent-Blangy | Actipark | 636 | 627 | 326 |
| Saint-Martin-de-Crau | Ecopole | 788 | 814 | 211 |
| Damages for breach of contract | | | 190 | 0 |
| **The Netherlands** | | **4.212** | **264** | **0** |
| Almere | Stichtse Kant | 1.189 | 264 | 0 |
| Waddinxveen | Exportweg | 955 | 0 | 0 |
| Oss | Vollenhovermeer | 1.043 | 0 | 0 |
| Beuningen | Zilverwerf | 1.025 | 0 | 0 |
| **TOTAL** | | **31.665** | **24.004** | **19.849** |

The difference between this table and the previous one relates to properties that were sold and acquired in the period between 01/01/2012 and 31/12/2014.
New lease contracts were signed at 12 of the 41 sites or existing lease agreements were extended, as a result of which there were no major developments in the average rent per square metre. When signing and extending these agreements, an extraordinary use was made of an average rent-free period of 2 to 6 months. No other major incentives were given in this context.

4 of the 41 sites each represent more than 5% of the consolidated property portfolio and together represent 26% of the total fair value of the property portfolio:

| | Fair value | Client(s) |
|---|---|---|
| • Saint-Cyr-en-Val, Orléans | EUR 36.6 million | FM Logistics |

*this site represents 9% of the total fair value of the portfolio*
*(the net rental income at this site for 2014 represented EUR 3.2 million or 12% of the net rental result for 2014).*

| | | |
|---|---|---|
| • Aalst Tragel | EUR 22.7 million | Jan de Nul, Barry Callebaut, Invictus, VDAB, R&D Interieur |

*this site represents 6% of the total fair value of the portfolio*
*(the net rental income at this site for 2014 represented EUR 2.0 million or 7% of the net rental result for 2014).*

| | | |
|---|---|---|
| • Vorst | EUR 22.0 million | Unilever, Metro |

*this site represents 6% of the total fair value of the portfolio*
*(the net rental income at this site for 2014 represented EUR 1.2 million or 4% of the net rental result for 2014).*

| | | |
|---|---|---|
| • Brucargo - Zaventem | EUR 20.7 million | DHL Global Forwarding |

*this site represents 5% of the total fair value of the portfolio*
*(the net rental income at this site for 2014 represented EUR 2.1 million or 7.5% of the net rental result for 2014).*

**Note 2: rental-related costs**

| RENTAL-RELATED EXPENSES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Rent to pay on leased assets | -1.082 | -314 | 0 |
| Depreciations on trade receivables | -9 | -143 | -26 |
| Write-back of write-downs on trade receivables | 1 | 77 | 104 |
| **TOTAL** | **-1.089** | **-379** | **78** |

Amounts paid for concessions and building lease fees have been reported under “Rent to be paid on leased assets” since 2013. Until 2012, these were reported under the heading of “Other property costs”.

Montea always applies the principle of caution steeds. When Montea, in order to collect rent and/or other monies, call in external legal advice, a provision is set aside immediately for doubtful receivables. When the monies are received, a writeback of the depreciation is recorded.

## Note 3: Rental charges and taxes normally borne by the tenant on leased buildings and recovery of these rental charges and taxes

| RENTAL CHARGES AND TAXES NORMALLY BORNE BY THE TENANT ON LET PROPERTIES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| **Recovery of charges and taxes normally payable by tenants on let properties** | **4.322** | **3.910** | **3.546** |
| Reinvoicing of rental charges borne by the landlord | 1.761 | 1.787 | 1.621 |
| Reinvoicing of taxes on let properties | 2.562 | 2.122 | 1.924 |
| **Charges and taxes normally borne by the tenant on let properties** | **-5.041** | **-4.803** | **-4.463** |
| Rental charges borne by the landlord | -2.228 | -1.914 | -1.832 |
| Taxes on let properties | -2.814 | -2.889 | -2.631 |
| **TOTAL** | **-719** | **-893** | **-918** |

The fall in net impact to EUR -719,000 is mainly the result of the improved occupancy rate of our buildings.

When premises are vacant, the highest cost is the property withholding tax and any insurance premiums that cannot be passed on. In 2014, withholding and other tax on leased buildings was EUR 2,814,000 (8.9% of contracted rental income, which was 31,665,000 at 31/12/2014).

## Note 4: Other rental-related income and expenditure

| OTHER RENTAL-RELATED INCOME AND EXPENDITURE (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Property management fee | 240 | 229 | 172 |
| Income from the solar panels | 851 | 798 | 769 |
| Other | 143 | 216 | 557 |
| **TOTAL** | **1.234** | **1.244** | **1.498** |

The Property management fee is the contractually agreed management fee, which in the majority of contracts is a percentage of the annual rent.

Income from the solar panels consists on the one hand of the electricity generated that is charged to tenants and the network manager (8%) and revenue from green power certificates on the other hand (92%).

The solar panels on the buildings at the sites in Bornem, Grimbergen, Herentals, Puurs Schoonmansveld 28 and Heppignies together generated EUR 851,000 of income.

In 2014, the heading “Other” consisted mainly of the recovered property withholding tax recorded on vacant sites in previous financial years. This property taks on vacancy only relates to previous financial years and not to 2014.

## Note 5: Technical costs

| TECHNICAL COSTS (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| **Recurring technical costs** | **-81** | **-15** | **-32** |
| Repairs | -66 | -25 | -21 |
| Compensation for overall guarantuees | 0 | 0 | 0 |
| Insurance premiums | -16 | 10 | -10 |
| **Non-recurring technical costs** | **-2** | **1** | **3** |
| Major repairs | 0 | 0 | 0 |
| Claims | -2 | 1 | 3 |
| **TOTAL** | **-83** | **-14** | **-29** |

The increase in technical costs in 2014 was due mainly to the refurbishment costs of the sites where lease contracts came to an end.

## Note 6: Commercial costs

| COMMERCIAL COSTS (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Brokers' fees | -82 | -33 | -65 |
| Publicity | -9 | -2 | 0 |
| Lawyer fees and legal expenses | -40 | -76 | -26 |
| **TOTAL** | **-130** | **-111** | **-91** |

Because brokers were used more frequently in 2014, we saw a rise in commercial costs compared with previous years.

## Note 7: Costs for unleased buildings

| CHARGES AND TAXES OF UN-LET PROPERTIES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Charges | -138 | -80 | -67 |
| Property tax | -150 | -137 | -86 |
| Insurances | -10 | -38 | -21 |
| **TOTAL** | **-297** | **-255** | **-174** |

The increase in these costs is explained mainly by the vacancy at the site in Herentals as of 01/08/2013 until the end of the 2014 financial year.

## Note 8: Property management costs

| PROPERTY MANAGEMENT COSTS (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Internal property management costs | -663 | -221 | -618 |
| Exteral property management costs | 0 | -23 | -20 |
| **TOTAL** | **-663** | **-244** | **-637** |

These costs include on the one hand costs relating to the internal team responsible for the management and marketing of property and on costs directly attributable to management on the other.

The rise in internal management costs was due mainly to the increase in the number of sites and the strengthening of the operational team.

## Note 9: Other property costs

| OTHER PROPERTY COSTS (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Concession rights | 0 | 0 | -82 |
| Other property charges | -9 | -83 | -34 |
| **TOTAL** | **-9** | **-83** | **-115** |

Concession rights have been recorded under the heading “Rental-related costs” since 2013.

## Note 10: General Company overheads

| GENERAL CORPORATE COSTS (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Office costs | -227 | -310 | -250 |
| Representation costs | -86 | -104 | -82 |
| Fees | -936 | -599 | -537 |
| *Real estate expert* | *-177* | *-168* | *-116* |
| *Auditor* | *-57* | *-42* | *-40* |
| *Legal advisors* | *-186* | *-151* | *-60* |
| *Accounting and financial advisors* | *-348* | *-164* | *-138* |
| *Other* | *-169* | *-74* | *-183* |
| Listing fees | -195 | -172 | -114 |
| Marketing and communication | -163 | -216 | -141 |
| Personnel costs + fees business manager | -1.604 | -2.017 | -1.659 |
| Amortizations | -127 | -154 | -155 |
| **TOTAL** | **-3.339** | **-3.573** | **-2.938** |

General overheads mainly include the costs associated with day-to-day management, as well as costs incurred in the context of obligations for companies listed on the stock exchange.

In total, overheads of EUR 4,679,000 were incurred. Of this:

- EUR 781,000 (16.7%) capitalized for existing sites and current new projects. These overheads were the costs for project management;
- EUR 559,000 (11.9%) was passed on to property charges. These are directly attributable costs at the sites for managing the assets.

As a result, 71.4% of these costs (EUR 3,339,000) are retained as general company overheads. The increase in overheads is the result of strengthening the operational team and additional consultancy costs in the context of the further growth of Montea.

The fees of the company auditor, E&Y Bedrijfsrevisoren, represented by Christel Weymeersch, in relation to remuneration in the context of its statutory assignment to examine and audit the company and consolidated accounts, were EUR 43,000 (the total amount was EUR 57,000, of which EUR 14,000 was related to other auditing work – see auditor).

In addition to the fees for the company auditor, the property assessors and the Business Manager, no other significant fees were incurred in 2014.

## Note 11: Other operational revenue and costs

| OTHER OPERATING INCOME AND EXPENSES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Ohter operating income | 107 | 305 | 356 |
| Other operating expenses | -98 | -142 | -125 |
| **TOTAL** | **9** | **163** | **231** |

Other operational revenue mainly resulted from:

- damages claims received;
- one-off revenue.

Other operational costs related mainly to the charges incurred for potential projects that in the end did not come to fruition.

## Note 12: Result from sales of property investments

| RESULT ON DISPOSAL OF INVESTMENT PROPERTIES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Net sale of real estate (sale price - transaction expenses) | 7.924 | 5.078 | 4.937 |
| Book value of sold real estate | -7.748 | -3.971 | -4.575 |
| **TOTAL** | **176** | **1.107** | **362** |

The capital gain of EUR 362,000 realised in 2012 was the result of the sales of the sites in Aartselaar and Berchem and the provision set aside for works still to be carried out at a previously sold site in Grobbendonk.

The capital gain of EUR 1,107,000 realised in 2013 was the result of the sales of the sites in Laken and Vilvoorde and the capital gain made on the sale of buildings rights at the airport[107]. As a result of this latter agreement, the airport is again the owner of the land and Montea pays a variable fee for this, based on the rental income received from the tenant.

The profit of EUR 176,000 realised in 2014 is the result of the sale of the site in Puurs.

## Note 13: Variations in the fair value of the property investments

| CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Positive changes in fair value of investment properties | 7.199 | 1.879 | 1.260 |
| Negative changes in fair value of investment properties | -5.742 | -6.009 | -7.952 |
| **TOTAL** | **1.457** | **-4.130** | **-6.692** |

The result on the property portfolio was EUR 1,457,000 at 31st December 2014. This positive result is attributable to:

a) a positive variation in the fair value of the property portfolio of EUR 7.2 million, due mainly to:
- the redevelopments at the existing sites in Grimbergen and Vorst;
- the adjustment made in the investment yield by the property assessor, of 25 bps in the Netherlands and 30 bps in France.

b) a negative variation in the fair value of the property portfolio of EUR 5.7 million as the result of:
- investments at the existing sites[108].

When Montea invests in a property (significant adaptation works), these investments are entered in the assets on the balance sheet. If the assessor does not value these works (or not in full) based on the cost of the work, Montea records a negative variation in value of the property.
For more information about the bases used for valuing the property portfolio, please see 4.2.4 Property Report.

[107] On 20/12/2012, Montea acquired the shares in Warehouse Nine NV. This transaction was in relation to a built-to-suit development for DHL Global Forwarding at Brucargo in Zaventem, in which Warehouse Nine NV acquired a building right for this development for a period of 50 years on terms in line with the market. At the end of 2013, Montea (Warehouse Nine NV had since merged with Montea) sold this building right again to the airport, generating a profit (EUR 301,000). Since 2014, Montea is no longer the owner of this land, but pays a variable fee to the airport.

[108] This relates to investments at the existing sites for which no immediate capital gain has been recognised.

## Note 14: Financial income

| FINANCIAL INCOME (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Interests and dividends received | 24 | 47 | 177 |
| Other | 318 | 2 | 0 |
| **TOTAL** | **343** | **49** | **178** |

Financial income relates on the one side to interest collected on available funds and, on the other, to a non-availability fee paid to MG Real Estate for the developments at Park De Hulst in Willebroek.

## Note 15: Net interest charges

| NET INTEREST CHARGES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Nominal interest charges on loans | -4.915 | -3.169 | -2.845 |
| Reinstatement of the nominal amount for financial debts | 8 | 23 | 50 |
| Costs from authorized hedges | -2.607 | -3.068 | -2.739 |
| Income from authorized hedges | 0 | 0 | 0 |
| Other interest charges | -7 | -5 | -3 |
| **TOTAL** | **-7.521** | **-6.219** | **-5.537** |

Net interest charges rose by EUR 1,302,000 or 21%. Average debt increased by EUR 55 million (also see the fall in the debt ratio of 52.8% to 52.1% despite a capital increase). Taking the status of financial debts at 31/12/2014 into account (outstanding bond loan, current lines of credit with their hedging instruments and the other financial debts) average financial costs were 3.8%[109] compared to 3.9% in 2013. If we deduct the costs relating to the hedging instruments, we arrive at an average interest charge of 2.5% compared to 2.4% in 2013.

## Note 16: Other financial charges

| OTHER FINANCIAL COSTS (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Bank charges and other commissions | -48 | -36 | -110 |
| Net realized losses on sale of financial assets | 0 | 0 | 0 |
| Net realized losses on sale of financial leasing receivables and similar receivables | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| **TOTAL** | **-48** | **-36** | **-110** |

Bank charges mainly include administrative costs in the context of arranging new lines of credit.

## Note 17: Variations in the fair value of financial assets and liabilities

The variation in the fair value of the financial assets and liabilities was EUR -10.8 million. This consisted of:

- the negative variation in the fair value of the financial assets and liabilities to the value of EUR 11,260,000;
- the positive variation resulting from IFRS 13 in which Montea recorded a DVA (Debit Value Adjustment) of EUR 464,000 in 2014.

[109] This financial cost is an average over the whole year, including the other financial debts in France and Belgium and the outstanding bond loan, and was calculated on the basis of the total financial cost compared with the average of the starting balance and end balance of the financial debt for 2014.

| VARIATIONS IN THE FAIR VALUE OF FINANCIAL ASSET AND LIABILITIES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Authorized hedges | -10.796 | 5.497 | -8.023 |
| Authorized hedges subject to hedge accounting as defined by IFRS | 0 | 0 | 0 |
| Authorized hedges no subject to hedge accounting as defined by IFRS | -10.796 | 5.497 | -8.023 |
| Other | 0 | 0 | 0 |
| **TOTAL** | **-10.796** | **5.497** | **-8.023** |

Montea's debt position in the context of the hedging instruments was EUR 25.6 million.

| FAIR VALUE OF THE HEDGES (EUR x 1.000) | | Maturity | Nominal amount | Amount taken 31/12/2014 | Interest rate | Heged interest rate | Fair value 2014 | Fair value 2013 | Change in fair value |
|---|---|---|---|---|---|---|---|---|---|
| Forward IRS | 30/05/2012 | 30/05/2019 | 15.000 | | 2,66% | Euribor 3M | -1.320 | 0 | 1.320 |
| Stepped IRS | 1/07/2012 | 1/07/2024 | 60.000 | 60.000 | 2,50% | Euribor 3M | -14.413 | -7.538 | 6.875 |
| Forward IRS | 1/10/2011 | 1/10/2020 | 10.000 | 10.000 | 2,77% | Euribor 3M | -1.516 | -930 | 586 |
| Forward IRS | 30/05/2012 | 30/05/2019 | 10.000 | 10.000 | 3,07% | Euribor 3M | -2.706 | -1.042 | 1.664 |
| Forward IRS | 1/10/2011 | 1/10/2020 | 10.000 | 10.000 | 2,77% | Euribor 3M | -1.518 | -939 | 579 |
| Forward IRS | 31/12/2015 | 31/12/2021 | 10.000 | | 2,38% | Euribor 3M | -1.174 | 0 | 1.174 |
| Forward IRS | 2/01/2015 | 1/01/2020 | 25.000 | | 2,59% | Euribor 3M | -2.992 | 0 | 2.992 |
| Old IRS contracts | | | | | | | | -3.930 | -3.930 |
| **TOTAL** | | | **140.000** | **90.000** | | | **-25.639** | **-14.379** | **11.260** |

Over the 2 financial years of 2013 and 2014, as the result of the IFRS 13 adjustments, Montea recorded a positive variation in the value of the hedging instruments of EUR 1,012,000 (this relates to the "Debit Value Adjustment"). As a result, the net debt position of Montea in the context of the hedging instruments was EUR 24.6 million. This is stated in the non-current financial debts on the liabilities side of the balance sheet.

At the end of 2014, Montea had hedging instruments for a nominal amount of EUR 90 million. This was lower than the EUR 113.4 million at the end of 2013, because we forwarded a number of IRS contracts in time (start date moved beyond 2014). As a result, we succeeded in obtaining a lower interest rate on these contracts.

The average hedging cost rose from 2.36% to 2.55% (assuming a constant perimeter)[110].
The fall in the interest rate on the largest contract (stepped IRS) from 4.5% in 2013 to 2.5% in 2014 was achieved by adjusting the term and amounts of the contract.

Based on the current IRS contracts, we expect the cashflows for the next 5 years to be as follows:

| Undiscounted cashflows (x 1.000 EUR) | Due within 1 year | Due between 1 and 2 years | Due between 2 and 3 years | Due between 3 and 4 years | Due between 4 and 5 years |
|---|---|---|---|---|---|
| | € -3.279 | € -3.275 | € -2.562 | € -1.477 | € -151 |

### Note 18: Corporation tax

| CORPORATE TAXES (EUR x 1.000) | 31/12/2014 12 months | 31/12/2013 12 months | 31/12/2012 12 months |
|---|---|---|---|
| Withholding tax | -1 | -2 | -26 |
| Actual corporate taxes (profit) | -323 | -190 | -13 |
| **TOTAL** | **-324** | **-193** | **-39** |

The increase in 2014 was the result of the acquisition of new companies which do not have RREC status and hence are required to pay corporation tax.
The increase in 2013 was the result of a provision set aside for the tax on dividends in France and corporation tax on the Belgian subsidiaries.

[110] The average hedging cost is calculated by dividing the total annual hedging cost by the average amount hedged.

**Note 19: Intangible fixed assets**

| INTANGIBLE ASSETS | (x EUR 1.000) |
|---|---|
| **ON 31/12/2012** | **141** |
| Acquisitions | 19 |
| Depreciations | -45 |
| **ON 31/12/2013** | **114** |
| Acquisitions | 44 |
| Depreciations | -33 |
| **ON 31/12/2014** | **125** |

This item states the amounts of the intangible fixed assets intended for own use. These intangible fixed assets include in particular the licence and development costs for property management, facility and accounting software.

**Note 20: Property investments**

| INVESTMENT PROPERTIES | (X EUR 1.000) |
|---|---|
| **On 31/12/2012** | **282.100** |
| **Investments** | **40.590** |
| - new acquisitions | 34.070 |
| - acquisitions through share transactions | 6.520 |
| **Divestments** | **-8.746** |
| **Increase/(decrease) of the fair value** | **-1.399** |
| **On 31/12/2013** | **312.545** |
| **Investments** | **90.339** |
| - new acquisitions | 81.858 |
| - acquisitions through share transactions | - |
| - redevelopments | 8.481 |
| **Project developments** | **16.295** |
| **Divestments** | **-11.523** |
| - Sale assets | -7.748 |
| - Assets held for sale | -3.775 |
| **Increase/(decrease) of the fair value** | **6.349** |
| **On 31/12/2014** | **414.005** |

The increase in property investments was mainly the result of the acquisition of the sites in De Hulst, Brucargo, Beuningen, Oss and Waddinxveen. The sites at Vorst and Grimbergen were also redeveloped and there is still a development current in Heerlen (see item on Developments).

The increase in the fair value relates to the adjustment in the valuation of the existing sites, except for the site at Puurs Schoonmansveld, which was sold, and the site in Meer, which is intended for sale. The difference with the EUR 1,457K positive change in the fair value of the property, is because of the EUR 6,349K rise in value, new investments were realized for EUR 4,892K. On balance, we obtain the EUR 1,457K.

## Note 21: Other tangible fixed assets

| OTHER TANGIBLE NON-CURRENT ASSETS (x EUR 1.000) | Total | Own use | Other |
|---|---|---|---|
| **ON 31/12/2012** | **7.883** | **647** | **7.236** |
| **Acquisition value 01/01/2013** | **8.301** | **757** | **7.543** |
| Acquisitions | 26 | 0 | 26 |
| Solar panels | -187 | 0 | -187 |
| **Acquisition value 31/12/2013** | **8.140** | **757** | **7.383** |
| | 0 | 0 | 0 |
| **Depreciations 01/01/2013** | **-418** | 110 | **-528** |
| Depreciations | -71 | 38 | -109 |
| **Depreciations 31/12/2013** | **-489** | **148** | **-637** |
| **ON 31/12/2013** | **7.651** | **609** | **7.042** |
| **Acquisition value 01/01/2014** | **8.140** | **757** | **7.383** |
| Acquisitions | 129 | 0 | 129 |
| Solar panels | -63 | 0 | -63 |
| **Acquisition value 31/12/2014** | **8.206** | **757** | **7.449** |
| | 0 | 0 | 0 |
| **Depreciations 01/01/2014** | **-489** | **148** | **-637** |
| Depreciations | -63 | 38 | -100 |
| **Depreciations 31/12/2014** | **-551** | **186** | **-737** |
| **ON 31/12/2014** | **7.655** | **571** | **7.083** |

Changes to the other tangible fixed assets mainly included the depreciation of the solar panels at the sites in Bornem, Grimbergen, Herentals and Puurs Schoonmansveld, which were offset by the activation of the solar panel installed in Heppignies. The depreciation was included directly in equity capital.

Solar panels are valued based on the revaluation model under IAS 16 – Tangible Fixed Assets. After the initial take-up, the asset for which the fair value can be reliably determined is entered at the revalued value, which is the fair value at the time of revaluation, minus any writedowns accumulated later and special value losses accumulated later. If these solar panels are valued at cost, this would be EUR 6,343,000.
The solar panels have not been valued by an independent specialist.

The fair value is determined on the basis of the discounting method of future revenues.

In the case of the valuation of the solar panels, the net gains (EUR 1,184,000 for 2014) are stated in a separate component of the equity capital. Also see note 30.1.

## Note 22: Financial fixed assets

| NON-CURRENT FINANCIAL ASSETS (x EUR 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Assets held till maturity | 0 | 0 | 0 |
| Assets for sale | 0 | 0 | 0 |
| Asset at fair value through result | 0 | 0 | 0 |
| Loans and receivables | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** |

The financial fixed assets relate solely to the positive valuation of the hedging instruments.

The negative valuation of the hedging instruments for 2014 are shown in Note 17.

### Note 23: Trade receivables and other fixed assets

| TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS | (x EUR 1.000) |
|---|---|
| **ON 31/12/2012** | **105** |
| Guarantees paid in cash | 0 |
| Pre-financing site Cambrai | -68 |
| **ON 31/12/2013** | **37** |
| Guarantees paid in cash | 0 |
| **ON 31/12/2014** | **37** |

This amount is in relation to a surety paid in cash.

### Note 24: Assets intended for sale

| ASSETS HELD FOR SALE | (x EUR 1.000) |
|---|---|
| **OP 31/12/2012** | **2.225** |
| Accounting value of the investment properties held for sale | -2.225 |
| **OP 31/12/2013** | **0** |
| Accounting value of the investment properties held for sale | 3.775 |
| **OP 31/12/2014** | **3.775** |

The book value of the assets intended for sale in 2012 consisted of the fair value of the site in Vilvoorde. This site was sold on 18/07/2013. The book value of the assets intended for sale in 2014 consisted of the fair value of the site in Meer. On 1st October 2014, an agreement was signed for the temporary purchase and sale option of the property in Meer, whereby the buyer could use a call option to purchase the property until 31st December 2014 and Montea could exercise a put option to sell the property until 31st January 2015. The buyer informed Montea by registered letter that it would exercise the call option. The parties agreed, after the usual suspensive conditions, to dispose of the property in April 2015.

In the consolidated figures at 31/12/2014, no account was taken of a profit or loss in the forthcoming sale. The fair value at 31/12/2014 is in line with the assumed value of the sale.

### Note 25: Current trade receivables

| TRADE RECEIVABLES (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Trade receivables - gross | 13.015 | 7.533 | 6.209 |
| Provisions for doubtful receivables | -562 | -554 | -489 |
| **ON 31/12/2014** | **12.453** | **6.978** | **5.720** |

At 31st December 2014, gross trade receivables were EUR 13,015,000 of which

- EUR 4,163,000 were invoices yet to be raised;
- EUR 573,000 consisted of doubtful debtors;
- EUR 7,424,000 were trade receivables;
- EUR 293,000 were other receivables.

| DOUBTFUL RECEIVABLES | (x EUR 1.000) |
|---|---|
| **ON 31/12/2012** | **460** |
| Amount current financial year | 181 |
| Reversal amount current financial year | -77 |
| **ON 31/12/2013** | **564** |
| Amount current financial year | 10 |
| Reversal amount current financial year | -1 |
| **ON 31/12/2014** | **573** |

| WRITE-DOWNS ON DOUBTFUL RECEIVABLES ACCOUNTED FOR | (x EUR 1.000) |
|---|---|
| **ON 31/12/2012** | **489** |
| Provisions current financial year | 123 |
| Reversal losses doubtful receivables | -58 |
| **ON 31/12/2013** | **554** |
| Provisions current financial year | 9 |
| Reversal losses doubtful receivables | -1 |
| **ON 31/12/2014** | **562** |

To minimise the impact of receivables in arrears on the result, Montea manages its customer base efficiently. Montea subjects its clients to a regular credit analysis. Montea will also subject potential clients to a prior credit analysis before signing any new contracts.

The table below shows an age analysis of the EUR 7,424,000 in trade receivables.

| TABLE OF MATURITY DATES OF TRADE RECEIVABLES | (x EUR 1.000) |
|---|---|
| Trade receivables, not due | 2.150 |
| Trade receivables, due 1 -30 days | 4.601 |
| Trade receivables, due 31 - 60 days | 637 |
| Trade receivables, due 61 - 90 days | -395 |
| Trade receivables, due > 90 days | 430 |
| **TOTAL** | **7.424** |

| TABLE OF MATURITY OF DOUBTFUL DEBTS | (x EUR 1.000) |
|---|---|
| Trade receivables, not due | 0 |
| Trade receivables, due 1 -30 days | 0 |
| Trade receivables, due 31 - 60 days | 0 |
| Trade receivables, due 61 - 90 days | 0 |
| Trade receivables, due > 90 days | 573 |
| **TOTAL** | **573** |

Montea has made the efforts required to ensure that the majority of the outstanding trade receivables were collected after the end of the year. Nonetheless, there has been an increase compared with 2013 caused by the increased rental volume and a number of large purchase invoices that were charged on to tenants at the end of the year.

### Note 26: Tax claims and other current assets

| TAX RECEIVABLES AND OTHER CURRENT ASSETS (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **TAXES** | **1.390** | **445** | **242** |
| Value added taxes (VAT) | 1.121 | 175 | 113 |
| Corporation tax | 269 | 271 | 129 |
| **OTHER CURRENT ASSETS** | **196** | **193** | **602** |
| **TOTAL** | **1.586** | **638** | **844** |

The significant amount of VAT is the result of a number of large invoices that were entered at the end of the year and relate to the current development in the Netherlands.

### Note 27: Cash and cash equivalents

| CASH AND CASH EQUIVALENTS (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Cash at banks | 4.248 | 2.551 | 5.175 |
| Term deposits | 2 | 1.541 | 1.832 |
| Cheques to be cashed | 0 | 1 | 0 |
| **TOTAL** | **4.250** | **4.092** | **7.007** |

The term investments relate to cash deposits made into term accounts with credit institutions.

### Note 28: Accruals on the assets

| NON-CURRENT FINANCIAL ASSETS (x EUR 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Assets held till maturity | 0 | 0 | 0 |
| Assets for sale | 0 | 0 | 0 |
| Assets at fair value through result | 0 | 0 | 0 |
| Loans receivables | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** |

The increase in property charges paid in advance can be explained mainly by the start-up costs already incurred for possible new projects and the unavailability fee of EUR 4,500,000 in the context of the partnership agreement with the De Paepe Group for the development of the “MG Park De Hulst” logistics park in Willebroek.

The item for “prepaid property charges” consists of the unavailability fee of EUR 4,500,000 and other prepaid property charges of EUR 1,926,000. This EUR 1,926,000 consists on the one hand of EUR 907,000 in prepaid advance construction costs for the 3rd project at Park De Hulst. The remainder of these prepaid property charges relate to prepaid costs for future new projects for which agreements have already been reached (e.g. the partnership with Beherman, additional costs for the partnership agreement with Park De Hulst, the prepaid costs relating to the new development for the Movianto project in Erembodegem).

The item "Other" relates mainly to the broker commissions already paid for new lease contracts, spread over the term of the leases.

### Note 29: Capital and shares

| SHARE CAPITAL AND SHARE PREMIUMS (x EUR 1.000) | Capital | Costs capital increase | Capital shares options staff | Subscription premium | Number of shares |
|---|---|---|---|---|---|
| **ON 31/12/2012** | **129.486** | **-1.150** | **3** | **533** | **6.448.274** |
| Capital Increase on 20 June 2013 (acquisition of shares of Acer Parc NV through buy/sale agreement) | 2.803 | -84 | 0 | 1.238 | 139.622 |
| Capital Increase on 19 December 2013 (acquisition of shares of Ghent Logistics NV throught contribution in kind) | 6.477 | 0 | 0 | 0 | 221.066 |
| **ON 31/12/2013** | **138.767** | **-1.234** | **3** | **1.771** | **6.808.962** |
| Capital increase on 24 June 2014 | 39.648 | -1.123 | | 12.879 | 1.945.416 |
| **ON 31/12/2013** | **178.416** | **-2.357** | **3** | **14.650** | **8.754.378** |

## Note 30: Reserves

| (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **Reserves** | **-13.480** | **-16.410** | **-2.108** |
| | | | |
| Legal reserves | 835 | 829 | 30 |
| Reserve for the net amount of the changes in fair value of investment properties | -34.487 | -35.881 | -32.031 |
| Reserves for the impact on the fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties | -17.813 | -11.799 | -10.704 |
| Reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting as defined by IFRS | 0 | 0 | 0 |
| Reserve for the net amount of the changes in fair value of authorized hedges not qualified for hedge accounting as defined by IFRS | -24.627 | -13.830 | -19.327 |
| Reserve for the net amount of exchange rate differences on monetary assets and liabilities | 0 | 0 | 0 |
| Reserve for the translation differences coming from the conversion of activities abroad | 0 | 0 | 0 |
| Reserve for treasury shares | -639 | -639 | -639 |
| Reserve for the net amount of the changes in fair value of financial assets held for sale | 0 | 0 | 0 |
| Reserve for actuarial gains and losses on defined benefit pension plans | 0 | 0 | 0 |
| Reserve for deferred taxes on investment properties located abroad | 0 | 0 | 0 |
| Reserve for received dividends, used for the reimbursement of financial debts | 0 | 0 | 0 |
| Other reserves | 62.586 | 44.910 | 60.563 |
| Results carried forward from previous financial years | 664 | 0 | 0 |

At the Board meeting held on 14th November 2011, an option plan was approved for all members of the executive management, including the executive directors. Montea's own shares have been purchased to cover these options. The amount of EUR 639,000 ("Reserve for own shares") relates to the purchase of 23,346 of Montea's own shares, with a total par value of EUR 639,000 (including charges).

The difference in the item "reserve for the balance of the variation in the fair value of property" compared with last year was EUR 1,394,000. The negative reserve for the balance of the variations in the fair value of property is the largest part, which has a major negative impact on reserves.

When determining the fair value of the property, following an analysis of a large number of transactions by a working group of specialists acting for listed property institutions, account needs to be taken of 2.5% in total purchase costs on major investment property (i.e. > EUR 2,500,000). In other words, for all sites of EUR >2,500,000, the investment value has to be divided by 1.025 to arrive at the fair value. At all other sites, 10% or 12.5% is applied on registration fees to arrive at the fair value.

This means that for 1 site in Belgium, i.e. Hoboken, the rule of 10% applies.

When valuing the sites in France and the Netherlands, an estimate was made of the total amount of the purchase costs. This represents approximately 6.3% in France and 6.6% in the Netherlands. This means that 6.4% has to be deducted from the investment amount to arrive at the fair value for the site.

## Note 30.1: Reserve for the balance of the variations in the fair value of property

| RESERVE FOR THE BALANCE OF THE CHANGES IN FAIR VALUE OF PROPERTY | (x EUR 1.000) |
|---|---|
| Changes in fair value of investment properties 2007 (15 months) | 5.629 |
| Changes in fair value of investment properties 2008 (12 months) | -10.046 |
| Changes in fair value of investment properties 2009 (12 months) | -16.034 |
| Changes in fair value of investment properties 2010 (12 months) | -1.906 |
| Changes in fair value of investment properties 2011 (12 months) | -4.420 |
| Changes in fair value of investment properties 2012 (12 months) | -6.692 |
| Changes in fair value of investment properties 2013 (12 months) | -3.658 |
| Changes in fair value of investment properties 2014 (12 months) | 1.457 |
| Revaluation gains solar panels 2011 (12 months) | 1.566 |
| Revaluation gains solar panels 2012 (12 months) | -128 |
| Revaluation gains solar panels 2013 (12 months) | -192 |
| Revaluation gains solar panels 2014 (12 months) | -63 |
| **ON 31/12/2014** | **-34.487** |

## Note 30.2: Reserve for the balance of the variations in the fair value of authorised hedging instruments that are not subject to hedging accountancy, as defined in IFRS

| RESERVE FOR THE BALANCE OF THE CHANGES IN FAIR VALUE OF AUTHORIZED HEDGES NOT SUBJECT TO HEDGE ACCOUNTING AS DEFINED IN IFRS | (x EUR 1.000) |
|---|---|
| changes in fair value of authorized hedges 2007 (15 months) | 861 |
| changes in fair value of authorized hedges 2008 (12 months) | -6.792 |
| changes in fair value of authorized hedges 2009 (12 months) | -2.089 |
| changes in fair value of authorized hedges 2010 (12 months) | 1.643 |
| changes in fair value of authorized hedges 2011 (12 months) | -4.917 |
| changes in fair value of authorized hedges 2012 (12 months) | -8.033 |
| changes in fair value of authorized hedges 2013 (12 months) | 5.497 |
| changes in fair value of authorized hedges 2014 (12 months) | -10.796 |
| **ON 31/12/2014** | **-24.627** |

The variation in the fair value of the hedging instruments is recorded in full in the profit-and-loss account.

## Note 31: Result

| RESULT (EUR x 1.000) | Result |
|---|---|
| **ON 31/12/2012** | **-3.106** |
| Result 12 months | 15.970 |
| Minority interests | -2 |
| **ON 31/12/2013** | **15.969** |
| Result 12 months | 6.105 |
| Minority interests | 2 |
| **ON 31/12/2014** | **6.107** |

## Note 32: Minority interests

| MINORITY INTEREST | (x EUR 1.000) |
|---|---|
| **ON 31/12/2012** | **100** |
| 5% of the result of SCI 3R on 31/12/2013 | -2 |
| **ON 31/12/2013** | **98** |
| 5% of the result of SCI 3R on 31/12/2014 | 2 |
| **ON 31/12/2014** | **100** |

## Note 33: Long-term provisions

| PROVISIONS (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Pensions | 0 | 0 | 0 |
| Other | 0 | 0 | -208 |
| **TOTAL** | **0** | **0** | **-208** |

The provision in 2012 was in relation to the further reorganisation of the operational team.

## Note 34: Financial debts

| FINANCIAL DEBTS (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **NON-CURRENT FINANCIAL DEBTS** | **177.393** | **144.517** | **121.913** |
| Credit institutions | 116.000 | 111.333 | 116.500 |
| Bond | 59.085 | 29.557 | 0 |
| Securities and bank guarantees deposited | 840 | 404 | 547 |
| Financial leasing | 0 | 0 | 0 |
| Others | 1.468 | 3.222 | 4.865 |
| **CURRENT FINANCIAL DEBTS** | **49.000** | **28.529** | **31.851** |
| Credit institutions | 49.000 | 26.667 | 30.000 |
| Financial leasing | 0 | 0 | 0 |
| Others | 1.752 | 1.862 | 1.851 |
| **TOTAL** | **226.393** | **173.046** | **153.763** |

The financial debts relate to nominal amount with interest not included.

The financial debts consist mainly of bilateral lines of credit with five Belgian financial institutions. As of 31/12/2014, Montea has a total of EUR 179 million in contracted lines of credit, of which 92% (EUR 165 million) was drawn down.

30% (or EUR 49 million) of the drawndown debt matures next year.

| CREDIT INSTITUTIONS | (x EUR 1.000) |
|---|---|
| Credit lines, with a maturity < 1 year | 49.000 |
| Credit lines, with a maturity 1 - 2 year | 26.667 |
| Credit lines, with a maturity 2 - 3 year | 40.000 |
| Credit lines, with a maturity > 3 year | 49.333 |
| **TOTAL** | **165.000** |

In addition, the financial debts consist of outstanding bond loans (nominal amount of EUR 60,000,000) and outstanding other financial debts (Montea has leasing debts at the following sites: Milmort (BE) and St Cyr-en-Val (Orléans) in France). In the context of the further diversification of its financing, Montea

- on 28th May 2014 issued a bond loan via a private placement for a total amount of EUR 30 million. This bond loan has a term of seven years and a maturity date of 28th May 2021.
- on 24th June 2014 conducted a capital increase for an amount of EUR 52,526,232[111] and the issue of 1,945,416 new shares at an issue price of EUR 27 per new share.

[111] For more information, please see our press releases of 2nd June 2014, 19th June 2014 and 24th June 2014 or visit www.montea.com.

## Note 35: Other non-current financial liabilities

| OTHER NON-CURRENT FINANCIAL LIABILITIES (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Authorized hedges | 24.627 | 13.830 | 19.327 |
| **TOTAL** | **24.627** | **13.830** | **19.327** |

The other non-current financial liabilities relate only to the negative valuation of the interest rate hedging instruments at 31/12/2014. In Note 22, under financial fixed assets, are the positive variations in the value of the interest rate hedging instruments. As of 31/12/2014, the interest rate hedging instruments had a negative value of EUR 24.6 million. For the comparison of the fair values with the book values, please see Note 17.

## Note 36: Other non-current liabilities

| OTHER NON-CURRENT LIABILITIES (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Guarantees | 0 | 452 | 450 |
| **TOTAL** | **0** | **452** | **450** |

## Note 37: Short-term provisions

| PROVISIONS (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Pensions | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** |

## Note 38: Trade debts and other current liabilities

| TRADE DEBTS AND OTHER CURRENT DEBTS (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **Exit Taks** | **1.455** | **314** | **-35** |
| **Other** | **6.102** | **3.051** | **3.219** |
| Suppliers | 5.399 | 1.313 | 1.421 |
| Tenants | 17 | 223 | 228 |
| VAT, salaries and social security | 686 | 1.515 | 1.570 |
| **TOTAL** | **7.557** | **3.365** | **3.184** |

| OTHER CURRENT LIABILITIES (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Dividends | 58 | 12 | 12 |
| Intercompany liabilities | 730 | 343 | 182 |
| Other | 0 | 2.255 | 245 |
| **TOTAL** | **788** | **2.610** | **439** |

The increase in the trade debts in 2014 related to large purchase invoices regarding current projects that were received at the end of the financial year and were not paid in the 2014 financial year. The increase in exit tax in 2014 was due mainly to the newly acquired companies.

## Note 39: Accrued charges and deferred income

| ACCRUED CHARGES AND DEFERRED INCOME - LIABILITES (EUR x 1.000) | 31/12/2014 | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Property income received in advance | 6.942 | 5.563 | 5.283 |
| Interests and other charges accrued and not due | 2.452 | 1.965 | 1.081 |
| Other | -64 | | |
| **TOTAL** | **9.330** | **7.528** | **6.364** |

The increase in accrued charges and deferred income was due mainly to rental income invoiced in advance.

## Note 40: Fair value hierarchy

| | | Fair value hierarchy (EUR x 1.000) | 31/12/2014 Booking value | 31/12/2014 Level 1 (1) | 31/12/2014 Level 2 (2) | 31/12/2014 Level 3 (3) |
|---|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | **421.821** | **0** | **7.816** | **414.005** |
| | A. | Goodwill | 0 | 0 | 0 | 0 |
| | B. | Intangible assets | 125 | 0 | 125 | 0 |
| | C. | Investment properties | 414.005 | 0 | 0 | 414.005 |
| | D. | Other tangible assets | 7.655 | 0 | 7.655 | 0 |
| | E. | Non-current financial assets | 0 | 0 | 0 | 0 |
| | F. | Finance lease receivables | 0 | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 37 | 0 | 37 | 0 |
| | H. | Deferred taxes (assets) | 0 | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity | 0 | 0 | 0 | 0 |
| II. | | **CURRENT ASSETS** | **32.046** | **4.250** | **24.021** | **3.775** |
| | A. | Assets held for sale | 3.775 | 0 | 0 | 3.775 |
| | B. | Current financial assets | 0 | 0 | 0 | 0 |
| | C. | Finance lease receivables | 0 | 0 | 0 | 0 |
| | D. | Trade receivables | 12.453 | 0 | 12.453 | 0 |
| | E. | Tax receivables and other current assets | 1.586 | 0 | 1.586 | 0 |
| | F. | Cash and cash equivalents | 4.250 | 4.250 | 0 | 0 |
| | G. | Deferred charges and accrued income | 9.981 | 0 | 9.981 | 0 |
| | | **TOTAL ASSETS** | **453.867** | **4.250** | **31.837** | **417.780** |
| | | **LIABILITIES** | **270.429** | **0** | **245.803** | **24.627** |
| I. | | **Non-current liabilities** | **202.019** | **0** | **177.393** | **24.627** |
| | A. | Provisions | 0 | 0 | 0 | 0 |
| | B. | Non-current financial debts | 177.393 | 0 | 177.393 | 0 |
| | C. | Other non-current financial liabilities | 24.627 | 0 | 0 | 24.627 |
| | D. | Trade debts and other non-current debts | 0 | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 0 | 0 | 0 | 0 |
| | F. | Deferred taxes - liabilities | 0 | 0 | 0 | 0 |
| II. | | **Current liabilities** | **68.410** | **0** | **68.410** | **0** |
| | A. | Provisions | 0 | 0 | 0 | 0 |
| | B. | Current financial debts | 50.752 | 0 | 50.752 | 0 |
| | C. | Other current financial liabilities | 0 | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 7.540 | 0 | 7.540 | 0 |
| | E. | Other current liabilities | 788 | 0 | 788 | 0 |
| | F. | Accrued charges and deferred income | 9.330 | 0 | 9.330 | 0 |
| | | **TOTAL LIABILITIES** | **270.429** | **0** | **245.803** | **24.627** |

(1) Market Valuation in active markets for the same product

(2) Market Valuation in active market for similar product

(3) Valuation based on other valuation techniques; not based on market value in active market

| | | Fair value hierarchy (EUR x 1.000) | 31/12/2013 Booking value | 31/12/2013 Level 1 (1) | 31/12/2013 Level 2 (2) | 31/12/2013 Level 3 (3) |
|---|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | **320.347** | **0** | **37** | **312.545** |
| | C. | Investment properties | 312.545 | 0 | 0 | 312.545 |
| | E. | Non-current financial assets | 0 | 0 | 0 | 0 |
| | F. | Finance lease receivables | 0 | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 37 | 0 | 37 | 0 |
| | H. | Deferred taxes (assets) | 0 | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity | 0 | 0 | 0 | 0 |
| II. | | **CURRENT ASSETS** | **19.450** | **7.741** | **7.617** | **0** |
| | A. | Assets held for sale | 0 | 0 | 0 | 0 |
| | B. | Current financial assets | 0 | 0 | 0 | 0 |
| | C. | Finance lease receivables | 0 | 0 | 0 | 0 |
| | D. | Trade receivables | 6.978 | 0 | 6.978 | 0 |
| | E. | Tax receivables and other current assets | 638 | 0 | 638 | 0 |
| | F. | Cash and cash equivalents | 0 | 0 | 0 | 0 |
| | G. | Deferred charges and accrued income | 7.741 | 7.741 | 0 | 0 |
| | | **TOTAL ASSETS** | **339.797** | **7.741** | **7.653** | **312.545** |
| | | **LIABILITIES** | **200.831** | **7.528** | **179.473** | **13.830** |
| I. | | **Non-current liabilities** | **158.798** | **0** | **144.969** | **13.830** |
| | A. | Provisions | 0 | 0 | 0 | 0 |
| | B. | Non-current financial debts | 144.517 | 0 | 144.517 | 0 |
| | C. | Other non-current financial liabilities | 13.830 | 0 | | 13.830 |
| | D. | Trade debts and other non-current debts | 0 | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 452 | 0 | 452 | 0 |
| | F. | Deferred taxes - liabilities | 0 | 0 | 0 | 0 |
| II. | | **Current liabilities** | **42.032** | **7.528** | **34.504** | **0** |
| | A. | Provisions | 0 | 0 | 0 | 0 |
| | B. | Current financial debts | 28.529 | 0 | 28.529 | 0 |
| | C. | Other current financial liabilities | 0 | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 3.365 | 0 | 3.365 | 0 |
| | E. | Other current liabilities | 2.610 | 0 | 2.610 | 0 |
| | F. | Accrued charges and deferred income | 7.528 | 7.528 | 0 | 0 |
| | | **TOTAL LIABILITIES** | **200.831** | **7.528** | **179.473** | **13.830** |

IFRS 13 deals with the practical application of determining the fair value when this is required or permitted by a different standard. This was also applied with regard to the valuation of the property investment, solar panels and financial instruments.
In 2014, the item for "Accruals" is reclassified under level 2 instead of level 1.

## 1. Property investments

The practical application of determining the fair value when valuing the property investments was carried out based on the external estimator, based mainly on two methods:

- the capitalisation method
- the Discounted Cash Flow method

The practical application of determining the fair value when valuing the property investments, based on the capitalisation method, was carried out on the basis of the external estimator who determined the market rent values and market yields at all of the individual sites. Some adjustments have been added to these market rent values and market yields, depending on the specific situation (e.g. the difference between the actual rent and the market rental value, the actual value of the future investments, as well as the estimate of future vacancies).

The table below sets out the main hypotheses in relation to the fair value of the property investments. As stated above, the fair value of the property investments is determined mainly using the market rental value (EUR per m²), equivalent yield (net yield based on an equivalent product at this location). The table below shows a summary of these two parameters per geographical region, with a minimum, maximum and weighted average. The fair value of the property investments is also determined by the difference between the actual rent and the market rental value.

The practical application of determining the fair value when valuing the property investments, based on the "Discounted Cash Flow" method, is based on:

- the actual rental income for the remaining years of the lease;
- the market rent value for all of the remaining years;
- any replacement and renovation investments over the coming years;
- any charges to be borne by the owner;
- an estimate of the sale value;
- current and future vacancies.

The table below sets out the main quantitative parameters relating to the "Discounted Cash Flow" method for 2014:

| Hypotheses<br>Valuation Fair value of investment properties | BE | FR | NL |
|---|---|---|---|
| **Rent capitalization method** | | | |
| Market rental value (Min - Max.) (EURO /m²) | 31,24-86,56 | 34,87-105,6 | 44,29-51,24 |
| Market rental value - Weighted average (EURO /m²) | 47,03 | 46,48 | 48,69 |
| Equivalent Yield (Min - Max.) (%) | 6,57%-8,45% | 6,88%-21,75% | 6,11%-8,24% |
| Equivalent Yield - Weighted average (%) | 7,41% | 7,82% | 7,05% |
| Current rent compared to market rental value (%) | 108,50% | 104,50% | 95,40% |
| **"Discounted Cash Flow" method (*)** | | | |
| Discount rate (Min - Max.) (%) | 3,48%-8,39% | 4,47%-17,95% | 6,50%-7,30% |
| Discount rate (Weighted average) (%) | 7,14% | 6,67% | 6,85% |

(*) the calculation includes 2% inflation for Belgium and the Netherlands and 1% inflation for France.

The table above shows that the minimum and maximum market rent values are a long way apart. This is due mainly to:
* type of logistics: (e.g. refrigerated warehouse / cross-dock warehouses compared with standard warehouses)
* location of the property
* proportion of offices compared with the whole site.

The table below shows the main quantitative parameters relating to the "Discounted Cash Flow" method for 2013:

| **Hypotheses**<br>**Valuation Fair value of investment properties** | **BE** | **FR** | **NL** |
|---|---|---|---|
| **Huurkapitalisatiemethode** | | | |
| Market rental value (Min - Max.) (EURO /m²) | 31,24 - 69,92 | 35,00 - 105,70 | 44,70 |
| Market rental value - Weighted average (EURO /m²) | 45,01 | 46,19 | 44,70 |
| Equivalent Yield (Min - Max.) (%) | 6,58% - 8,71% | 7,40% - 14,40% | 7,31% |
| Equivalent Yield - Weighted average (%) | 7,63% | 8,16% | 7,31% |
| Current rent compared to market rental value (%) | 100,80% | 106,70% | 99,53% |
| **"Discounted Cash Flow" method (*)** | | | |
| Discount rate (Min - Max.) (%) | 5,02% - 9,52% | 5,38% - 11,85% | 8,27% |
| Discount rate (Weighted average) (%) | 6,70% | 7,08% | 8,27% |

## 2. Solar panels

The practical application of determining the fair value when valuing the solar panels is based on a calculation of the actual net value over the remaining term of the green power certificates.

Solar panels are valued based on the revaluation model in accordance with IAS 16 – Tangible fixed assets. After the initial take-up, an asset for which the fair value can be reliably established needs to be entered in the accounts at the revalued value, i.e. the fair value at the time of revaluation, minus any depreciations accumulated later and any extraordinary reductions in value accumulated later. The fair value is determined based on the discounting method of future returns.

The service life of the solar panels is estimated, in line with revenue from green power certificates, at 20 years in Flanders, 10 years in Brussels and 15 years in Wallonia.

The solar panels are evaluated on a quarterly basis.

Gains recorded at the start-up of a new site are stated in a separate component of shareholders' equity. Losses are also recorded in this component, except where they are realised or unless the fair value falls below the initial cost. In these latter cases, they are recorded in the result.

### 3. Derivatives

When determining the fair value of the derivatives, account was taken on the one hand with the fair value made available to Montea by the financial institutions, based on the swap-rate of comparable products at 31/12/2014, compared with the contracted hedging instruments. The fair value of the derivatives as of 31/12/2014 was EUR 25,639,000. This would normally have to be catalogued under level II. The company also has to value the "non-performance risk". Montea has a negative fair value on its hedging instruments.

Based on estimates (credit default swaps at 31/12/2014, the average age of the outstanding swaps), Montea has calculated a "non-performance risk" of EUR 1,013,0000, which has a positive effect on the fair value. Expressing this "non-performance risk" includes the full fair value of EUR 24,627,000 in level III.

The factors causing the non-performance risk to rise stem from the further fall in the market value of the swaps compared with 2013, resulting in the non-performance risk also rising.

### 4. Financial obligations

Financial obligations consist of the bond loan issued on 28th May 2014, the bond loan issued on 28th June 2013, the capital increase of 24th June 2014 and the drawndown lines of credit of EUR 165 million.
The practical application of determining the fair value when valuing the bonds was carried out based on the indicative price on the active market. Because they had not been traded as of 31/12/2014, the bonds are classified in level 2 (market valuation in the active market for a similar product).
All lines of credit at Montea have been taken out at a variable interest rate (bilateral lines of credit at EURIBOR 3 months + margin). As a result, the fair value of the outstanding lines of credit is virtually the same as the book value of the lines of credit, resulting in them being classified in level II.

### 5. Current assets and current (non-financial) liabilities

The valuation technique and the input when valued at fair value used for the current assets and current liabilities are due to the fact that the current assets and current liabilities are valued at their nominal value, given that these are short-term receivables and debts and hence the credit risk is limited.

## Note 41: Segment information

In relation to the obligation regarding segmented information, the Company applies IFRS 8.

Geographically speaking, the current portfolio is located in Belgium, the Netherlands and France. The Company manages and coordinates its business geographically and in so doing also reports according in line with this geographical segmentation. The tables below show the balance sheet and profit-and-loss account in line with this geographical segmentation.

- At the Saint-Cyr-en-Val site in Orléans, 1 tenant represents 10.2% of the total annual contracted rental income for the entire portfolio.
- At the Aalst Tragel site, 5 tenants respectively represent 3.5%, 1.9%, 0.8%, 0.05% and 0.03% of the total annual contracted rental income for the entire portfolio.
- At the Vorst site, 2 tenants respectively represent 2.2% and 1.7% of the total annual contracted rental income for the entire portfolio.
- At the Brucargo – Zaventem site, 1 tenant represents 6.6% of the total annual contracted rental income for the entire portfolio.

## Note 41.1: Segmented balance sheet for 2014

| | | (EUR x 1.000) | 31/12/2014 BE | 31/12/2014 FR | 31/12/2014 NL | 31/12/2014 Elim. | 31/12/2014 Conso |
|---|---|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | **264.888** | **120.783** | **64.400** | **-28.249** | **421.821** |
| | A. | Goodwill | 0 | 0 | 0 | 0 | 0 |
| | B. | Intangible assets | 125 | 0 | 0 | 0 | 125 |
| | C. | Investment properties | 250.063 | 120.722 | 43.220 | 0 | 414.005 |
| | D. | Other tangible assets | 7.655 | 0 | 0 | 0 | 7.655 |
| | E. | Non-current financial assets | 7.045 | 24 | 21.180 | -28.249 | 0 |
| | F. | Finance lease receivables | 0 | 0 | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 1 | 36 | 0 | 0 | 37 |
| | H. | Deffered taxes (assets) | 0 | 0 | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity method | 0 | 0 | 0 | 0 | 0 |
| II. | | **CURRENT ASSETS** | **211.166** | **4.683** | **12.601** | **-196.404** | **32.046** |
| | A. | Assets held for sale | 3.775 | 0 | 0 | 0 | 3.775 |
| | B. | Current financial assets | 0 | 0 | 0 | 0 | 0 |
| | C. | Finance lease receivables | 0 | 0 | 0 | 0 | 0 |
| | D. | Trade receivables | 8.600 | 2.729 | 1.124 | 0 | 12.453 |
| | E. | Tax receivables and other current assets | 172.356 | -1.071 | 10.035 | -179.733 | 1.586 |
| | F. | Cash and cash equivalents | 2.227 | 1.803 | 220 | 0 | 4.250 |
| | G. | Deffered charges and accrued income | 24.208 | 1.222 | 1.222 | -16.670 | 9.981 |
| | | **TOTAL ASSETS** | **476.054** | **125.465** | **77.001** | **-224.653** | **453.867** |
| | | **TOTAL SHAREHOLDERS' EQUITY** | **161.891** | **15.265** | **32.155** | **-25.873** | **183.438** |
| I. | | **Shareholders' equity attributable to the shareholders of the parent company** | **161.891** | **15.165** | **32.155** | **-25.873** | **183.338** |
| | A. | Share capital | 176.062 | 0 | 225 | -225 | 176.061 |
| | B. | Share premiums | 14.650 | 0 | 0 | 0 | 14.650 |
| | C. | Reserves | -20.812 | 4.454 | 28.526 | -25.648 | -13.480 |
| | D. | Net result of the financial year | -8.009 | 10.711 | 3.404 | 0 | 6.107 |
| II. | | **Minority interests** | **0** | **100** | **0** | **0** | **100** |
| | | **LIABILITIES** | **314.163** | **110.200** | **44.846** | **-198.780** | **270.429** |
| I. | | **Non-current liabilities** | **201.085** | **1.653** | **0** | **-719** | **202.019** |
| | A. | Provisions | 0 | 0 | 0 | 0 | 0 |
| | B. | Non-current financial debts | 176.458 | 1.653 | 0 | -719 | 177.393 |
| | C. | Other non-current financial liabilities | 24.627 | 0 | 0 | 0 | 24.627 |
| | D. | Trade debts and other non-current debts | 0 | 0 | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 0 | 0 | 0 | 0 | 0 |
| | F. | Deferred taxes - liabilities | 0 | 0 | 0 | 0 | 0 |
| II. | | **Current liabilities** | **113.078** | **108.547** | **44.846** | **-198.061** | **68.410** |
| | A. | Provisions | 0 | 0 | 0 | 0 | 0 |
| | B. | Current financial debts | 49.522 | 1.372 | 0 | -141 | 50.752 |
| | C. | Other current financial liabilities | 0 | 0 | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 5.783 | 2.368 | 617 | -1.228 | 7.540 |
| | E. | Other current liabilities | 53.519 | 102.400 | 43.030 | -198.162 | 788 |
| | F. | Accrued charges and deferred income | 4.255 | 2.407 | 1.198 | 1.470 | 9.330 |
| | | **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **476.054** | **125.465** | **77.001** | **-224.653** | **453.867** |

The fair value of the property investments in Belgium in the segmented balance sheet was EUR 250.1 million, EUR 26.4 million higher than the fair value of the property investments in Belgium under point 4.2.5. (the Montea property portfolio at 31/12/2014) of the annual report. This difference is explained by:

The difference between the fair value of the property investments in Belgium of EUR 223.7 million, according to p. 140 is EUR 250.1 million.

This difference can be explained because the following elements in the EUR 250.1 million do not belong in the EUR 223.7 million:

- Project developments valued at EUR 16.3 million that were reported under a separate heading in “Montea’s property portfolio at 31/12/2014”;
- Tangible fixed assets intended for own use to the value of EUR 0.6 million (these were not included in point 4.2.5 “Montea’s property portfolio at 31/12/2014”;
- The fair value of the property in Oss (NL) at EUR 13.3 million. This property comes under SFG BV, whose accounting is consolidated under Belgium, but the property itself falls within the geographical area of the Netherlands;
- The fair value of the property in Meer at EUR 3.8 million, which was included under a separate heading of the balance sheet, i.e. “Assets intended for sale”.

The fair value of the property investments in the Netherlands in the segmented balance sheet was EUR 43.2 million, EUR 13.3 million lower than the fair value of the property investments in Belgium under point 4.2.5. (Montea’s property portfolio at 31/12/2014) of the annual report. This difference is explained by the fair value of the property in Oss (NL) at EUR 13.3 million. This property comes under SFG BV, whose accounting is consolidated under Belgium, but the property itself falls within the geographical area of the Netherlands;

### Note 41.2: Segmented balance sheet for 2013

| | | (EUR x 1.000) | 31/12/2013 BE | 31/12/2013 FR | 31/12/2013 NL | 31/12/2013 Elim. | 31/12/2013 Conso |
|---|---|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | **195.346** | **117.746** | **14.300** | **-7.045** | **320.347** |
| | A. | Goodwill | 0 | 0 | 0 | 0 | 0 |
| | B. | Intangible assets | 114 | 0 | 0 | 0 | 114 |
| | C. | Investment properties | 180.535 | 117.710 | 14.300 | 0 | 312.545 |
| | D. | Other tangible assets | 7.651 | 0 | 0 | 0 | 7.651 |
| | E. | Non-current financial assets | 7.045 | 0 | 0 | -7.045 | 0 |
| | F. | Finance lease receivables | 0 | 0 | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 1 | 36 | 0 | 0 | 37 |
| | H. | Deffered taxes (assets) | 0 | 0 | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity method | 0 | 0 | 0 | 0 | 0 |
| II. | | **CURRENT ASSETS** | **129.384** | **5.251** | **368** | **-115.554** | **19.450** |
| | A. | Assets held for sale | 0 | 0 | 0 | 0 | 0 |
| | B. | Current financial assets | 0 | 0 | 0 | 0 | 0 |
| | C. | Finance lease receivables | 0 | 0 | 0 | 0 | 0 |
| | D. | Trade receivables | 3.199 | 3.780 | 0 | 0 | 6.978 |
| | E. | Tax receivables and other current assets | 97.214 | 303 | 0 | -96.879 | 638 |
| | F. | Cash and cash equivalents | 3.583 | 405 | 104 | 0 | 4.092 |
| | G. | Deffered charges and accrued income | 25.389 | 763 | 264 | -18.675 | 7.741 |
| | | **TOTAL ASSETS** | **324.730** | **122.998** | **14.668** | **-122.599** | **339.797** |
| | | **TOTAL SHAREHOLDERS' EQUITY** | **132.025** | **6.416** | **7.571** | **-7.045** | **138.967** |
| I. | | **Shareholders' equity attributable to the shareholders of the parent company** | **132.025** | **6.318** | **7.571** | **-7.045** | **138.869** |
| | A. | Share capital | 137.537 | 0 | 45 | -45 | 137.537 |
| | B. | Share premiums | 1.771 | 0 | 0 | 0 | 1.771 |
| | C. | Reserves | -18.808 | 2.398 | 7.000 | -7.000 | -16.410 |
| | D. | Net result of the financial year | 11.524 | 3.920 | 526 | 0 | 15.970 |
| II. | | **Minority interests** | **0** | **98** | **0** | **0** | **98** |
| | | **LIABILITIES** | **192.706** | **116.582** | **7.097** | **-115.554** | **200.831** |
| I. | | **Non-current liabilities** | **156.616** | **2.182** | **0** | **0** | **158.798** |
| | A. | Provisions | 0 | 0 | 0 | 0 | 0 |
| | B. | Non-current financial debts | 142.786 | 1.731 | 0 | 0 | 144.517 |
| | C. | Other non-current financial liabilities | 13.830 | 0 | 0 | 0 | 13.830 |
| | D. | Trade debts and other non-current debts | 0 | 0 | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 0 | 452 | 0 | 0 | 452 |
| | F. | Deferred taxes - liabilities | 0 | 0 | 0 | 0 | 0 |
| II. | | **Current liabilities** | **36.089** | **114.400** | **7.097** | **-115.554** | **42.032** |
| | A. | Provisions | 0 | 0 | 0 | 0 | 0 |
| | B. | Current financial debts | 27.157 | 1.372 | 0 | 0 | 28.529 |
| | C. | Other current financial liabilities | 0 | 0 | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 1.631 | 1.733 | 1 | 0 | 3.365 |
| | E. | Other current liabilities | 2.590 | 108.478 | 7.034 | -115.492 | 2.610 |
| | F. | Accrued charges and deferred income | 4.712 | 2.817 | 62 | -62 | 7.528 |
| | | **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **324.730** | **122.998** | **14.668** | **-122.599** | **339.797** |

## Note 41.3: Segmented profit-and-loss account for 2014

| | (EUR x 1.000) | 31/12/2014 BE | 31/12/2014 FR | 31/12/2014 NL | 31/12/2014 Elim. | 31/12/2014 12 months |
|---|---|---|---|---|---|---|
| I. | Rental income | 15.131 | 10.342 | 2.436 | 0 | 27.908 |
| II. | Write-back of lease payments sold and discounted | 0 | 0 | 0 | 0 | 0 |
| III. | Rental-related charges | -1.081 | -9 | 0 | 0 | -1.089 |
| | **NET RENTAL INCOME** | **14.050** | **10.333** | **2.436** | **0** | **26.819** |
| IV. | Recovery of property charges | 0 | 0 | 0 | 0 | 0 |
| V. | Recovery of charges and taxes normally borne by tenants on let properties | 2.168 | 2.154 | 0 | 0 | 4.322 |
| VI. | Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease | 0 | 0 | 0 | 0 | 0 |
| VII. | Charges and taxes normally borne by tenants on let properties | -2.629 | -2.337 | -75 | 0 | -5.041 |
| VIII. | Other rental-related income and expenses | 1.131 | 99 | 3 | 0 | 1.234 |
| | **PROPERTY RESULT** | **14.720** | **10.250** | **2.364** | **0** | **27.334** |
| IX. | Technical costs | -65 | -18 | 0 | 0 | -83 |
| X. | Commercial costs | -130 | 0 | 0 | 0 | -130 |
| XI. | Charges and taxes of un-let properties | -297 | 0 | 0 | 0 | -297 |
| XII. | Property management costs | -376 | -219 | -68 | 0 | -663 |
| XIII. | Other property charges | -9 | 0 | 0 | 0 | -9 |
| | **PROPERTY CHARGES** | **-877** | **-237** | **-68** | **0** | **-1.183** |
| | **PROPERTY OPERATING RESULT** | **13.843** | **10.012** | **2.296** | **0** | **26.151** |
| XIV. | General costs of the company | -2.499 | -770 | -70 | 0 | -3.339 |
| XV. | Other operating income and expenses | -33 | 42 | 0 | 0 | 9 |
| | **OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO** | **11.312** | **9.284** | **2.226** | **0** | **22.821** |
| XVI. | Result on disposal of investment properties | 176 | 0 | 0 | 0 | 176 |
| XVII. | Result on disposal of other non-financial assets | 0 | 0 | 0 | 0 | 0 |
| XVIII. | Changes in fair value of investment properties | -1.964 | 1.799 | 1.623 | 0 | 1.457 |
| XIX. | Other portfolio result | 0 | 0 | 0 | 0 | 0 |
| | **OPERATING RESULT** | **9.523** | **11.082** | **3.848** | **0** | **24.453** |
| XX. | Financial income | 1.594 | 909 | 0 | -2.161 | 343 |
| XXI. | Net interest charges | -8.150 | -1.089 | -443 | 2.161 | -7.521 |
| XXII. | Other financial charges | -37 | -9 | -2 | 0 | -48 |
| XXIII. | Changes in fair value of financial assets and liabilites | -10.796 | 0 | 0 | 0 | -10.796 |
| | **FINANCIAL RESULT** | **-17.389** | **-190** | **-444** | **0** | **-18.023** |
| XXIV. | Share in the result of associates and joint ventures | 0 | 0 | 0 | 0 | 0 |
| | **PRE-TAX RESULT** | **-7.866** | **10.892** | **3.404** | **0** | **6.431** |
| XXV. | Corporate taxes | -143 | -181 | 0 | 0 | -324 |
| XXVI. | Exit tax | 0 | 0 | 0 | 0 | 0 |
| | **TAXES** | **-143** | **-181** | **0** | **0** | **-324** |
| | **NET RESULT** | **-8.009** | **10.711** | **3.404** | **0** | **6.107** |
| | **NET CURRENT RESULT (excl. IAS 39)** | **4.576** | **8.913** | **1.782** | **0** | **15.271** |
| | Number of shares in circulation entitled to the result of the period | 7.782 | 7.782 | 7.782 | 7.782 | 7.782 |
| | **NET RESULT PER SHARE** | **-1,03** | **1,38** | **0,44** | **0,00** | **0,78** |
| | **NET CURRENT RESULT PER SHARE (excl. IAS 39)** | **0,59** | **1,15** | **0,23** | **0,00** | **1,97** |

## Note 41.4: Segmented profit-and-loss account for 2013

| | (EUR x 1.000) | 31/12/2013 BE | 31/12/2013 FR | 31/12/2013 NL | 31/12/2013 Elim. | 31/12/2013 12 months |
|---|---|---|---|---|---|---|
| I. | Rental income | 13.037 | 10.737 | 264 | 0 | 24.038 |
| II. | Write-back of lease payments sold and discounted | 0 | 0 | 0 | 0 | 0 |
| III. | Rental-related charges | -372 | -7 | 0 | 0 | -379 |
| | **NET RENTAL INCOME** | **12.665** | **10.730** | **264** | **0** | **23.659** |
| IV. | Recovery of property charges | 0 | 0 | 0 | 0 | 0 |
| V. | Recovery of charges and taxes normally borne by tenants on let properties | 1.947 | 1.962 | 0 | 0 | 3.910 |
| VI. | Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease | 0 | 0 | 0 | 0 | 0 |
| VII. | Charges and taxes normally borne by tenants on let properties | -2.469 | -2.325 | -8 | 0 | -4.803 |
| VIII. | Other rental-related income and expenses | 1.014 | 230 | 0 | 0 | 1.244 |
| | **PROPERTY RESULT** | **13.157** | **10.596** | **256** | **0** | **24.010** |
| IX. | Technical costs | -14 | 0 | 0 | 0 | -14 |
| X. | Commercial costs | -65 | -46 | 0 | 0 | -111 |
| XI. | Charges and taxes of un-let properties | -255 | 0 | 0 | 0 | -255 |
| XII. | Property management costs | -221 | -23 | 0 | 0 | -244 |
| XIII. | Other property charges | -40 | -44 | 0 | 0 | -83 |
| | **PROPERTY CHARGES** | **-595** | **-112** | **0** | **0** | **-708** |
| | **PROPERTY OPERATING RESULT** | **12.562** | **10.484** | **256** | **0** | **23.302** |
| XIV. | General costs of the company | -2.688 | -864 | -22 | 0 | -3.573 |
| XV. | Other operating income and expenses | 18 | 145 | 0 | 0 | 163 |
| | **OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO** | **9.892** | **9.765** | **235** | **0** | **19.892** |
| XVI. | Result on disposal of investment properties | 1.107 | 0 | 0 | 0 | 1.107 |
| XVII. | Result on disposal of other non-financial assets | 0 | 0 | 0 | 0 | 0 |
| XVIII. | Changes in fair value of investment properties | -2.786 | -1.698 | 354 | 0 | -4.130 |
| XIX. | Other portfolio result | 0 | 0 | 0 | 0 | 0 |
| | **OPERATING RESULT** | **8.214** | **8.067** | **589** | **0** | **16.870** |
| XX. | Financial income | 4.043 | 0 | 0 | -3.994 | 49 |
| XXI. | Net interest charges | -6.210 | -3.940 | -62 | 3.994 | -6.219 |
| XXII. | Other financial charges | -23 | -13 | 0 | 0 | -36 |
| XXIII. | Changes in fair value of financial assets and liabilites | 5.497 | 0 | 0 | 0 | 5.497 |
| | **FINANCIAL RESULT** | **3.307** | **-3.953** | **-62** | **0** | **-708** |
| XXIV. | Share in the result of associates and joint ventures | 0 | 0 | 0 | 0 | 0 |
| | **PRE-TAX RESULT** | **11.521** | **4.114** | **526** | **0** | **16.161** |
| XXV. | Corporate taxes | 4 | -196 | 0 | 0 | -193 |
| XXVI. | Exit tax | 0 | 0 | 0 | 0 | 0 |
| | **TAXES** | **4** | **-196** | **0** | **0** | **-193** |
| | **NET RESULT** | **11.524** | **3.918** | **526** | **0** | **15.969** |
| | **NET CURRENT RESULT (excl. IAS 39)** | **7.706** | **5.616** | **172** | **0** | **13.494** |
| | Number of shares in circulation entitled to the result of the period | 6.588 | 6.588 | 6.588 | 6.588 | 6.588 |
| | **NET RESULT PER SHARE** | **1,75** | **0,59** | **0,08** | **0,00** | **2,42** |
| | **NET CURRENT RESULT PER SHARE (excl. IAS 39)** | **1,17** | **0,85** | **0,03** | **0,00** | **2,05** |

The "eliminations" column relates to the consolidation entries required in the context of the company's consolidation and has no impact whatsoever on the consolidated result.

In addition to geographical segmentation, the Company also uses sector-specific segmentation in terms of its client base in order to spread the risk profile.

## Note 42: Financial risk management

Exposure to the risk of exchange rates, interest rates, liquidity and credit risks are all part of Montea's normal business activities. The company analyses and reviews all of these risks and defines the strategies to be implemented to control the economic impact on the Company's performance. The results of these analyses and then proposed strategies are reviewed regularly and approved by the Board of Directors.

The sensitivity analysis for the interest rate risk is conducted both on the net result and on equity capital. Given that there is no hedging in place, the impact will not differ.

### 7.7.2 Interest rate risk

The Company's long-term and short-term financial debts consist solely of debts with floating interest rates. The Company uses IRS-type financial hedging instruments to cover the interest rate risk. A rise or fall of 100 basis points in the interest rates on our debts with floating interest rates would result in a rise of fall in the market value of the financial hedging instruments of EUR 10 million.
Note 17 contains a summary of the fair value of the hedging instruments.

As of 31/12/2014, the interest rate risk on lines of credit with variable interest rates was 55% hedged. This means that a rise or fall in interest rates would have a minimal impact on the Company's results. In the event of a rise or fall of 100 basis points, annual interest charges for the Company would only rise or fall by EUR 700,000 (taking the IRS contracts into account).

### 7.7.3 Credit risk

The credit risk is the risk of financial loss for the Company should a client or counterparty default on its contractual obligations. Management has a credit policy and exposure to the credit risk is managed on an ongoing basis. Every new tenant is investigated separately for their creditworthiness before the Company offers a lease agreement. A rental security guarantee of 3 or 6 months is required.

### 7.7.4 Exchange rate risk

The Company's property portfolio consists solely of buildings in Belgium and France and all lease contracts are in EURO. This means that the Company is not exposed to any exchange rate risk.

### 7.7.5 Liquidity risk

Note 34 provides a summary of the Company's financial debts and their respective terms. The Company controls its liquidity risk by having sufficient available credit facilities[112] and by gearing receipts and payments as closely as possible to each other.

### 7.7.6 Transactions between associate companies

There were no transactions with associate companies.

### 7.7.7 Off-balance sheet obligations

There were no off-balance sheet obligations for the 2014 financial year.

### 7.7.8 Other significant obligations

To date, no significant agreements have been entered into that are not part of the normal business operations of the Company of which the Montea group is part.

[112] As of 31/12/2014, Montea had EUR 179 million in lines of credit, of which EUR 165 million was already drawn down. This means that Montea still has EUR 14 million available.

### 7.7.9 Auditor's report on the consolidated financial statements for the year ended 31 December 2014[113]

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Building a better working world

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Free translation from the Dutch original

## Statutory auditor's report to the general meeting of the company Montea Comm VA for the year ended 31 December 2014

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income before profit allocation, the consolidated overall result before the distribution of profit, the summary of the variation in the consolidated equity capital and the consolidated cash flow summary for the year ended 31 December 2014 and the notes ( all elements together "the Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Montea Comm VA ("the Company") and its subsidiaries (together "the Group") as of and for the year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of € 453.867 thousand and of which the consolidated income statement shows a profit for the year of € 6.107 thousand.

Responsibility of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

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 ("ISAs"). Those standards require that we comply with the 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.

113 EY bedrijfsrevisoren, represented by Mrs Christel Weymeersch, has agreed with with the inclusion of the statement or the report and with the form and context in which this statement or report is included.

**Audit report dated 21 April 2015 on the Consolidated Financial Statements of Montea Comm VA as of and for the year ended 31 December 2014 (continued)**

In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, 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, 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 Board of Directors and the Company's officials the explanations and information necessary for performing our audit and 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 the Group as at 31 December 2014 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

**Report on other legal and regulatory requirements**

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard issued by the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 21 April 2015

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Weymeersch

Christel Weymeersch
Partner
15CW0291

## 7.8 Statutory financial accounts in shortened form of Montea Comm. VA as of 31 December 2014

In accordance with the provisions in Article 105 of the Belgian Company Code, the financial statements of Montea Comm. VA are presented as follows in shortened format.

### 7.8.1 Statutory balance sheet as of 31 December 2014 (in thousands of EUR)

| BALANCE SHEET<br>EUR (x 1.000) | IFRS - 31/12/2014<br>12 months | IFRS - 31/12/2013<br>12 months | IFRS - 31/12/2012<br>12 months |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | **302.117** | **275.588** | **248.469** |
| A. Goodwill | 0 | 0 | 0 |
| B. Intangible non-current assets | 125 | 114 | 141 |
| C. Investment properties | 241.902 | 228.270 | 198.295 |
| D. Other tangible non-current assets | 7.655 | 7.651 | 7.883 |
| E. Financial non-current assets | 52.405 | 39.521 | 42.119 |
| F. Finance lease receivables | 0 | 0 | 0 |
| G. Trade receivables and other non-current assets | 31 | 31 | 31 |
| H. Deferred taxes - Assets | 0 | 0 | 0 |
| I. Participations in associates and joint ventures according to the equity method | #VERW! | 0 | #VERW! |
| **CURRENT ASSETS** | **141.641** | **59.941** | **49.474** |
| A. Assets held for sale | 3.775 | 0 | 2.225 |
| B. Current financial assets | 0 | 0 | 0 |
| C. Finance lease receivables | 0 | 0 | 0 |
| D. Trade receivables | 8.603 | 4.780 | 3.780 |
| E. Tax receivables and other current assets | 116.821 | 45.025 | 36.071 |
| F. Cash and cash equivalents | 3.183 | 3.029 | 5.957 |
| G. Deferred charges and accrued income | 9.259 | 7.107 | 1.441 |
| **TOTAL ASSETS** | **443.758** | **335.529** | **297.943** |

| | | | |
|---|---|---|---|
| **LIABILITIES** | | | |
| **SHAREHOLDERS' EQUITY** | **182.946** | **138.457** | **123.229** |
| **SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY** | **182.946** | **138.457** | **123.229** |
| A. Capital | 176.062 | 137.537 | 128.340 |
| B. Share premium | 14.650 | 1.771 | 533 |
| C. Reserves | -13.894 | -16.821 | -2.541 |
| D. Net result of the financial year | 6.128 | 15.970 | -3.102 |
| **MINORITY INTERESTS** | **#VERW!** | **0** | **#VERW!** |
| **LIABILITIES** | **260.812** | **197.072** | **174.714** |
| **NON-CURRENT LIABILITIES** | **201.384** | **158.148** | **136.176** |
| A. Provisions | 0 | 0 | 208 |
| B. Non-current financial debts | 176.757 | 144.318 | 116.641 |
| C. Other non-current financial liabilities | 24.627 | 13.830 | 19.327 |
| D. Trade debts and other non-current debts | 0 | 0 | 0 |
| E. Other non-current liabilities | 0 | 0 | 0 |
| F. Deferred taxes - liabilities | 0 | 0 | 0 |
| **CURRENT LIABILITIES** | **59.428** | **38.924** | **38.537** |
| A. Provisions | 0 | 0 | 0 |
| B. Current financial debts | 50.752 | 28.529 | 31.851 |
| C. Other current financial liabilities | 0 | 0 | 0 |
| D. Trade debts and other current debts | 1.599 | 2.216 | 1.905 |
| E. Other current liabilities | 1.517 | 2.290 | 124 |
| F. Accrued charges and deferred income | 5.560 | 5.889 | 4.657 |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **443.758** | **335.529** | **297.943** |

## 7.8.2 Statutory profit and loss account as of 31 December 2014 (in thousands of EUR)

| PROFIT AND LOSS ACCOUNT<br>EUR (x 1.000) | IFRS - 31/12/2014<br>12 months | IFRS - 31/12/2013<br>12 months | IFRS - 31/12/2012<br>12 months |
|---|---|---|---|
| I. Rental income (+) | 19.208 | 18.102 | 14.523 |
| II. Write-back of lease payments sold and discounted (+) | 0 | 0 | 0 |
| III. Rental-related charges (+/-) | -982 | -278 | 91 |
| **NET RENTAL RESULT** | **18.226** | **17.824** | **14.614** |
| IV. Recovery of property charges (+) | 0 | 0 | 0 |
| V. Recovery of charges and taxes normally payable by tenants on let properties (+) | 2.877 | 2.703 | 2.465 |
| VI. Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease (-) | 0 | 0 | 0 |
| VII. Charges and taxes normally borne by tenants on let properties (-) | -3.322 | -3.232 | -3.004 |
| VIII. Other rental-related charges and income (+/-) | 1.182 | 1.252 | 1.666 |
| **PROPERTY RESULT** | **18.964** | **18.547** | **15.741** |
| IX. Technical costs (-) | -66 | -14 | -29 |
| X. Commercial costs (-) | -130 | -76 | -76 |
| XI. Charges and taxes of un-let properties (-) | -297 | -255 | -174 |
| XII. Property management costs (-) | -359 | -227 | -628 |
| XIII. Other property charges (-) | -9 | -39 | -115 |
| **PROPERTY CHARGES** | **-862** | **-611** | **-1.022** |
| **PROPERTY OPERATING RESULT** | **18.102** | **17.936** | **14.719** |
| XIV. General costs of the company (-) | -3.024 | -3.412 | -2.764 |
| XV. Other operating income and expenses (+/-) | -58 | -17 | 230 |
| **OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO** | **15.020** | **14.507** | **12.185** |
| XVI. Result on sale of investment properties (+/-) | 176 | 716 | 362 |
| XVII. Result on sale of other non-financial assets (+/-) | 0 | 0 | 0 |
| XVIII. Changes in fair value of investment properties (+/-) | -1.772 | -3.448 | -4.760 |
| XIX. Other portfolio result (+/-) | 0 | 0 | 0 |
| **OPERATING RESULT** | **13.424** | **11.776** | **7.787** |
| XX. Financial income (+) | 2.487 | 1.050 | 1.396 |
| XXI. Net interest charges (-) | -7.580 | -6.242 | -5.575 |
| XXII. Other financial charges (-) | -36 | -27 | -102 |
| XXIII. Changes in fair value of financial assets and liabilities (+/-) | -1.962 | 9.605 | -6.570 |
| **FINANCIAL RESULT** | **-7.090** | **4.386** | **-10.850** |
| XXIV. Share in the result of associates and joint ventures | 0 | | |
| **PRE-TAX RESULT** | **6.333** | **16.162** | **-3.063** |
| XXV. Corporate taxes (-) | -206 | -192 | -38 |
| XXVI. Exit tax (-) | 0 | 0 | 0 |
| **TAXES** | **-206** | **-192** | **-38** |
| **NET RESULT** | **6.128** | **15.970** | **-3.102** |
| Number of shares in circulation entitled to the result on the period | 7.782 | 6.588 | 5.634 |
| **NET RESULT PER SHARE in euro** | **0,79** | **2,42** | **-0,55** |

## 7.8.3 Abbreviated statutory statement of comprehensive income before profit appropriation at 31 December 2014 (in thousands of EUR)

| **Abbreviated statutory statement of compr. income before profit appropriation (EUR x 1.000)** | **31/12/2014**<br>12 months | **31/12/2013**<br>12 months | **31/12/2012**<br>12 months |
|---|---|---|---|
| **Net result** | **6.128** | **15.970** | **-3.102** |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties | -809 | -590 | -822 |
| Impact on changes in fair value of solar panels | #VERW! | -191 | -128 |
| Variations in the effective part of the fair value of the admitted heding instruments in the cash flow coverage | 0 | 0 | 0 |
| **Global result** | **#VERW!** | **15.189** | **-4.051** |
| Attributable to: | | | |
| Shareholders of the parent company | 5.256 | 15.187 | -4.056 |
| Minority interests | 0 | -2 | -4 |

### 7.8.4 Proposal for appropriation as of 31 December 2014 (in thousands of EUR)

| RESULT FOR APPROPRIATION<br>EUR (x 1.000) | | IFRS - 31/12/2014<br>12 months | IFRS - 31/12/2013<br>12 months | IFRS - 31/12/2012<br>12 months |
|---|---|---|---|---|
| **A.** | **NET RESULT** | **6.128** | **15.970** | **-3.102** |
| **B.** | **ADDITION TO / WITHDRAWAL FROM RESERVES (-/+)** | **9.134** | **-3.224** | **13.976** |
| **1.** | **Addition to / withdrawal from reserves for the (positive or negative) net amount in the changes in fair value of investment properties (-/+)** | **1.772** | **3.428** | **4.760** |
| 1a. | financial year | 1.772 | 3.428 | 4.760 |
| 1b. | previous financial years | 0 | 0 | 0 |
| 1c. | realisation of investment properties | | | |
| **2.** | **Addition to / withdrawal from reserves from the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)** | **0** | **0** | **0** |
| **3.** | **Addition from the reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting according to IFRS (-)** | **0** | **0** | **0** |
| 3a. | financial year | 0 | 0 | 0 |
| 3b. | previous financial years | 0 | 0 | 0 |
| **4.** | **Addition from the reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting according to IFRS (-)** | **1.962** | **0** | **8.033** |
| 4a. | financial year | 1.962 | 0 | 8.033 |
| 4b. | previous financial years | 0 | 0 | 0 |
| **5.** | **Addition to the reserve for the net amount of the changes in fair value of authorized hedges not qualifying for hedge accounting according to IFRS (-)** | **0** | **-5.497** | **0** |
| 5a. | financial year | 0 | -5.497 | 0 |
| 5b. | previous financial years | 0 | 0 | 0 |
| **6.** | **Addition to the reserve for the net amount of the changes in fair value of authorized hedges not qualifying for hedge accounting according to IFRS (-)** | **0** | **0** | **0** |
| 6a. | financial year | 0 | 0 | 0 |
| 6b. | previous financial years | 0 | 0 | 0 |
| **7.** | **Addition to / withdrawal from reserves of the net amount of exchange rate differences on monetary assets and liabilities (-/+)** | **0** | **0** | **0** |
| **8.** | **Addition to / withdrawal from reserves of deferred taxes on investment properties located abroad (-/+)** | **0** | **0** | **0** |
| **9.** | **Addition to / withdrawal from reserves for the dividends received, used for the reimbursement of the financial debts (-/+)** | **0** | **0** | **0** |
| **10.** | **Addition to / withdrawal from other reserves (-/+)** | **5.400** | **-1.155** | **-2.128** |
| **11.** | **Addition to / withdrawal from results carried forward from previous financial years (-/+)** | **0** | **0** | **3.311** |
| **C.** | **REMUNERATION OF THE CAPITAL IN ACCORDANCE WITH ART. 13** | **7.849** | **7.447** | **6.344** |
| **D.** | **REMUNERATION OF THE CAPITAL, - OTHER THAN C** | **7.412** | **5.299** | **4.529** |

### 7.8.5 Mandatory distribution as of 31 December 2014 (in thousands of EUR)

According to art. 13 of the RREC RD Montea must pay out, as remuneration of the capital, at least the positive difference between the following amounts and for the amount of the positive net result of the financial year and after auditing the transferred losses and the additives/extractions to/of the reserves as meant in point B. Additives/extractions reserves as defined in section 4 of part 1 of chapter 1 of the appendix C of the RREC RD:

1. 80% of the amount stipulated in the schedule of chapter III of Appendix C; and
2. the net decrease of the debt of the public RREC during the financial year.

| ART. 13 MANDATORY DISTRIBUTION<br>EUR (x 1.000) | IFRS - 31/12/2014<br>12 months |
|---|---|
| **Positive difference (1) - (2)** | **7.849** |
| **80% of the amount defined by the scheme in Annex C of Chapter III (1)** | **7.849** |
| Corrected result (A) + net gains (B) | 9.812 |
| Corrected Result + net realized gains on property not exempt from the mandatory distribution (A) | 9.812 |
| Net result | 6.128 |
| + Amortizations | 127 |
| + Depreciations | 0 |
| - Write-back of depreciations | -1 |
| - Write-back of lease payments sold and discounted | 0 |
| +/- Other non-monetary elements | 1.962 |
| +/- Result on sale of property | -176 |
| +/- Changes in fair value of property | 1.772 |
| Realised net gains on property assets not exempt from the mandatory distribution (B) | 0 |
| +/- realized net gains and losses of the financial year | 0 |
| - realized net gains on property assets during the year, exempt from mandatory distribution if reinvested within 4 years | 0 |
| + realized net gains on property assets previously exempt from mandatory distribution, that were not reinvested within 4 years | 0 |
| **Net decrease of the debt (2)** | **0** |
| The changes in debt in function of the calculation of the debt ratio | 53.273 |
| Total Liabilities | 63.534 |
| Non-current liabilities - authorized hedges | 10.796 |
| Non-current liabilities - provisions | 0 |
| Non-current liabilities - deferred taxes | 0 |
| Current liabilities - authorized hedges | 0 |
| Current liabilities - provisions | 0 |
| Current liabilities - transitory Accounts | -535 |

According to this calculation Montea is obliged to pay a dividend of EUR 7,849K.

### 7.8.6 Art. 617 Company Code

As a company, Montea is also required to abide by article 617 of the Company Code under which Montea may not pay a dividend if the net asset value, as the result of a payment being made, would to be less than the amount of the capital combined with the reserves not available for distribution.

According to the table below, Montea still has a buffer of EUR 10,560K after paying the proposed dividend of EUR 1.97.

| ARTICLE 617 OF THE COMPANY CODE<br>EUR (x 1.000) | IFRS - 31/12/2014<br>12 months | IFRS - 31/12/2013<br>12 months | IFRS - 31/12/2012<br>12 months |
|---|---|---|---|
| Paid-up capital or if larger, called-up capital (+) | 176.062 | 137.537 | 128.340 |
| Share premium account unavailable for distribution according to the articles of association (+) | 14.650 | 1.771 | 533 |
| Reserve for the positive net amount of the changes in fair value of investment properties (+) | 0 | 0 | 0 |
| Reserve for the impact of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-) | -8.898 | -8.089 | -7.499 |
| Reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting according to IFRS (+/-) | 0 | 0 | 0 |
| Reserve for the net amount of the changes in fair value of authorized hedges not qualified for hedge accounting according to IFRS (+/-) | -24.627 | -13.830 | -19.327 |
| Reserve for the net amount of exchange rate differences on monetary assets and liabilities (+) | 0 | 0 | 0 |
| Reserve for the translation differences, coming from activities abroad (+/-) | 0 | 0 | 0 |
| Reserve for own actions | -639 | -639 | -639 |
| Reserve for the net amount of the changes in fair value of financial assets held for sale (+/-) | 0 | 0 | 0 |
| Reserve for actuarial gains and losses on defined benefit pension plans (+) | 0 | 0 | 0 |
| Reserve for deferred taxes on investment properties located abroad (+) | 0 | 0 | 0 |
| Reserve for received dividends used for the reimbursement of financial debts (+) | 0 | 0 | 0 |
| Other reserves declared unavailable by the Annual General Meeting (+) | 1 | 1 | 1 |
| Legal reserve (+) | 835 | 829 | 30 |
| **Non-distributable shareholders' equity in accordance with Article 617 of the company code** | **157.384** | **117.580** | **101.438** |
| | | | |
| Net assets before distribution of dividends | 182.946 | 138.457 | 123.229 |
| Proposed dividend payments | 15.262 | 12.978 | 10.874 |
| **Net assets after distribution of dividends** | **167.684** | **125.479** | **112.355** |
| | | | |
| **Remaining margin after dividend distribution** | **10.300** | **7.899** | **10.917** |

At the end of 2014, the remaining margin, after dividend payment, rose to EUR 10,279,000 because the net assets of the RREC rose relatively more than the amount of the non-distributable equity capital (both calculated in line with article 617 of the Companies' Code).
After payment, the net assets will be lower than the Company's paid-up capital.

### 7.8.7 Summary of the variations in the statutory equity capital and reserves at 31st December 2014

| CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000) | Share capital | Share premiums | Reserves | Result | Deduction of transfer rights and costs | Shareholders' equity |
|---|---|---|---|---|---|---|
| **ON 31/12/2012** | **128.340** | **533** | **4.958** | **-3.102** | **-7.499** | **123.229** |
| | | | | | | |
| **Elements directly recognized as equity** | | | | | | |
| Capital increase | 9.197 | 1.239 | 0 | 0 | 0 | 10.436 |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties | 0 | 0 | 590 | 0 | -590 | 0 |
| Positive change in value of solar panels (IAS 16) | 0 | 0 | -191 | 0 | 0 | -191 |
| Own shares | 0 | 0 | 0 | 0 | 0 | 0 |
| Own shares held for employee option plan | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 |
| Corrections | 0 | 0 | -113 | 0 | 0 | -113 |
| **Subtotal** | **0** | **0** | **-13.975** | **19.072** | **0** | **5.097** |
| Dividends | 0 | 0 | -10.874 | 0 | 0 | -10.874 |
| Result carried forward | 0 | 0 | -3.102 | 3.102 | 0 | 0 |
| Result for the financial year | 0 | 0 | 0 | 15.970 | 0 | 15.970 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| **ON 31/12/2013** | **137.537** | **1.771** | **-8.732** | **15.970** | **-8.089** | **138.456** |
| | | | | | | |
| **Elements directly recognized as equity** | **38.525** | **12.879** | **#VERW!** | **0** | **-809** | **51.339** |
| Capital increase | 38.524 | 12.879 | 0 | 0 | 0 | 51.403 |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties | 0 | 0 | 809 | 0 | -809 | 0 |
| Positive change in value of solar panels (IAS 16) | 0 | 0 | #VERW! | 0 | 0 | #VERW! |
| Own shares | 0 | 0 | #VERW! | 0 | 0 | #VERW! |
| Own shares held for employee option plan | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 |
| Corrections | 1 | 0 | -2 | 0 | 0 | -1 |
| **Subtotal** | **0** | **0** | **2.992** | **-9.843** | **0** | **-6.850** |
| Dividends | 0 | 0 | -12.978 | 0 | 0 | -12.978 |
| Result carried forward | 0 | 0 | 15.970 | -15.970 | 0 | 0 |
| Result for the financial year | 0 | 0 | 0 | 6.128 | 0 | 6.128 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| **ON 31/12/2014** | **176.062** | **14.650** | **#VERW!** | **6.128** | **-8.898** | **182.946** |

| MUTATION OF RESERVES ('000 EUR) | Statutory reserve | Reserve for the balance changes in fair value of the property | Reserve for the impact on the fair value of estimated transaction costs resulting from hypothetical alienation of investment properties (-) | Reserve for the balance changes in fair value of authorized hedging instruments not subject to hedges accounting under IFRS (-) | Reserve for own shares | Other reserves | Result transferred from previous financial year (+/-) |
|---|---|---|---|---|---|---|---|
| **AT 31/12/2012** | **30** | **-15.882** | **-7.499** | **-11.294** | **0** | **0** | **0** |
| Mutation during the financial year | 0 | -4.887 | -590 | -8.033 | -639 | 0 | 0 |
| **AT 31/12/2013** | **30** | **-20.769** | **-8.089** | **-19.327** | **-639** | **0** | **0** |
| Mutation during the financial year | 799 | -3.620 | 8.089 | 5.497 | 0 | 0 | 0 |
| **AT 31/12/2014** | **829** | **-24.389** | **0** | **-13.830** | **-639** | **0** | **0** |

## 8. Permanent documents

### 8.1 General information

Montea is a public regulated real estate company under Belgian law specialised in logistics and semi-industrial real estate in Belgium and France. Montea has been listed on the NYSE Euronext Bruxelles since October 2006 and on the Euronext Paris since December 2006. The activities of Montea as an RREC began on 1 October 2006, by joining different property portfolios. The company is a leading player on this growing market. In this context, Montea offers its clients more than merely storage space, namely flexible, innovative real estate solutions.

Montea is a member of AFILOG (the French Association of Logistics Operators), of Logistics in Wallonia and of the VIL (Flanders Institute for Logistics).

Its French permanent establishment has been granted SIIC (Société d'Investissements Immobiliers Cotée) status.

#### 8.1.1 Registered office

The registered and administrative office of Montea Comm. VA in Belgium is at B-9320 Erembodegem (Aalst) Industrielaan 27. The headquarters of the permanent establishment in France, Montea SCA, established on 1 October 2010 are located at F-75008 Paris, 18- 20 Place de la Madeleine. The headquarters of the permanent establishment in the Netherlands, Montea Nederland NV, established on 25 September 2013 are at 1118 BH Amsterdam Schiphol, WTC, Schiphol Airport, Schiphol Boulevard 231.

#### 8.1.2 Register of legal entities

The company is registered in the Register of Legal Entities (Dutch: RPR) of Dendermonde under the number 0417.186.211. Its VAT number is BE 0417.186.211.

The permanent establishment in France is registered in the "registre du commerce et des sociétés" of Paris under the number 497 673 145. Its VAT number is FR 06497 673 145.

The permanent establishment in the Netherlands is registered at Rotterdam under the RSIN/FI-number 853631712801. Its VAT number is NL85361712801.

#### 8.1.3 Founding, company type and publication

Montea, the Joint Stock Company under Belgian law,[114] was established on 26th February 1977 in the form of a public limited company under the name of Parou, in accordance with a deed executed before Notary Eric Loncin in Puurs, published in the Annexes to the Belgian Official Gazette on 16th March 1977, under number 836-1. Since 1st October 2006, Montea has been accredited as a public property investment company, with fixed capital under Belgian law, abbreviated to a public property trust (sicafi) under Belgian law, registered with the FSMA.

[114] NV Parou was established on 26th February 1977 by Mr Pierre De Pauw, Mrs Marie-Christine De Pauw, Mr Albert De Pauw, Mr Jozef Roumieux, Mr Lucas Roumieux, Mr Joseph Molleman and Mrs Maria Biesemans. In 2006, the name was changed to Montea NV. On 1st October 2006, the public limited company was converted to a joint stock company.

On 22nd September 2014, Montea was accredited by the FSMA as a public regulated real estate company under Belgian law. This accreditation came into effect on 30th September 2014, this being the date on which the extraordinary general meeting of Montea voted to accept the new status.

The Company is subject to the Act of 12th May 2014 and the Royal Decree of 13th July 2014 regarding regulated real estate companies.

The articles of association have been amended on several occasions, most recently on 30th September 2014, pursuant to a deed executed before notary Vincent Vroninks in Elsene.

The Company makes a public appeal for savings funds in the sense of article 438 of the Companies' Code.

### 8.1.4 Duration

The company was established for an indefinite duration.

### 8.1.5 Financial year

The financial year starts on 1 January and ends on 31 December of every year, except for the first financial year that started on 1 October 2006 and closed on 31 December 2007 and thus lasted 15 months.

### 8.1.6 Places where the public documents can be consulted

The articles of association of the company can be found at the Registry of the Commercial Court of Dendermonde and at the Montea headquarters and on the website www.montea.com.

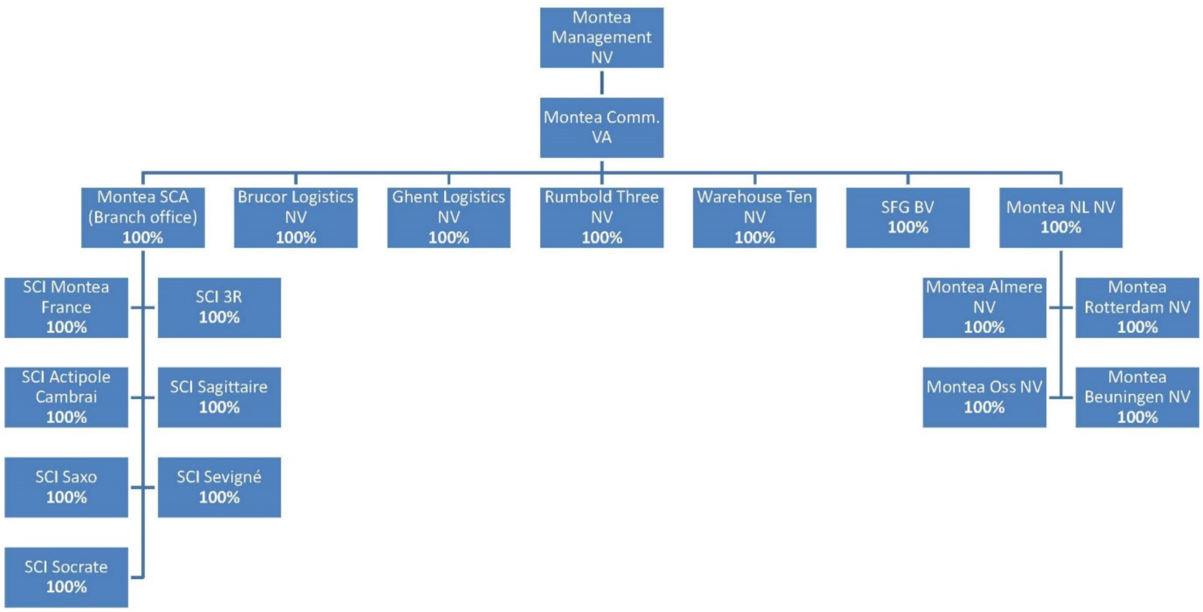
The statutory and consolidated accounts of Montea were deposited at the National Bank of Belgium, in accordance with statutory provisions. The decisions regarding appointment and dismissal of members of the Board of directors, are published in the annexes to the Belgian Official Gazette.

The meeting notices of the General Meetings are published in the annexes to the Belgian Official Gazette and in two financial newspapers. These meeting notes and all documents relating to the General Meetings are also available on the website www.montea.com.

All press releases and other financial information distributed by Montea can be found on the website www.montea.com. The annual reports can be obtained at the registered office of the company or can be viewed on the website www.montea.com. Each year, they are sent to the registered shareholders and to the individuals requesting them. The annual reports include the reports of the property expert and of the auditor.

### 8.1.7 Group structure

The Montea Group included the following companies at 31/12/2014:




**Montea Management NV**
Industrielaan 27, box 6, B-9320 Erembodegem (Aalst)
RCB Dendermonde 882.872.026 | VAT BE0882.872.026

On 1 October 2006, this company was appointed as Manager and in this capacity manages Montea Comm. VA and its subsidiaries. The company's purpose, in Belgium and abroad, in its own name or on behalf of third parties, for its own account or on behalf of third parties, is to perform actions that are necessary or useful for achieving the civic purpose of Montea Comm. VA. The company, as Manager of Montea Comm. VA, acts in the exclusive interest of all shareholders. The manager assesses a fee from the company each year for the carrying out of its functions[115].

1. **Montea Comm. VA**
   Industrielaan 27, bus 6, B-9320 Erembodegem (Aalst)
   RPR-RCB Dendermonde 417.186.211 | VAT BE0417.186.211
   Montea Comm. VA is a public regulated real estate company under Belgian law, regulated by the Law of 12 May 2014 and the RD of 13 July 2014 on RRECs.

2. **Montea SCA[116] (Branch office) (100%)**

   Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
   RCS PARIS 497 673 145 00023 | VAT FR06497673145

   In order to expand its real estate activity in France, Montea established a branch office under the name Montea SCA, which also acquired the SIIC status as of 24 April 2007. Through this permanent establishment, Montea holds shares in seven French companies.

[115] See chapter “Remuneration of the Manager and the Board of Directors”.
[116] Société d’Investissements Immobiliers Cotée.

3. **SCI[117] Montea France (100%)**
Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
RCS PARIS 493 288 948 00018 | VAT FR33493288948

    a. **SCI 3R (95%)**
    Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
    SIRET business registration number: RCS NANTERRE 400 790 366 | VAT FR44400790366

    By 1 October 2007 Montea had acquired, via its French permanent establishment, 95% of the shares in the French company SCI 3R for approximately EUR 1.8 million. SCI 3R owns a warehouse in Feuquières near Amiens that is let to Debflex for a fixed period of 9 years. The agreement was carried out through the purchase of shares of the company holding the the building. In the final quarter of 2007, the option for purchasing the building was also drawn up by SCI 3R[118].

    b. **SCI Actipole Cambrai (100%)**
    Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
    SIRET business registration number: RCS NANTERRE 501 414 254 | VAT FR45501414254

    c. **SCI Sagittaire (100%)**
    Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
    SIRET business registration number: RCS PARIS 433 787 967 | BTW FR79433787967

    d. **SCI Saxo (100%)**
    Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
    SIRET business registration number: RCS PARIS 485 123 129 | VAT FR23485123129

    e. **SCI Sévigné (100%)**
    Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
    SIRET business registration number: RCS PARIS 438 357 659 | VAT FR48438357659

    f. **SCI Socrate (100%)**
    Registered office: FR-75008 Paris, 18-20 Place de la Madeleine
    SIRET business registration number: RCS PARIS 481 979 292 | VAT FR16481979292

4. **Rumbold Three NV (100%)**
Registered office: Industrielaan 27, box 6, B-9320 Erembodegem (Aalst)
VAT BE 0885.445.197

5. **Warehouse Ten NV (100%)**
Registered office: Industrielaan 27, box 6, B-9320 Erembodegem (Aalst)
VAT BE 0899.651.046

6. **Brucor Logistics NV (100%)**
Registered office:Industrielaan 27, box 6, B-9320 Erembodegem (Aalst)
VAT BE 0534.920.851

7. **Ghent Logistics NV (100%)**
Registered office: Industrielaan 27, box 6, B-9320 Erembodegem (Aalst)
VAT BE0861.586.563

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[117] Société Civile Immobilière or civil property company.
[118] The current tenant Debflex is still owner of 5% of the shares of SCI 3R.

8. **SFG BV (100%)**
   Registered office: Industrielaan 27, bus 6, B-9320 Erembodegem (Aalst)
   VAT NL853810151B01

9. **Montea Nederland NV (100%)**
   Registered office: WTC Schiphol Airport, Schiphol Boulevard 231, B-Tower, 5th Floor, NL-1118 BH Amsterdam Schiphol
   VAT NL853208785B01

   a. **Montea Almere NV (100%)**
      Registered office: WTC Schiphol Airport, Schiphol Boulevard 231, B-Tower, 5th Floor, NL-1118 BH Amsterdam Schiphol | VAT NL853209625B01
   b. **Montea Rotterdam NV (100%)**
      Registered office: WTC Schiphol Airport, Schiphol Boulevard 231, B-Tower, 5th Floor, NL-1118 BH Amsterdam Schiphol | VAT NL853631712B01
   c. **Montea Oss NV (100%)**
      Registered office: **WTC Schiphol Airport, Schiphol Boulevard 231, B-Tower, 5th Floor, NL-1118 BH** Amsterdam Schiphol | VAT NL854488522B01
   d. **Montea Beuningen NV (100%)**
      Registered office: WTC Schiphol Airport, Schiphol Boulevard 231, B-Tower, 5th Floor, NL-1118 BH Amsterdam Schiphol | VAT NL854488339B01

At the end of the 2014 financial year, the company headcount was 13 persons, 10 of whom are employed in Belgium and 3 in France.
The operational management of the public RREC is carried out by an internal team of Montea in Belgium and France, assisted where required by external advisers in the Netherlands. It puts forward efficient and flexible solutions for improving the quality and sustainability of the portfolio.

The operational technical management and maintenance of the buildings, as well as the coordination of current building and renovation works, are monitored by Montea's own staff. The team submits a maintenance and renovation schedule to the investment committee and the Board of Directors to safeguard the optimum profitability of the portfolio in the long term.

At the end of the 2013 financial year, the company headcount was 11 persons, 9 of whom are employed in Belgium and 2 in France.

The table below presents a summary of the portfolio of the RREC and its subsidiaries on an individual basis.

| MONTEA SPACE FOR GROWTH | Number of sites | Fair value of the real estate assets (K€) | Fair value of the solar panels (K€) | Fair value of developments (K€) |
|---|---|---|---|---|
| **Property portfolio** | **41** | **400.916** | **7.527** | **16.295** |
| | | | | |
| **Belgium** | **22** | **223.741** | **7.527** | **0** |
| Montea Comm. VA | 18 | 183.791 | 7.527 | 0 |
| Ghent Logistics | 1 | 6.490 | **0** | 0 |
| Brucor Logistics | 1 | 4.360 | **0** | 0 |
| Warehouse Ten SA | 1 | 14.800 | **0** | 0 |
| Rumbold Three SA | 1 | 14.300 | **0** | 0 |
| | | | | |
| **France** | **15** | **120.725** | **0** | **0** |
| SCA Montea | 5 | 62.495 | 0 | 0 |
| SCI Montea France | 4 | 27.525 | 0 | 0 |
| SCI 3R | 1 | 1.495 | 0 | 0 |
| SCI Actipole Cambrai | 1 | 6.220 | 0 | 0 |
| SCI Sagittaire | 1 | 8.010 | 0 | 0 |
| SCI Sevigné | 1 | 7.600 | 0 | 0 |
| SCI Socrate | 1 | 5.015 | 0 | 0 |
| SCI Saxo | 1 | 2.365 | 0 | 0 |
| | | | | |
| **Netherlands** | **4** | **56.450** | **0** | **16.295** |
| Montea Almere SA | 1 | 15.800 | 0 | 0 |
| Montea Rotterdam SA | 1 | 14.000 | 0 | 0 |
| Montea Beuningen SA | 1 | 13.420 | 0 | 0 |
| SFG BV | 1 | 13.230 | 0 | 16.295 |

## 8.2 Registerd capital

Montea's consolidated company capital is EUR 178,414,971.96, including the costs for capital raising and variations in the value of own shares.

| SHARE CAPITAL AND SHARES | (x EUR 1.000) | Number of shares |
|---|---|---|
| Foundation | 62.380 | 2.855.607 |
| **ON 31/12/2007** | **62.380** | **2.855.607** |
| Capital increase (press release 26 March 2008)<br>Partial split where the real estate industry of Unilever Belgium BVBA is transferred to Montea" | 21.972 | 729.747 |
| **ON 31/12/2008** | **84.352** | **3.585.354** |
| Capital decrease (press release 7 December 2009)<br>Capital decrease by incorporation of losses (from EUR 84,352,467.07 to EUR 68,964,362.33). | -15.388 | 0 |
| **ON 31/12/2009** | **68.964** | **3.585.354** |
| Capital increase through cash contribution(press release 7 May 2010)<br>Emission of 2,048,772 new shares at EUR 19.50 per share | 39.418 | 2.048.772 |
| **ON 31/12/2010** | **108.382** | **5.634.126** |
| | 0 | 0 |
| **ON 31/12/2011** | **108.382** | **5.634.126** |
| Capital increase (press release 11 December 2012)<br>for the acquisition of shares of Warehouse 9 through purchase / sales agreement | 21.104 | 814.148 |
| **ON 31/12/2012** | **129.486** | **6.448.274** |
| Capital increase (press release 19 June and 19 December 2013)<br>Acquisition of shares of Acer Parc NV through purchase / sales agreement (press release of 19 June 2013) | 2.804 | 139.622 |
| Capital increase in the framework of authorised capital<br>Acquistion through acquisition in kind of shares of Ghent Logstics NV (press release of 19 December 2013) | 6.477 | 221.066 |
| **ON 31/12/2013** | **138.767** | **6.808.962** |
| Capital increase in the framework of autohorised capital<br>(see press release 24 June 2014) | 39.648 | 1.945.416 |
| **ON 31/12/2014** | **178.415** | **8.754.378** |

The capital is represented by 8,754,378 completely paid up ordinary shares with no par value. There are no privileged shares. Each of these shares confer a vote at the General Meeting and these shares represent therefore the denominator for purposes of notification in case of reaching, exceeding or falling below the statutory or regulatory barriers (transparency regulations).

The Manager was authorised by the extraordinary general meeting held on 30th September 2014 to increase the share capital on the dates and terms decided by the Manager, on one or more occasions, by the amount of EUR 178,414,971.96. This authorisation is valid for a period of five years from this publication of the minutes of the extraordinary general meeting, i.e. until 21st October 2019. This authorisation is renewable.

No further use has been made of the authorised capital since 30/09/2014.

## 8.3 Statements

### 8.3.1 Responsible persons

The Manager of Montea, Montea Management NV, with registered office at Industrielaan 27, 9320 Erembodegem, is responsible for the information provided in this annual financial report. The Manager has verified this information to the best of his ability. He certifies that, to his knowledge, the information contained in this annual financial report is in accordance with the facts, and that no information or data have been omitted, whereby the disclosure of which would change the purpose of this annual financial report.

The Board of Directors of Montea Management NV states that:

- the financial statements prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial situation and results of the issuer and its consolidated companies;
- the annual financial report includes a fair summary of the development and performance of the company and the position of the issuer and the companies included in the consolidation, as well as a description of the principal risks and uncertainties that they face.

### 8.3.2 Third-party information

The statutory Manager, Montea Managmeent NV, certifies that the information provided by the experts and the recognised auditor was faithfully reproduced. To the extent that the statutory manager is aware of and able to ensure this in the light of information published by third parties, no fact was omitted whereby the information shown could be wrong or misleading[119].

### 8.3.3 Forward-looking statements

This annual report includes forward-looking statements. Such statements are based on estimates and forecasts of the company and naturally contain unknown risks, uncertainties and other factors that could result in the results, financial situation, performance and current achievements being different from those expressed or implicitly indicated in these forward-looking statements. Given these uncertainties the forward-looking statements provide no guarantee.

### 8.3.4 Arbitration procedures

The Board of Directors of Montea Management NV states that there are no government interventions, no lawsuits or arbitration proceedings pending that might have a relevant effect on the financial situation or profitability of Montea and that, to the Board's knowledge, there are no situations or incidents that might lead to such government interventions, lawsuits or arbitration proceedings.

[119] Montea hereby confirms that it has received permission for publishing the information of third parties in this report.

### 8.3.5 Statements on Directors

The Board of Directors of Montea Management NV states that to their knowledge:

- during the previous five years (i) no single director was convicted of fraud, (ii) there was no director, in the capacity of member of the administrative, managerial or supervisory body, involved in a bankruptcy, suspension or dissolution, (iii) no director was accused and/or the subject of a public official nominative sentence pronounced by a statutory or regulatory body, and (iv) there was no director declared incompetent by a court to act as a member of the administrative, managerial or supervisory body of an issuer of financial instruments or to intervene in the management or administration of the affairs of an issuer or in connection with the management or the exercise of the activities of an issuing institution. Montea points out that one of its directors, for events prior to his post in Montea and without connection with Montea, had been the subject of a final administrative penalty in relation to Article 25, first paragraph, 1°, a) of the Act of 2 August 2002 on the supervision of the financial sector and financial services. This penalty was the subject of a non-personal notice. By "directors" are also meant the permanent representatives of the directors-legal entities.
- no employment contract was concluded with the directors providing for the payment of compensation by the end of the contract. There is a management contract between the Montea Management NV and the directors providing for the payment of a fee[120].
- the directors do not own shares of Montea.
- the fact that up to now, with exeption of the executive directors and some members of the executive management, no options for shares of Montea have been granted.

No changes of any significance have occurred since 31st December 2014 in the group's financial and trading position for which controlled financial information has been published.

### 8.3.6 Statements on financial accounts

As from chapter 7 in this annual report, the consolidated and statutory financial statements of 2014 are compared with the financial accounts of 2013 and 2012. For more information regarding the notes over 2013 and 2012, we refer to the respectively annual reports of 2013 and 2012 published on the website of Montea (www.montea.com).

## 8.4 Articles of Association

The most recent version dates from the capital increase of 30 September 2014 and is only available in Dutch and in French. Each amendment to the articles of association of Montea has to be made in accordance with the rules set forth in the Company Code, the RREC Act and the RREC RD.

This is the Dutch version.

**OPRICHTINGSAKTE:**

De vennootschap werd opgericht krachtens akte verleden voor Meester Eric Loncin, Notaris te Puurs, op 26 februari 1977, bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 16 maart nadien, onder nummer 836-1.

**WIJZIGENDE AKTEN:**

- processen-verbaal opgemaakt door notaris **François De Clippel**, te Dendermonde, op 1 oktober 2006, houdende onder meer wijziging van het doel, omzetting van de vennootschap in een commanditaire vennootschap op aandelen met bevakstatuut, en houdende ondermeer voorwaardelijke fusies met verschillende vennootschappen en kapitaalverhogingen door inbrengen in natura, bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 24 oktober 2006 onder de nummers 20061024/0162795-0162796-0162797-0162798-0162799-

[120] See chapter "Executive Management and day-to-day management of the Manager"

0162800-0162801-0162802-0162803, welke akten werden bekrachtigd bij akte op 17 oktober 2006, bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 6 december daarna, onder nummer 20061206-0182828.

- proces-verbaal verleden voor notaris **François De Clippel**, te Dendermonde, op 19 december 2007, waarvan een uittreksel werd bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 18 januari 2008, onder nummer 08011153.
- proces-verbaal opgemaakt door notaris **Vincent Vroninks**, geassocieerd notaris te Elsene, op 25 maart 2008, houdende kapitaalverhoging als gevolg van de partiële splitsing van de vennootschap "Unilever Belgium", waarvan een uittreksel werd bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 9 april daarna, onder nummer 08052478.
- proces-verbaal opgemaakt door notaris **Nicolas Moyersoen**, notaris te Aalst, vervangende zijn ambtsgenoot notaris **Vincent Vroninks**, notaris te Elsene, territoriaal belet, op 17 november 2008, houdende wijzigingen aan de statuten, waarvan een uittreksel werd bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van elf december daarna, onder nummer 08191881.
- proces-verbaal opgemaakt door notaris **Nicolas Moyersoen**, notaris te Aalst, vervangende zijn ambtsgenoot notaris **Vincent Vroninks**, notaris te Elsene, territoriaal belet, op 31 december 2009, houdende wijzigingen aan de statuten, waarvan een uittreksel werd bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 27 januari daarna, onder nummer 10014627.
- proces-verbaal opgemaakt door notaris Vincent Vroninks, voornoemd, op 2 juli 2010, houdende kapitaalverhoging en wijziging van artikel 6 van de statuten, waarvan een uittreksel werd bekendgemaakt in de Bijlage tot het Belgisch Staatsblad van 15 juli daarna, onder nummer 10105283.
- proces-verbaal opgemaakt door notaris Nicolas Moyersoen, voornoemd, vervangende zijn ambtsgenoot notaris Vincent Vroninks, geassocieerd notaris te Elsene, territoriaal belet, op 17 mei 2011, houdende wijzigingen aan de statuten, waarvan een uittreksel werd bekendgemaakt in de bijlagen bij het Belgisch Staatsblad van 22 juni daarna, onder nummer 11092467.
- proces-verbaal opgemaakt door notaris Vincent Vroninks, geassocieerd notaris te Elsene, op 20 december 2012, houdende wijziging aan de statuten, waarvan een uittreksel werd bekendgemaakt in de bijlagen bij het Belgisch Staatsblad van 24 januari 2013, onder nummer 13014427.
- proces-verbaal opgemaakt door notaris Vincent Vroninks, geassocieerd notaris te Elsene, op 20 juni 2013, houdende vaststelling kapitaalverhoging in het kader van het toegestaan kapitaal door middel van een inbreng in natura in de context van een keuzedividend – wijziging aan de statuten, waarvan een uittreksel werd bekendgemaakt in de bijlagen bij het Belgisch Staatsblad van 3 juli daarna, onder nummer 0101481.
- proces-verbaal opgemaakt door notaris Vincent Vroninks, geassocieerd notaris te Elsene, op 19 december 2013, houdende vaststelling kapitaalverhogingen in het kader van het toegestaan kapitaal door middel van een inbreng in natura – wijziging aan de statuten, bekendgemaakt in de bijlagen bij het Belgisch Staatsblad van 6 januari daarna, onder nummer 14006289.
- proces-verbaal opgemaakt door notaris Vincent Vroninks, geassocieerd notaris te Elsene, op 24 juni 2014, houdende vaststelling kapitaalverhogingen in het kader van het toegestaan kapitaal – wijziging aan de statuten, bekendgemaakt in de bijlagen bij het Belgisch Staatsblad van 31 juli daarna, onder nummer 14147364.
- proces-verbaal opgemaakt door notaris Stijn Raes, geassocieerd notaris te Gent, vervangende zijn ambtgenoot, notaris Vincent Vroninks, voornoemd, territoriaal belet, op 30 september 2014, houdende ondermeer machtiging inzake het toegestaan kapitaal – wijziging aan de statuten – doelwijziging).

Deze lijst is afgesloten na het opstellen van de gecoördineerde tekst van de statuten naar aanleiding van het proces-verbaal, opgemaakt door notaris Vincent Vroninks, voornoemd, op 30 september 2014.

## STATUTEN:

**HOOFDSTUK I – NAAM – DUUR - ZETEL – DOEL ARTIKEL 1. NAAM**

**Artikel 1 – Vorm en benaming**

1.1. De Vennootschap heeft de vorm van een commanditaire vennootschap op aandelen met de benaming: "Montea".

1.2. De Vennootschap is een openbare gereglementeerde vastgoedvennootschap (afgekort, openbare GVV) zoals bedoeld in artikel 2, 2°, van de wet van 12 mei 2014 betreffende de gereglementeerde vastgoedvennootschappen (hierna de GVV wet genoemd) waarvan de aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en die haar financiële middelen in België of in het buitenland aantrekt via een openbaar aanbod van aandelen. De maatschappelijke benaming van de Vennootschap wordt voorafgegaan of gevolgd door de woorden "openbare gereglementeerde vastgoedvennootschap naar Belgisch recht" of "Openbare GVV naar Belgisch recht" en alle documenten die van de Vennootschap uitgaan bevatten dezelfde vermelding. De Vennootschap is onderworpen aan de GVV wet en aan het koninklijk besluit van 13 juli 2014 betreffende de gereglementeerde vastgoedvennootschappen (hierna het GVV koninklijk besluit genoemd) (deze wet en dit koninklijk besluit worden hierna samen de GVV wetgeving genoemd).

1.3. De Vennootschap doet een openbaar beroep op het spaarwezen zoals bedoeld in het artikel 438 van het Wetboek van vennootschappen.

**Artikel 2 - Beherende vennoten - aandeelhouders**

De Vennootschap is samengesteld uit twee categorieën van vennoten:

1. de naamloze vennootschap Montea Management, beherende vennoot die onbeperkt aansprakelijk is voor de verbintenissen van de Vennootschap. De beherende vennoot neemt de functies waar van het beheer van de vennootschap overeenkomstig het artikel 11 van de statuten.

2. de aandeelhouders die slechts aansprakelijk zijn ten belope van hun inbreng en dit zonder hoofdelijkheid.

Zij mogen zich in geen enkel geval mengen met het beheer van de Vennootschap.

Zij kunnen echter wel handelen in de hoedanigheid van lasthebber.

**ARTIKEL 3. ZETEL**

De maatschappelijke zetel is gevestigd te B-9320 Erembodegem, Industrielaan 27. Hij kan bij eenvoudig besluit van de zaakvoerder worden overgebracht naar eender welke andere plaats in België mits naleving van de taalwetten; de zaakvoerder geniet de volledige bevoegdheid om de wijziging in de statuten die eruit voortvloeit authentiek te laten vaststellen.

De Vennootschap kan bij eenvoudig besluit van zaakvoerder zowel in België als in het buitenland administratieve zetels, filialen of agentschappen oprichten.

**ARTIKEL 4. DOEL**

4.1. De Vennootschap heeft uitsluitend als doel:

(a) om rechtstreeks of via een vennootschap waarin zij een deelneming bezit conform de bepalingen van deze wet en de ter uitvoering ervan genomen besluiten en reglementen, onroerende goederen ter beschikking te stellen van gebruikers; en

(b) om, binnen de grenzen van de GVV wetgeving, vastgoed te bezitten zoals vermeld in artikel 2, 5°, vi tot x van de GVV wet.

Onder vastgoed wordt verstaan, het vastgoed in de zin van de GVV wetgeving.

In het kader van de terbeschikkingstelling van onroerende goederen, kan de Vennootschap met name alle activiteiten uitoefenen die verband houden met de oprichting, de verbouwing, de renovatie, de ontwikkeling, de verwerving, de vervreemding, het beheer en de exploitatie van onroerende goederen.

4.2. De Vennootschap kan bijkomend of tijdelijk beleggen in effecten die geen vastgoed zijn in de zin van de GVV wetgeving. Deze beleggingen zullen uitgevoerd worden in overeenstemming met het risicobeheerbeleid aangenomen door de Vennootschap en zullen gediversifieerd zijn, zodat zij een passende risicodiversificatie verzekeren. De Vennootschap mag eveneens niet-toegewezen liquide middelen aanhouden in alle munten in de vorm van zicht- of termijndeposito's of in de vorm van enig ander gemakkelijk verhandelbaar monetair instrument.

De Vennootschap mag bovendien verrichtingen betreffende afdekkingsinstrumenten aangaan, voor zover deze er uitsluitend toe strekken het rente- en wisselkoersrisico te dekken in het kader van de financiering en het beheer van het vastgoed van de Vennootschap en met uitsluiting van elke verrichting van speculatieve aard.

4.3. De Vennootschap mag één of meer onroerende goederen in leasing nemen of geven. De activiteit van het met aankoopoptie in leasing geven van onroerende goederen mag alleen als bijkomstige activiteit worden uitgeoefend, tenzij deze onroerende goederen bestemd zijn voor een doel van algemeen belang met inbegrip van sociale huisvesting en onderwijs (in dit geval mag de activiteit als hoofdactiviteit worden uitgeoefend).

4.4. De Vennootschap kan zich door middel van een fusie of op een andere wijze, interesseren in alle zaken, ondernemingen of vennootschappen met een soortgelijk of aanvullend doel en die van dien aard zijn dat ze de ontwikkeling van haar bedrijf zullen promoten en, in het algemeen, kan ze alle verrichtingen uitoefenen die rechtstreeks of onrechtstreeks betrekking hebben op haar maatschappelijk doel evenals alle voor de verwezenlijking van haar maatschappelijk doel relevante of nodige daden.

**ARTIKEL 5. VERBODSBEPALINGEN**

De Vennootschap kan geenszins:

- handelen als vastgoedpromotor in de zin van de GVV wetgeving, met uitsluiting van occasionele verrichtingen;
- deelnemen aan een syndicaat voor vaste overname of waarborg;
- financiële instrumenten lenen, met uitzondering evenwel van leningen onder de voorwaarden en volgens de bepalingen van het koninklijk besluit van 7 maart 2006;
- financiële instrumenten verwerven die uitgegeven zijn door een vennootschap of een privaatrechtelijke vereniging die failliet verklaard werd, die een onderhands akkoord met zijn schuldeisers gesloten heeft, die het voorwerp uitmaakt van een procedure van gerechtelijke reorganisatie, die uitstel van betaling bekomen heeft of die in het buitenland het voorwerp uitgemaakt heeft van een gelijkaardige maatregel.

**Artikel 6 – Duur**

6.1. De Vennootschap wordt opgericht voor onbepaalde duur.

6.2. Deze Vennootschap zal geen einde nemen door de ontbinding, de uitsluiting, de terugtrekking, het faillissement, de gerechtelijke reorganisatie of elke andere reden van de stopzetting van de functies van de zaakvoerder.

**HOOFDSTUK II – KAPITAAL – AANDELEN**

**ARTIKEL 7. KAPITAAL**

7.1. Inschrijving en storting van het kapitaal

Het maatschappelijk kapitaal wordt vastgelegd op honderd achtenzeventig miljoen vierhonderd veertienduizend negenhonderd eenenzeventig euro zesennegentig eurocent (178.414.971,96 EUR) en is verdeeld over acht miljoen zevenhonderd vierenvijftigduizend driehonderd achtenzeventig (8.754.378) volledig volgestorte aandelen zonder nominale waarde die er elk een gelijk deel van vertegenwoordigen, namelijk één/acht miljoen zevenhonderd vierenvijftigduizend driehonderd achtenzeventig (1/8.754.378) aandelen.

7.2. Toegestaan kapitaal

De zaakvoerder is gemachtigd om het maatschappelijk kapitaal in één of meerdere keren te verhogen met een maximum bedrag van honderd achtenzeventig miljoen vierhonderd veertienduizend negenhonderd eenenzeventig euro zesennegentig eurocent (178.414.971,96 EUR) op de data en overeenkomstig de modaliteiten die hij zal bepalen, conform artikel 603 van het Wetboek van vennootschappen. Bij een kapitaalverhoging die gepaard gaat met een storting of een boeking van een uitgiftepremie, wordt enkel het bij het kapitaal ingeschreven bedrag afgetrokken van het bruikbaar blijvend bedrag van het toegestane kapitaal.

Deze machtiging wordt verleend voor een periode van vijf jaar te rekenen vanaf de bekendmaking van het proces-verbaal van de buitengewone algemene vergadering van 30 september 2014.

De kapitaalverhogingen waarover de zaakvoerder aldus heeft beslist, kunnen plaatsvinden door inschrijving tegen contanten of door inbrengen in natura met naleving van de wettelijke bepalingen, of door incorporatie van reserves of van uitgiftepremies met of zonder creatie van nieuwe effecten. De kapitaalverhogingen kunnen aanleiding geven tot de uitgifte van aandelen met of zonder stemrecht. Deze kapitaalverhogingen kunnen ook gebeuren door de uitgifte van converteerbare obligaties of van inschrijvingsrechten - al dan niet aan een andere roerende waarde gehecht - die aanleiding kunnen geven tot het creëren van aandelen met of zonder stemrecht.

De zaakvoerder is gemachtigd om het voorkeurrecht van de aandeelhouders op te heffen of te beperken, ook ten gunste van welbepaalde personen die geen personeelsleden van de Vennootschap of van haar dochterondernemingen zijn, voor zover er aan de bestaande aandeelhouders een onherleidbaar toewijzingsrecht wordt verleend bij de toekenning van nieuwe effecten. Dit onherleidbaar toewijzingsrecht beantwoordt aan de voorwaarden die de GVV wetgeving en artikel 7.4 van de statuten vastleggen. Het moet niet worden verleend in geval van inbreng in geld in het kader van de uitkering van een keuzedividend, onder de omstandigheden voorzien bij artikel 7.4 van de statuten.

Kapitaalverhogingen door inbreng in natura worden verricht in overeenstemming met de voorwaarden voorgeschreven door de GVV wetgeving en in overeenstemming met de voorwaarden opgenomen in artikel 7.4 van de statuten. Dergelijke inbrengen kunnen ook betrekking hebben op het dividendrecht in het kader van de uitkering van een keuzedividend.
Zonder afbreuk te doen aan de machtiging verleend aan de zaakvoerder zoals uiteengezet in de hier voorafgaande alinea's, heeft de buitengewone algemene vergadering van 30 september 2014 de zaakvoerder gemachtigd om over te gaan tot één of meer kapitaalverhogingen in geval van een openbaar overnamebod, onder de voorwaarden waarin artikel 607 van het Wetboek van vennootschappen voorziet en met naleving, desgevallend, van het onherleidbaar toewijzingsrecht waarin de GVV wetgeving voorziet. De kapitaalverhogingen die de zaakvoerder uitvoert ingevolge voormelde machtiging worden aangerekend op het toegestaan kapitaal dat nog kan gebruikt worden overeenkomstig dit artikel. Deze machtiging beperkt niet de bevoegdheden van de zaakvoerder om over te gaan tot andere verrichtingen met gebruik van het toegestane kapitaal dan die waarin artikel 607 van het Wetboek van vennootschappen voorziet.
Wanneer de kapitaalverhogingen waartoe ingevolge deze machtigingen werd beslist, een uitgiftepremie bevatten, moet het bedrag ervan, na eventuele aanrekening van de kosten, op een speciale onbeschikbare rekening, 'uitgiftepremies' genoemd, geplaatst worden, die, zoals het kapitaal, de waarborg uitmaakt voor derden en die niet zal kunnen worden verminderd of afgeschaft, tenzij bij een beslissing van de algemene vergadering die vergadert volgens de voorwaarden van aanwezigheid en meerderheid voorzien voor een kapitaalvermindering, onder voorbehoud van haar incorporatie in het kapitaal.
7.3. Verkrijging, inpandneming en vervreemding van eigen aandelen.
Het is de zaakvoerder toegestaan om, voor een duur van drie jaar vanaf de publicatie in het Belgisch Staatsblad van de beslissing van de buitengewone algemene vergadering van 30 september 2014, voor rekening van de Vennootschap, de eigen aandelen van de Vennootschap te verwerven, in pand te nemen en te vervreemden zonder voorafgaande beslissing van de algemene vergadering, wanneer deze verwerving of deze vervreemding nodig is om ernstige en dreigende schade voor de Vennootschap te vermijden.
7.4. Kapitaalverhoging
Elke kapitaalverhoging zal gebeuren overeenkomstig de artikelen 581 tot 609 van het Wetboek van vennootschappen en de GVV wetgeving.
Het is de Vennootschap verboden rechtstreeks of onrechtstreeks in te schrijven op haar eigen kapitaalverhoging.
Ter gelegenheid van welke kapitaalverhoging ook bepaalt de zaakvoerder de prijs, de eventuele uitgiftepremie en de voorwaarden van uitgifte van de nieuwe aandelen tenzij de algemene vergadering die zelf zou bepalen.
Bij uitgifte van aandelen zonder vermelding van nominale waarde beneden pari moet de bijeenroeping van de algemene vergadering hiervan uitdrukkelijk melding maken.
Indien de algemene vergadering beslist de betaling van een uitgiftepremie te vragen, moet die worden geboekt op een onbeschikbare reserverekening die alleen kan worden verminderd of opgeheven bij een beslissing van de algemene vergadering die beraadslaagt volgens de bepalingen die gelden voor het wijzigen van de statuten. De uitgiftepremie zal, net zoals het kapitaal, de aard hebben van een gemeenschappelijk onderpand ten gunste van derden.
De inbrengen in natura kunnen ook betrekking hebben op het dividendrecht in het kader van de uitkering van een keuzedividend, met of zonder extra inbreng in geld.
In geval van kapitaalverhoging door inbreng in geld bij beslissing van de algemene vergadering of in het kader van het toegestaan kapitaal, kan het voorkeurrecht van de aandeelhouders alleen beperkt of opgeheven worden voor zover er aan de bestaande aandeelhouders een onherleidbaar toewijzingsrecht wordt verleend bij de toekenning van nieuwe effecten in overeenstemming met de voorwaarden zoals voorzien in de GVV wetgeving.
De kapitaalverhogingen door inbreng in natura zijn onderworpen aan de voorschriften van de artikelen 601 en 602 van het Wetboek van vennootschappen en moeten uitgevoerd worden in overeenstemming met de voorwaarden zoals voorzien in de GVV wetgeving.
7.5. Kapitaalvermindering
De Vennootschap mag overgaan tot kapitaalverminderingen met naleving van de wettelijke bepalingen ter zake.
7.6. Fusies, splitsingen en gelijkgestelde verrichtingen
De fusies, splitsingen en gelijkgestelde verrichtingen zoals bedoeld in de artikelen 671 tot 677, 681 tot 758 en 772/1 van het Wetboek van vennootschappen, worden uitgevoerd in overeenstemming met de voorwaarden zoals voorzien in de GVV wetgeving.
7.7. Kapitaalverhoging van een dochteronderneming met het statuut van institutionele GVV
Elke kapitaalverhoging van een dochteronderneming met het statuut van een institutionele GVV door inbreng in geld voor een prijs die 10% of meer lager ligt dan de laagste waarde van: ofwel (a) een netto-waarde per aandeel die dateert van ten hoogste vier maanden vóór de aanvang van de uitgifte, ofwel (b) de gemiddelde slotkoers gedurende de dertig kalenderdagen vóór de aanvangsdatum van de uitgifte, wordt uitgevoerd in overeenstemming met de in de GVV wetgeving voorziene voorwaarden.
**Artikel 8 – Aard van de aandelen**
De aandelen zijn zonder vermelding van nominale waarde.
De aandelen zijn op naam of gedematerialiseerd, en dit naar keuze van hun eigenaar of houder (hierna de Titularis genoemd) en volgens de beperkingen opgelegd door de wet. De Titularis kan op elk moment en zonder kosten de omzetting vragen van zijn aandelen op naam in gedematerialiseerde aandelen. Elk gedematerialiseerd aandeel wordt vertegenwoordigd door een boeking op een rekening op naam van zijn Titularis bij een erkende rekeninghouder of bij een vereffeninginstelling.
Er wordt op de maatschappelijke zetel van de Vennootschap een register van de aandelen op naam bijgehouden dat, in voorkomend geval, onder elektronische vorm kan bestaan. De Titularissen van aandelen op naam kunnen kennis nemen van de inschrijvingen die op hen betrekking hebben in het register van de aandelen op naam.
**Artikel 9 - Andere effecten**
De Vennootschap mag effecten uitgeven die bedoeld zijn in artikel 460 van het Wetboek van vennootschappen, met uitzondering van winstbewijzen en soortgelijke effecten en onder voorbehoud van de specifieke bepalingen van de GVV wetgeving en de statuten. Deze effecten kunnen de vormen aannemen waarin het Wetboek van vennootschappen voorziet.
**Artikel 10 – Notering op de beurs en openbaarheid van de belangrijke deelnemingen**
De aandelen van de Vennootschap moeten worden toegelaten tot de verhandeling op een Belgische gereglementeerde markt, overeenkomstig de GVV wetgeving.

De drempels waarvan de overschrijding aanleiding geeft tot een kennisgevingsverplichting ingevolge de wetgeving inzake de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt, worden bepaald op 3%, 5% en elk veelvoud van 5% van het totaal aantal der bestaande stemrechten.
Behoudens de uitzonderingen voorzien in het Wetboek van vennootschappen, kan niemand deelnemen aan de algemene vergadering van de Vennootschap met meer stemrechten dan diegene verbonden aan de effecten waarvan hij, overeenkomstig artikel 514 van het Wetboek van vennootschappen minstens twintig (20) dagen voor de datum van de algemene vergadering kennis heeft gegeven ze in bezit te hebben.

**TITEL III – BESTUUR EN TOEZICHT**

**Artikel 11 - Zaakvoering**

11.1. De Vennootschap wordt bestuurd door een zaakvoerder, die een beherende vennoot moet zijn, aangeduid in de huidige statuten.
11.2. Werd benoemd als enige statutaire zaakvoerder voor een duur van tien (10) jaar startende op 1 oktober 2006: de naamloze vennootschap Montea Management, met maatschappelijke zetel in 9320 Erembodegem, Industrielaan 27, opgenomen in het rechtspersonenregister van Dendermonde onder het nummer 0882.872.026.
11.3. De zaakvoerder van de Vennootschap is een naamloze vennootschap, die afhankelijk van de aard van de daden die verricht moeten worden in de Vennootschap, handelt via haar raad van bestuur, haar vaste vertegenwoordiger en, indien van toepassing, de perso(o)n(en) belast met het dagelijks bestuur. De bestuurders en de personen belast met het dagelijks bestuur van de naamloze vennootschap die zaakvoerder is van de Vennootschap, mogen ten persoonlijke titel geen zaakvoerder, noch persoon belast met het dagelijkse bestuur noch beherende vennoot van de Vennootschap zijn.
11.4. De raad van bestuur van de zaakvoerder telt minstens drie onafhankelijke bestuurders in de zin van artikel 526ter van het Wetboek van vennootschappen.
Onverminderd de overgangsbepalingen voorzien door de GVV wetgeving, moeten de bestuurders van de raad van bestuur van de zaakvoerder natuurlijke personen zijn; zij moeten voldoen aan de eisen van betrouwbaarheid en deskundigheid zoals voorzien in de GVV wetgeving en mogen niet onder de werkingssfeer van de in de GVV wetgeving vastgelegde verbodsbepalingen vallen.
11.5. De benoeming van de zaakvoerder wordt voorafgaandelijk ter goedkeuring voorgelegd aan de Autoriteit voor Financiële Diensten en Markten (FSMA).

**Artikel 12 – Einde van het mandaat van de zaakvoerder**

12.1. De statutair benoemde zaakvoerder is vast benoemd en zijn aanstelling is niet herroepbaar, behalve door een rechter, en om wettige redenen.
12.2. De functies van de zaakvoerder nemen een einde in de volgende gevallen:

- het verstrijken van de duur van zijn mandaat;
- het ontslag : de zaakvoerder kan enkel ontslag nemen indien dit ontslag mogelijk is in het kader van zijn verbintenissen die hij tegenover de Vennootschap heeft genomen en in de mate hij de Vennootschap niet in moeilijkheden brengt; zijn ontslag moet bekend gemaakt worden door de oproeping van een algemene vergadering met als agenda de vaststelling van het ontslag en de te nemen maatregelen; deze algemene vergadering zal moeten samenkomen minstens één maand voordat het ontslag uitwerking heeft;
- de ontbinding, de faillietverklaring of elke andere gelijkaardige procedure met betrekking tot de zaakvoerder;
- het verlies, in hoofde van alle leden van de organen van bestuur of het dagelijks bestuur van de zaakvoerder van de vereisten van betrouwbaarheid, bekwaamheid en ervaring vereist door de GVV wetgeving; in dit geval moet de zaakvoerder of de commissaris een algemene vergadering bijeenroepen met als agenda de eventuele vaststelling van het verlies van de vereisten en de te nemen maatregelen; deze vergadering moet binnen de zes weken samenkomen; indien slechts één of meerdere leden van de organen van bestuur of van dagelijks bestuur van de zaakvoerder niet meer aan de bovenvermelde vereisten voldoen, dient de zaakvoerder hen binnen de maand te vervangen; na deze termijn, zal de vergadering van de Vennootschap zoals hierboven beschreven bijeengeroepen worden; dit alles in het één of ander geval, onder voorbehoud van de maatregelen die de FSMA zou treffen krachtens de bevoegdheden voorzien door de GVV wetgeving;
- het verbod in de zin van artikel 15 van de GVV wet dat alle leden van de organen van bestuur of het dagelijks bestuur van de zaakvoerder zou treffen; in dit geval moet de zaakvoerder of de commissaris de algemene vergadering bijeenroepen met als agenda de vaststelling van het verlies van die vereisten en de te nemen beslissingen; deze vergadering moet binnen de maand plaatsvinden; indien slechts één of meerdere leden van de organen van bestuur of van dagelijks bestuur van de zaakvoerder niet meer aan de bovenvermelde vereisten voldoen, dient de zaakvoerder hen binnen de maand te vervangen; na deze termijn, zal de vergadering van de Vennootschap zoals hierboven beschreven bijeengeroepen worden; dit alles in het één of ander geval, onder voorbehoud van de maatregelen die de FSMA zou treffen krachtens de bevoegdheden voorzien door de GVV wetgeving.

12.3. In geval van beëindiging van de functies van de zaakvoerder, wordt de Vennootschap niet ontbonden. Deze zaakvoerder wordt door de algemene vergadering vervangen, beraadslagend zoals voor statutenwijziging, na bijeenroeping door de commissaris of bij gebreke hieraan door een op verzoek van iedere belanghebbende door de voorzitter van de rechtbank van koophandel aangestelde voorlopig bewindvoerder, al dan niet vennoot. Binnen vijftien dagen na zijn aanstelling roept de voorlopig bewindvoerder de algemene vergadering bijeen op de wijze door de statuten bepaald. Hij is dan niet verder aansprakelijk voor de uitvoering van zijn opdracht.
De voorlopig bewindvoerder verricht de dringende daden van louter beheer tot aan de eerste algemene vergadering.

**Artikel 13 – Notulen**

De beraadslagingen van de zaakvoerder worden vastgelegd in door hem ondertekende notulen.
Deze notulen worden opgenomen in een bijzonder register. De delegaties, evenals adviezen en stemmen die schriftelijk worden uitgebracht of andere documenten worden er aangehecht.
De afschriften of uittreksels in rechte of elders voor te leggen worden ondertekend door de zaakvoerder.

**Artikel 14 –Bezoldiging van de zaakvoerder**

14.1. De zaakvoerder zal een vergoeding ontvangen, vastgesteld conform de modaliteiten die hierna worden gedefinieerd overeenkomstig de GVV wetgeving.
Hij zal bovendien recht hebben op de terugbetaling van de kosten verbonden aan zijn opdracht.

14.2. Het vast gedeelte van de bezoldiging van de statutaire zaakvoerder wordt jaarlijks vastgesteld door de algemene vergadering van de Vennootschap. Deze bezoldiging zal op jaarbasis niet minder dan vijftienduizend euro (15.000,00 EUR) bedragen.
Het variabel statutair gedeelte is gelijk aan nul komma vijfentwintig procent (0,25%) van het geconsolideerde nettoresultaat van de Vennootschap, met uitsluiting van alle schommelingen van de reële waarde van de activa en de afdekkingsinstrumenten.
14.3. De berekening van de vergoeding is onderworpen aan de controle van de commissaris.

**Artikel 15 - Bevoegdheden van de zaakvoerder**

15.1. De zaakvoerder bezit de meest uitgebreide bevoegdheden om alle handelingen te verrichten die noodzakelijk of nuttig zijn voor de verwezenlijking van het maatschappelijk doel met uitzondering van de handelingen die door de wet of door de statuten voor de algemene vergadering zijn gereserveerd.
15.2. De zaakvoerder stelt de halfjaarverslagen op evenals het ontwerp van de geconsolideerde en enkelvoudige jaarrekeningen en jaarverslagen.
De zaakvoerder stelt de deskundige(n) aan in overeenstemming met de GVV wetgeving en stelt desgevallend elke wijziging voor aan de lijst van deskundigen die is opgenomen in het dossier dat bij de aanvraag om erkenning als GVV is gevoegd.
De zaakvoerder kan aan elke lasthebber, zijn bevoegdheden met betrekking tot bijzondere en specifieke doeleinden geheel of gedeeltelijk overdragen.
De zaakvoerder kan in overeenstemming met de GVV wetgeving, de vergoeding vaststellen van elke lasthebber aan wie bijzondere bevoegdheden werden toegekend. De zaakvoerder kan het mandaat van deze lasthebber(s) te allen tijde herroepen.

**Artikel 16 – Adviserende en gespecialiseerde comités**

De raad van bestuur van de zaakvoerder richt in zijn midden een auditcomité alsook een remuneratiecomité op, en omschrijft hun samenstelling, hun opdrachten en bevoegdheden. De raad van bestuur van de zaakvoerder kan in zijn midden en onder zijn verantwoordelijkheid één of meerdere consultatieve comités oprichten, waarvan hij de samenstelling en de opdracht vaststelt.

**Artikel 17 – Effectieve leiding**

Onverminderd de overgangsbepalingen voorzien door de GVV wetgeving, wordt de effectieve leiding van de Vennootschap toevertrouwd aan minstens twee natuurlijke personen.
De met de effectieve leiding belaste personen moeten voldoen aan de eisen van betrouwbaarheid en deskundigheid zoals voorzien in de GVV wetgeving en mogen niet binnen de werkingssfeer van de in de GVV wetgeving vastgelegde verbodsbepalingen vallen
De benoeming van de effectieve leiders wordt voorafgaandelijk ter goedkeuring voorgelegd aan de FSMA.

**Artikel 18 – Vertegenwoordiging van de Vennootschap en ondertekening van akten**

Behoudens bijzondere bevoegdheidsoverdracht door de zaakvoerder, wordt de Vennootschap geldig vertegenwoordigd in alle handelingen, met inbegrip van diegene waaraan een openbaar of ministerieel ambtenaar zijn medewerking verleent, evenals in rechte, hetzij als eiser hetzij als verweerder, door de zaakvoerder, volgens de wettelijke en statutaire vertegenwoordigingsregels van deze zaakvoerder-rechtspersoon.
De Vennootschap is derhalve geldig vertegenwoordigd door bijzondere volmachthebbers van de Vennootschap binnen de grenzen van het mandaat dat hen tot dien einde is toevertrouwd door de zaakvoerder.

**Artikel 19 – Revisoraal toezicht**

De Vennootschap wijst één of meer commissarissen aan die de functies uitoefenen waarmee ze worden belast krachtens het Wetboek van vennootschappen en de GVV wetgeving.
De commissaris moet erkend zijn door de FSMA.

**TITEL IV – ALGEMENE VERGADERING**

**Artikel 20 – Bijeenkomst**

De jaarlijkse algemene vergadering komt samen op de derde dinsdag van de maand mei om 10 uur.
Indien deze dag een wettelijke feestdag is, wordt de vergadering op de voorgaande werkdag gehouden op hetzelfde uur (een zaterdag of een zondag zijn geen werkdagen).
De gewone of buitengewone vergaderingen worden gehouden op de zetel van de Vennootschap of op iedere andere plaats in de oproepingsbrief of op andere wijze meegedeeld.
De drempel vanaf wanneer één of meerdere aandeelhouders een oproeping van een algemene vergadering mogen eisen om er één of meerdere voorstellen voor te leggen, en dit conform het artikel 532 van het Wetboek van vennootschappen, is vastgelegd op 20% van het geheel van de aandelen die stemrecht hebben.
Eén of meer aandeelhouders die samen ten minste drie procent (3%) van het maatschappelijk kapitaal van de Vennootschap bezitten, kunnen in overeenstemming met de bepalingen van het Wetboek van vennootschappen vragen dat te bespreken onderwerpen worden opgenomen op de agenda van gelijk welke algemene vergadering en kunnen voorstellen van beslissing indienen met betrekking tot te bespreken onderwerpen die op de agenda zijn of zullen worden ingeschreven.

**Artikel 21 – Deelname aan de vergadering**

Het recht om aan een algemene vergadering deel te nemen en er het stemrecht uit te oefenen, is afhankelijk gemaakt van de boekhoudkundige registratie van de aandelen op naam van de aandeelhouder op de veertiende dag voorafgaand aan de algemene vergadering om vierentwintig uur (Belgische tijd) (hierna de registratiedatum genoemd), hetzij door hun inschrijving in het register van de aandelen op naam van de Vennootschap, hetzij door hun inschrijving op de rekeningen van een erkende rekeninghouder of van een vereffeningsinstelling, ongeacht het aantal aandelen in het bezit van de aandeelhouder op de dag van de algemene vergadering.
De eigenaars van gedematerialiseerde aandelen die aan de vergadering wensen deel te nemen, moeten een attest voorleggen dat door hun financiële tussenpersoon of erkende rekeninghouder werd afgegeven en waaruit blijkt hoeveel gedematerialiseerde aandelen er op de registratiedatum in hun rekeningen zijn ingeschreven op naam van de aandeelhouder, en waarvoor de aandeelhouder heeft aangegeven te willen deelnemen aan de algemene vergadering. Deze neerlegging moet ten laatste op de zesde dag voorafgaand aan de datum van de algemene vergadering worden verricht op de maatschappelijke zetel of bij de in de uitnodiging genoemde instellingen. De eigenaars van aandelen op naam die aan de vergadering wensen deel te nemen, moeten de Vennootschap per gewone brief, fax of e-mail uiterlijk de zesde dag voorafgaand aan de datum van de vergadering op de hoogte brengen van hun voornemen.

**Artikel 22 – Stemming door volmacht**

Elke eigenaar van effecten die recht geven op deelname aan de vergadering, kan zich laten vertegenwoordigen door een lasthebber, die al of niet een aandeelhouder kan zijn.
De aandeelhouder kan voor een bepaalde algemene vergadering slechts één persoon als lasthebber aanwijzen, behoudens afwijkingen zoals bedoeld in het Wetboek van vennootschappen.
De volmacht moet door de aandeelhouder worden getekend en moet ten laatste de zesde dag voorafgaand aan de algemene vergadering aankomen bij de Vennootschap of op de in de uitnodiging vermelde plaats.
De zaakvoerder kan een volmachtformulier opmaken.
De mede-eigenaars, de anderen personen die in onverdeeldheid zijn, de vruchtgebruikers en blote eigenaars, de pandhoudende schuldeisers en schuldenaars moeten zich respectievelijk laten vertegenwoordigen door één en dezelfde persoon.

**Artikel 23 - Bureau**

Alle algemene vergaderingen worden voorgezeten door de voorzitter van de raad van bestuur van de zaakvoerder.
De voorzitter wijst de secretaris en stemopnemer aan, die geen aandeelhouder moeten zijn. Die twee functies kunnen uitgeoefend worden door één persoon. De voorzitter, de secretaris en de stemopnemer vormen samen het bureau.

**Artikel 24 – Aantal stemmen**

De aandelen geven elk recht op één stem, onder voorbehoud van de gevallen van opschorting van het stemrecht voorzien in het Wetboek van vennootschappen.

**Artikel 25 - Beraadslaging**

De algemene vergadering kan geldig beraadslagen en stemmen, ongeacht het deel van het maatschappelijk kapitaal dat aanwezig of vertegenwoordigd is, behalve in de gevallen waarin het Wetboek van vennootschappen een aanwezigheidsquorum oplegt.
De algemene vergadering kan slechts geldig beraadslagen over wijzigingen aan de statuten indien ten minste de helft van het maatschappelijk kapitaal aanwezig of vertegenwoordigd is. Indien deze voorwaarde niet vervuld is, dan moet de algemene vergadering opnieuw worden bijeengeroepen en beslist de tweede vergadering op geldige wijze ongeacht het deel van het kapitaal dat de aanwezige of vertegenwoordigde aandeelhouders vertegenwoordigen.
De beslissingen van de algemene vergadering, met inbegrip van de wijziging van de statuten, worden slechts geldig genomen mits instemming van de zaakvoerder.
De algemene vergadering kan niet beraadslagen over de punten die niet op de agenda voorkomen.
Behoudens andersluidende wettelijke bepaling wordt elke beslissing door de algemene vergadering genomen bij gewone meerderheid van de stemmen, ongeacht het aantal vertegenwoordigde aandelen.
Op een gewone of bijzondere algemene vergadering kunnen onthoudingen, blanco of ongeldige stemmen niet worden toegevoegd aan het aantal uitgebrachte stemmen. Op een buitengewone algemene vergadering worden onthoudingen, blanco of ongeldige stemmen echter beschouwd als stemmen tegen.
Bij staking van stemmen is het voorstel verworpen.
Iedere wijziging van de statuten is slechts toegelaten indien ze wordt goedgekeurd door ten minste drie vierde van de stemmen of, indien het gaat om de wijziging van het maatschappelijk doel of teneinde de Vennootschap toe te staan over te gaan tot de inkoop van eigen aandelen overeenkomstig het Wetboek van vennootschappen, door vier vijfde van de stemmen.
Stemmen gebeurt door handopsteking of naamafroeping, tenzij de algemene vergadering een andere beslissing neemt bij gewone meerderheid van de uitgebrachte stemmen. Ieder ontwerp van statutenwijziging moet voorafgaandelijk worden voorgelegd aan de FSMA.
Een aanwezigheidslijst met de namen van de aandeelhouders en het aantal aandelen wordt ondertekend door elk van hen of door een vertegenwoordiger, alvorens de zitting begint.

**Artikel 26 – Stemming per brief**

De aandeelhouders zullen per brief kunnen stemmen door middel van een formulier opgemaakt door de Vennootschap indien de zaakvoerder hiertoe de toelating heeft gegeven in zijn oproepingsbrief. Dit formulier moet verplicht de datum en de plaats van de vergadering vermelden, de naam of maatschappelijke benaming van de aandeelhouder en zijn woonplaats of maatschappelijke zetel, het aantal stemmen waarmee de aandeelhouder wil stemmen op de algemene vergadering, de vorm van de aandelen die hij bezit, de agendapunten van de vergadering (inclusief de voorstellen van beslissing), een ruimte die toelaat te stemmen voor of tegen elke beslissing dan wel om zich te onthouden, evenals de termijn waarbinnen het stemformulier op de vergadering moet toekomen. Het formulier moet uitdrukkelijk vermelden dat het moet worden getekend, dat de handtekening moet worden gelegaliseerd en dat het geheel uiterlijk de zesde dag voorafgaand aan de datum van de vergadering per aangetekend schrijven moet worden bezorgd.

**Artikel 27 - Notulen**

De notulen van de algemene vergadering worden ondertekend door de leden van het bureau en door de aandeelhouders die er om vragen. De afschriften of de uittreksels van de notulen die moeten dienen in rechte of anderzijds worden ondertekend door twee bestuurders van de zaakvoerder.

**Artikel 28 – Algemene vergadering van de obligatiehouders**

De zaakvoerder en de commissaris(sen) van de Vennootschap kunnen de obligatiehouders bijeenroepen in algemene vergadering van de obligatiehouders. Zij moeten eveneens de algemene vergadering bijeenroepen wanneer obligatiehouders die een vijfde van het bedrag van de in omloop zijnde obligaties vertegenwoordigen, het vragen. De oproeping bevat de dagorde en wordt opgesteld overeenkomstig de bepalingen van het Wetboek van vennootschappen. Om toegelaten te worden op de algemene vergadering van de obligatiehouders moeten de obligatiehouders de formaliteiten voorzien in het artikel 571 van het Wetboek van vennootschappen nakomen, evenals de eventuele formaliteiten voorzien in de uitgiftevoorwaarden van de obligaties of in de bijeenroepingen.

**TITEL V – BOEKJAAR - JAARREKENING - DIVIDENDEN - JAARVERSLAG**

**Artikel 29 – Boekjaar - Jaarrekening**

Het boekjaar vangt aan op één januari en eindigt op eenendertig december van elk jaar. Op het einde van elk boekjaar worden de boeken en boekhoudkundige verrichtingen afgesloten en maakt de zaakvoerder een inventaris alsook de jaarrekening op.
De zaakvoerder stelt een verslag op (het “jaarverslag”), waarin de raad verantwoording aflegt voor zijn beheer. De commissaris stelt met het oog op de algemene jaarvergadering een schriftelijk en omstandig verslag op (het “controleverslag”).

**Artikel 30 - Dividenden**
De Vennootschap moet aan haar aandeelhouders en binnen de door het Wetboek van vennootschappen en de GVV wetgeving bepaalde grenzen, een dividend uitkeren waarvan het minimumbedrag is voorgeschreven door de GVV wetgeving.
**Artikel 31 - Interim-dividenden**
De zaakvoerder kan onder zijn verantwoordelijkheid en voor zover de resultaten dat mogelijk maken, besluiten tot de uitkering van interim-dividenden, in de gevallen en binnen de termijnen toegestaan door de wet.
**Artikel 32 - Terbeschikkingstelling van de jaar – en halfjaarverslagen**
De jaar- en halfjaarverslagen van de Vennootschap, die de statutaire en geconsolideerde jaarlijkse en halfjaarlijkse rekeningen van de Vennootschap bevatten evenals het verslag van de commissaris, worden ter beschikking van de aandeelhouders gesteld in overeenstemming met de bepalingen die van toepassing zijn op de emittenten van financiële instrumenten die toegelaten zijn tot verhandeling op een gereglementeerde markt en met de GVV wetgeving.
De jaar en halfjaarverslagen van de Vennootschap worden op de website van de Vennootschap gepubliceerd.
De aandeelhouders kunnen een gratis exemplaar van de jaar- en halfjaarverslagen krijgen op de maatschappelijke zetel van de Vennootschap.

**TITEL VI – ONTBINDING - VEREFFENING**
**Artikel 33 – Verlies van kapitaal**
In geval het kapitaal met de helft of drie vierde verminderd is, moet de zaakvoerder aan de algemene vergadering de vraag tot ontbinding voorleggen ingevolge en volgens de vormen bepaald in artikel 633 van het Wetboek van vennootschappen.
**Artikel 34 – Benoeming en bevoegdheden van de vereffenaars**
In geval van ontbinding van de Vennootschap, om welke reden ook en op welk ogenblik ook, geschiedt de vereffening door de zaakvoerder die een vergoeding zal ontvangen overeenkomstig deze van artikel 14 van de statuten.
In het geval de zaakvoerder deze opdracht niet aanvaardt, zal er tot de vereffening worden overgegaan door één of meerdere vereffenaars, welke natuurlijke of rechtspersonen kunnen zijn en die benoemd zullen worden door de algemene vergadering van aandeelhouders, onder voorbehoud van het akkoord van de beherende venno(o)t(en).
De algemene vergadering zal zijn (hun) bevoegdheden en zijn (hun) vergoeding bepalen.
De vereffenaar(s) treedt (treden) pas in functie na bevestiging van zijn (hun) benoeming door de rechtbank van koophandel.
De vereffening van de Vennootschap wordt afgesloten overeenkomstig de bepalingen van het Wetboek van vennootschappen.
**Artikel 35 - Verdeling**
De verdeling aan de aandeelhouders zal pas plaats vinden na de vergadering tot sluiting van de vereffening.
Tenzij in geval van een fusie, wordt het netto-actief van de Vennootschap, na aanzuivering van alle schulden of een consignatie van de hiervoor noodzakelijke sommen, eerst aangewend om het volstortte kapitaal terug te betalen en het eventuele saldo wordt gelijkmatig verdeeld tussen alle aandeelhouders van de Vennootschap, in verhouding met het aantal aandelen dat ze bezitten.

**TITEL VII – ALGEMENE EN OVERGANGSBEPALINGEN**
**Artikel 36 – Keuze van woonplaats**
Voor de uitvoering van de statuten worden de Zaakvoerder en de vereffenaar(s) geacht woonplaats te hebben gekozen op de maatschappelijke zetel, waar alle mededelingen, aanmaningen, dagvaardingen en betekeningen aan hen geldig kunnen worden gedaan.
De houders van aandelen op naam moeten elke verandering van woonplaats aan de Vennootschap melden. Indien dit niet gebeurt, gebeuren alle mededelingen, oproepingen of officiële kennisgevingen geldig op de laatst gekende woonplaats.
**Artikel 37 – Rechtsbevoegdheid**
Voor alle geschillen tussen de Vennootschap, haar beherende veno(o)t(en), haar aandeelhouders, obligatiehouders, zaakvoerder, commissarissen en vereffenaars met betrekking tot de zaken van de Vennootschap en tot uitvoering van deze statuten, wordt de uitsluitende bevoegdheid verleend aan de Rechtbanken van de maatschappelijke zetel tenzij de Vennootschap er uitdrukkelijk aan verzaakt.
**Artikel 38 – Gemeen recht**
De bepalingen van deze statuten die strijdig zouden zijn met de dwingende bepalingen van het Wetboek van vennootschappen en de GVV wetgeving, worden voor niet geschreven gehouden. De nietigheid van één artikel of van een deel van een artikel van deze statuten zal geen uitwerking hebben op de geldigheid van de andere statutaire clausules.
**Artikel 39 - Overgangsbepalingen**
De rechtspersonen die, op de datum van inwerkingtreding van de GVV wet, een functie uitoefenen van bestuurder van de raad van bestuur van de zaakvoerder mogen hun lopend mandaat blijven uitoefenen tot het verstrijkt. Tot het verstrijken van zijn mandaat, moet de vaste vertegenwoordiger van de desbetreffende rechtspersoon permanent over de voor de uitoefening van zijn functie vereiste professionele betrouwbaarheid en passende deskundigheid beschikken.
De eenhoofdige besloten vennootschappen met beperkte aansprakelijkheid die, op de datum van inwerkingtreding van GVV wet, belast waren met de effectieve leiding van de Vennootschap, mogen hun lopend mandaat blijven uitoefenen tot het verstrijkt. Tot het verstrijken van zijn mandaat, moet de permanente vertegenwoordiger van de desbetreffende eenhoofdige besloten vennootschap met beperkte aansprakelijkheid permanent over de voor de uitoefening van zijn functie vereiste professionele betrouwbaarheid en passende deskundigheid beschikken.

Voor gelijkvormige coördinatie van de statuten.

## 8.5 The regulated real estate company (RREC) in Belgium and the Société d'Investissements Immobiliers Cotée (SIIC) in France

### The regulated real estate company in Belgium

The regulated real estate company (RREC) introduced by the Act of 12th May 2014 relative to regulated real estate companies, makes possible the establishment in Belgium of property investment companies that exist in many other countries: Real Estate Investments Trusts (REITs) in the United States, Fiscale Beleggingsinstellingen (FBI) in the Netherlands, G-REITs in Germany, Sociétés d'Investissements Immobiliers Cotées (SIIC) in France and UK-REITs in the United Kingdom. This status was the subject of the Act of 12th May 2014 and the Royal Decree of 13th July 2014 relative to regulated real estate companies.

The main characteristics of regulated real estate companies are:

- they must be established in the form of a public limited company or joint stock company;
- they must be listed on the stock exchange, with at least 30% of the shares distributed in the market;
- they must come under the supervision of the Financial Services Markets Authority (FSMA);
- they are able to exercise all activities related to the establishment, refurbishment, renovation, development, acquisition, disposal, management and operation of real estate property;
- they cannot (directly or indirectly) act as a building developer;
- risk spread: no more than 20% of the consolidated assets of the Company may (i) be invested in property that constitutes a single unit of property only, or (ii) in "other property", as defined in article 2, 5°, vi to x of the RREC Act;
- the (individual and consolidated) debt ratio is limited to 65% of the (individual and consolidated) assets; the allocation of sureties and mortgages is limited to 50% of the total fair value of the property of the RREC and its subsidiaries, and up to 75% of the value of a specific property;
- very strict rules in relation to conflicts of interest;
- quarterly assessments of assets by an independent property expert;
- buildings recorded at their fair value; no depreciations;
- the results (rental income and capital gains on sales, minus operating costs and financial charges) are exempt from corporation tax with regard to the RREC (but not for its subsidiaries); or taxes on disallowed expenses and abnormal and benevolent benefits;
- at least 80% of the amount of the adjusted statutory result[121] and net capital gains on the sale of property that is not exempt from the benefit obligation must mandatorily be paid out;
- any fall in the debt ratio during the course of the financial year may also be deducted from the amount mandatorily required to be paid out;
- withholding tax of 25%, giving relief for natural persons residing in Belgium;

Companies that obtain a licence as a regulated real estate company or which merge with a regulated real estate company are subject to a tax (exit tax), which is equivalent to a liquidation tax, on the net latent gain and on the exempted reserves of 16.5% (plus 3% supplementary crisis contribution, or 16.995% in total).

[121] Calculated based on the schedule stated in Appendix C of the RREC RD.

**The Société d'Investissements Immobiliers Cotées (SIIC) in France**

Montea is also a SIIC (Société d'Investissements Immobiliers Cotées) in France (branch office) and is also listed on the Second Market of Euronext Paris, the second listing after Euronext Brussels. In France, Montea opted for the SIIC status in 2007 to enjoy the benefits associated with the status of formerly sicafi (currently RREC) in this country as well. The tax characteristics of the RREC and SIIC are quite similar: for example, they are both exempt from corporation tax on annual income and realised capital gains. The profits from activities other than leasing or selling real estate (e.g. dividends) are subject to corporation tax however.

When the status of RREC or SIIC is obtained, the company is subject to a one-off relief tax, called an "exit tax". This tax is calculated based on the difference between the investment value of the portfolio and the fiscal book value of the property. The exit tax that applies to SIIC is 16.5%. Payment of the exit tax for SIIC is spread over four years, with the payment of a first tranche of 15% after year one. In Belgium, at least 80% of the operating result must be paid out. In France, this percentage is 85%, although after deduction of depreciations.

However, the terms relating to the payment of gains on the sale of property differ significantly. In Belgium, at least 80% must be paid out if the profit is not reinvested. For SIIC on the other hand, at least 60% must be paid out at the end of year two following realisation of the gains. Also applicable for SIIC is that the dividends from subsidiaries that are exempt from corporation tax must be paid out in full in the financial year following the financial year in which they were received. As for the shareholding structure, the "free float" of regulated real estate companies, i.e. the number of shares not held permanently, must be at least 30%. In France, that figure is 40%. There is no maximum debt ratio for SIIC. For regulated real estate companies, the maximum debt ratio is 65%.

## 9. Glossary

<u>RREC RD</u>
Royal Decree of 13th July 2014 relative to regulated real estate companies

<u>RREC Act</u>
Act of 13th May 2014 relative to regulated real estate companies

<u>IPO</u>
Public offer of Montea shares that ended in admission of such shares to Euronext Brussels on 17 October 2006

<u>Montea</u>
Montea Comm. VA, a general partnership with share capital with registered office at Industrielaan 27, 9320 Erembodegem and registered in the Dendermonde Register of Legal Entities under the number of 0417.186.211.

<u>Montea Management</u>
Montea Management NV, a limited liability company with registered office at Industrielaan 27, 9320 Erembodegem and registered in the Dendermonde Register of Legal Entities under the number of 0882.872.026.