

ANNUAL REPORT

2014



IMMOBEL
since 1863

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and the Managing Director

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General information



BUILDING THE FUTURE, ADDING VALUE

IMMOBEL, listed on the Brussels Stock Exchange since 19 September 1863, has been a major player in property development in Belgium for more than 150 years.

It is also active in the Grand Duchy of Luxembourg and in Poland.

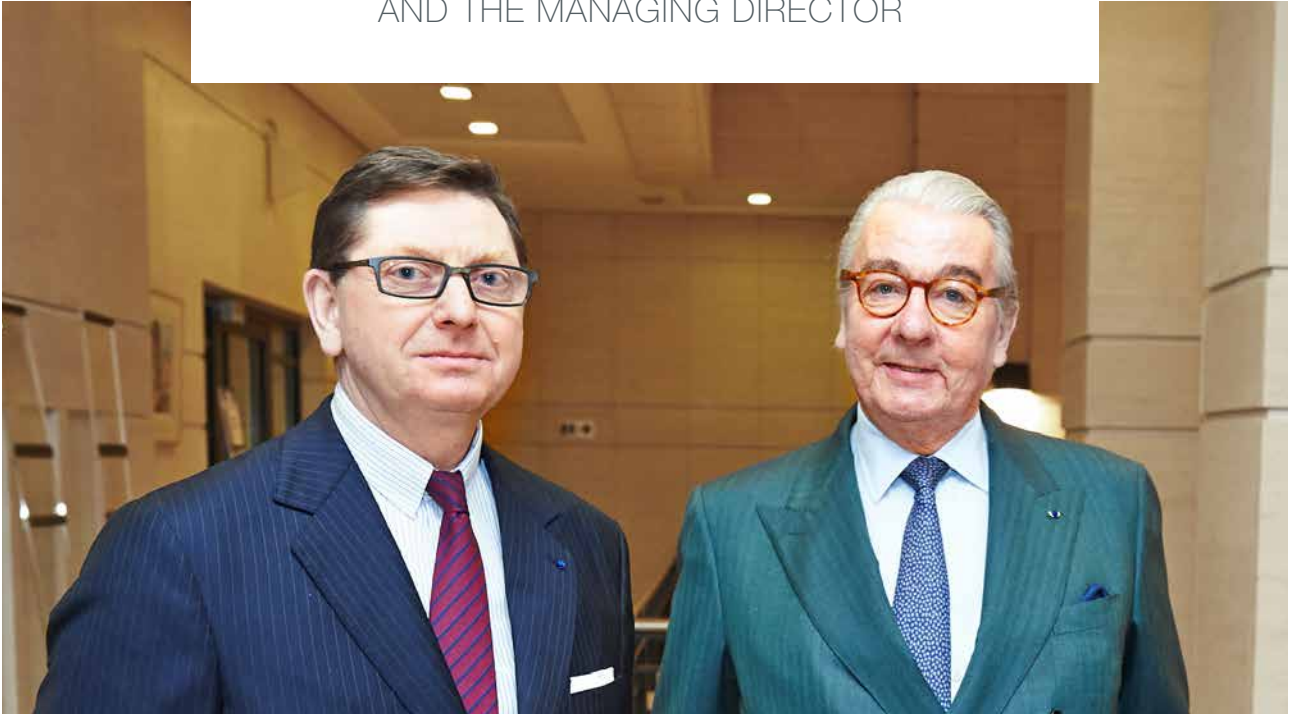
Its activities cover the office, residential and landbanking sectors, ensuring the diversification of its portfolio of projects.

Its vision of the market and its expertise enable it to design, develop and manage ambitious real estate projects that create long-term value while respecting the environment and integrating the major issues facing society.



INTERVIEW

WITH THE CHAIRMAN
AND THE MANAGING DIRECTOR



GAËTAN PIRET
Managing Director

COMTE BUISSE
CMG CBE,
Chairman of the Board
of Directors

Since 2008 the European economy has been very flat. Did the sluggish context impact on IMMOBEL's activities in 2014, especially Offices, which was already struggling in 2013?

Comte Buisse — The difficult economic situation in Europe continues to affect some of our activities. The office sector, in particular, is suffering from the economic slowdown and the race to optimize work spaces, which has led to mobile offices becoming the norm. In 2014 the majority of the take-up in Brussels was attributable to the European institutions and the Belgian State. Fortunately, the diversification by countries (Belgium, Luxembourg, Poland) and by activities (offices, residential and landbanking) ended to achieve positive results in the residential and the landbanking sectors. The residential

sector, especially in Belgium, is doing well indeed. We have noticed that the evolution of sales, in both our residential and our landbanking activities, is good.

Is there still an obvious trend towards the conversion of former office complexes into residential accommodation, particularly in Belgium?

Gaëtan Piret — Yes. In fact you might say there's a real ground swell. Since 2009, 700 000 m² of offices have been converted in Brussels. And 140 000 m² were converted in 2014 alone. IMMOBEL has two reconversion projects in its portfolio: *Chien Vert* and *Parc Seny*. The constraints inherent to this kind of operation are often severe however. The dimensions are not always suited to residential standards. The depth of the build-

OUR STRATEGY HASN'T CHANGED. WE CONTINUE TO INVEST AND DEVELOP IN THE THREE COUNTRIES WHERE WE ARE PRESENT, IN OUR THREE SECTORS OF ACTIVITY. WE HAVE A PREFERENCE FOR LARGER PROJECTS. – Count Buysse

ings and the size of the units are generally very large and a great deal of ingenuity is required to tailor the projects to meet the market requirements.

IMMOBEL is active in Belgium, Luxembourg and Poland. Is it active in all three of its lines of business in all three countries? Are residential and landbanking in Poland fully-fledged elements of IMMOBEL's development strategy?

C.B. — Our policy has always been to seize any opportunities we find in our natural markets where we can leverage our knowhow. We have not yet begun any landbanking projects in Luxembourg or Poland, but should an opportunity arise we will certainly consider it. On the other hand, however, we have had the opportunity to acquire a 36-hectare residential project in Poland that has considerable environmental value. We are developing it with a local partner.

G.P. — Obviously in this kind of dynamic we have to be vigilant concerning local particularities. The market requirements are very different. The size of apartments, for example, and the level of standard equipment delivered are specific to local markets.

2014 marked the arrival of a new reference shareholder, Allfin Group. Does this signal a change of direction in IMMOBEL's strategy?

C.B. — A new reference shareholder such as Allfin Group, a well known player in the Belgian market, is a plus for IMMOBEL. Our strategy hasn't changed. We continue to invest and develop in the three countries where we are present, in our three sectors of activity. We have a preference for larger projects.

G.P. — Our philosophy remains unchanged. We are increasingly selective in our choice of projects, particularly where the investment criteria are concerned.

What were the main projects realised in 2014? Does the profession refer to some of them as references?

G.P. — The market picked out the *Bel-Air* project (1-2-3-4) for its aesthetic qualities, its technical performance, its multifunctionality and its integration in the city. The press echoed this, especially during the sale of the 1st phase (79 500 m²). We also started the *Gateway* project, which is strategically situated at the heart of Brussels Airport and for which a long-term lease has been signed

with Deloitte. The building will be delivered mid-2016. We should emphasise, too, that we have obtained the building permit for the *Cedet* project in Warsaw. And finally, the sale to AXA of *Galerie Kons*, a mixed project near the station in Luxembourg, confirms the validity of this particular development.

Did the results of the last financial year meet your expectations?

C.B. — Yes. Our net consolidated result is very considerable. It is the highest since 2007.

Do you have the impression that IMMOBEL's expertise is constantly evolving ? To stay ahead of the game, is it more important than ever to be anticipatory ?

G.P. — Our expertise evolves continually. We must make sure we anticipate the new trends that emerge day after day. Environmental criteria, for example, have gained considerable importance, both in residential construction and in offices, where buyers demand advanced, multifunctional, efficient buildings. Companies now prioritise low-energy buildings equipped with state-of-the-art technologies. With its many years of experience and the strength of its teams, IMMOBEL continues to lead by example in these matters, as a responsible player, attentive to new trends and the demands of the market.

What are your expectations for 2015? Is IMMOBEL serene about the future?

C.B. — Yes. We have excellent quality projects and the diversification of our expertise and the countries in which we are present mean we can confront the vagaries of the economy and anticipate evolutions in leasing and buying habits with confidence. Once again, we would like to sincerely thank our colleagues, shareholders and partners for the confidence they demonstrate, day in day out, in the choices that guide us.

Allfin Group,
new reference
shareholder since
September 2014.

2014 IN BRIEF

Q1

BEL-AIR 1

IMMOBEL completed the sale of its participation in RAC1, the company holding the first phase of the *Bel-Air* project, to Hannover Leasing and a major Asian institutional investor; the actual transfer of the shares in the property took place on 10 March 2014.

GEORG GRARD

IMMOBEL acquired, in the form of a building right, the *Georg Grard* project in Oostduinkerke with a view to developing 23 luxury apartments.



BEL-AIR-PROJECT

SEE OUR FOCUS ON PAGE 30

Q2

UNIVERSALIS PARK

IMMOBEL obtained an urban planning permit to build the roads for the first "housing" phase (140 units) on the La Plaine site (Boulevard du Triomphe in Ixelles) and started the first phase of the works.

GATEWAY

Works on the *Gateway* project at Brussels Airport started in April 2014.

CLOS BOURGEOIS

Construction of the 78 apartments in the *Clos Bourgeois* at Berchem Ste Agathe has started.

GALERIE KONS

IMMOBEL sold its participation in the company holding the *Galerie Kons* project in Luxembourg to AXA Belgium; the sale is subject to the delivery and acceptance of the building, which is scheduled for the second half of 2016. This sale represents an investment volume in the order of 150 MEUR.

OSIEDLE WILANOW

IMMOBEL acquired 25% of the shares (with the possibility of increasing its participation up to 50%) of the company that is developing the *Osiedle Wilanow* residential project in Warsaw (174 houses).



CEDET

IMMOBEL obtained an enforceable town planning permit for the redevelopment of the *Cedet* project in Warsaw, involving 22 000 m² of offices and retail space.

THE MARKET PICKED OUT THE BEL-AIR PROJECT (1-2-3-4) FOR ITS AESTHETIC QUALITIES, ITS TECHNICAL PERFORMANCE, ITS MULTIFUNCTIONALITY AND ITS INTEGRATION IN THE CITY. – Gaëtan Piret

Q3



ALLFIN

In September Belgian property developer Allfin purchased the 29.85% of shares held by the Eastbridge Group, thereby becoming the new reference shareholder of IMMOBEL.

LINDEPARK

The permit for Phase 2 of the project has been obtained.

RUCH

IMMOBEL successfully completed the Ruch operation in Poland, having sold the last out of seven assets acquired in 2011, with its local partner.

CEDET

In September 2014, IMMOBEL signed a first pre-letting agreement for its *Cedet* project in Warsaw which involves 1 600 m² of retail space.



Q4

PARC SAINTE-ANNE

IMMOBEL acquired, in the form of a building right, the *Parc Sainte-Anne* project in Auderghem for the development of 26 luxury apartments.

THE BLACK PEARL

Provisional acceptance of the works took place before the end of 2014.

PARC SENY

The permits for the *Parc Seny* project were granted. Heavy renovation works will start when the permits become definitive following the filing of recourses.

CHIEN VERT

The permit application for the conversion of the *Chien Vert* project into housing was submitted in December 2014.

CBD ONE

IMMOBEL filed an application for a town planning permit for its office project in the heart of the CBD in Warsaw.

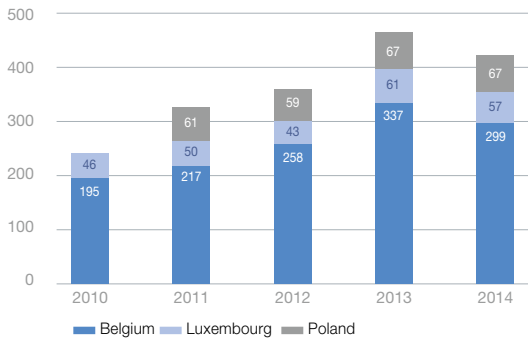
BEL-AIR 3

The sale of the 77 apartments has started.

KEY FIGURES¹

PORTFOLIO

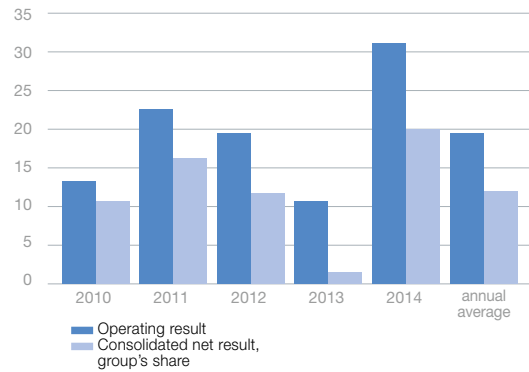
EVOLUTION OF THE PORTFOLIO BY COUNTRY (MEUR)



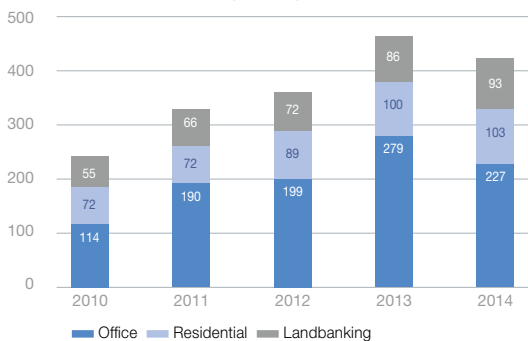
423
MEUR
BALANCED
PORTFOLIO OF
PROJECTS

RESULT

OPERATING RESULT/NET RESULT (MEUR)



EVOLUTION OF THE PORTFOLIO BY SEGMENT (MEUR)



182
MEUR
GROWTH
OVER
5 YEARS



1. In accordance with IFRS, the Company applied since 1st January 2014, IFRS 11, which strongly amends the readings of the financial statements of the Company but does not change the net income and shareholders' equity. The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

OUR NET CONSOLIDATED RESULT IS VERY CONSIDERABLE. IT IS THE HIGHEST SINCE 2007. — Count Buisse

197
MEUR

EQUITY
BY END 2014

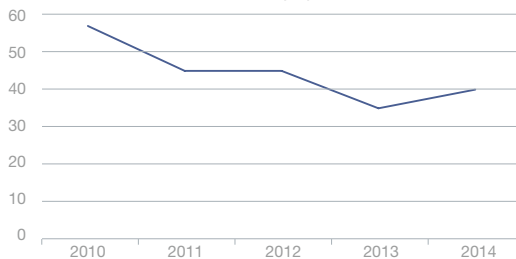
497
MEUR

TOTAL ASSETS
BY END 2014

The company fulfills
its engagements
towards banks
and bond holders.

RATIOS²

EQUITY/TOTAL ASSETS (%)



LOAN-TO-COST RATIO³ (%)



NET FINANCIAL DEBT/EQUITY (%)



2. Before application of IFRS 11.

3. Financial debts on inventories.

KEY FIGURES

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (MEUR)¹

31.2
MEUR
OPERATING
RESULT

INCOME STATEMENT

	2010	2011	2012	2013	2014
Operating income	85.6	81.1	133.7	65.1	183.1
Operating expenses	-72.4	-58.6	-114.3	-54.5	-151.8
Operating result	13.2	22.6	19.4	10.6	31.2
Financial result	-4.9	-5.4	-6.8	-9.3	-9.6
Share in the results of associates	2.9	0.3	0.0	0.2	-0.2
Result before taxes	11.2	17.5	12.6	1.5	21.4
Income taxes	-0.7	-1.3	-0.9	0.0	-1.4
Result from continuing operations	10.5	16.2	11.7	1.5	20.0
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0
Result for the year	10.5	16.2	11.7	1.5	20.0
Share of IMMOBEL	10.6	16.2	11.7	1.5	20.0

FINANCIAL POSITION

	2010	2011	2012	2013	2014
ASSETS					
Non-current assets	11.4	5.8	7.7	6.5	5.0
Intangible assets and goodwill	0.0	0.0	0.0	0.1	0.2
Tangible assets and investment property	3.6	2.5	3.9	3.6	3.6
Financial assets	7.5	1.3	2.4	1.1	0.8
Other	0.3	1.0	1.4	1.7	0.5
Current assets	292.1	401.0	409.9	520.4	492.2
Inventories	240.8	327.9	359.9	464.7	423.5
Treasury	34.2	47.0	26.9	31.4	32.0
Other	17.1	26.1	23.1	24.4	36.7
Total assets	303.5	406.8	417.6	527.0	497.2
EQUITY AND LIABILITIES					
Equity	172.1	182.8	187.7	183.2	196.7
Non-current liabilities	71.9	112.6	136.2	152.4	166.8
Financial debts	65.6	109.3	135.5	151.5	164.5
Other	6.3	3.3	0.7	0.9	2.3
Current liabilities	59.4	111.4	93.7	191.4	133.7
Financial debts	22.5	74.3	51.8	148.8	99.4
Derivative financial instruments	1.8	1.8	2.1	0.5	0.1
Other	35.1	35.2	39.8	42.2	34.2
Total equity and liabilities	303.5	406.8	417.6	527.0	497.2

KEY CONSOLIDATED FIGURES

KEY FIGURES IMMOBEL GROUP (MEUR)

	2010	2011	2012	2013	2014
Cash-flow ²	8.5	14.0	8.0	0.0	25.1
Net result, Group's share	10.6	16.2	11.7	1.5	20.0
Equity, Group's share	172.2	182.8	187.7	183.2	196.7
Market capitalization	130.2	101.8	116.4	148.4	177.5

FIGURES PER SHARE (EUR)

	2010	2011	2012	2013	2014
Number of shares at year-end (thousand)	4 122	4 122	4 122	4 122	4 122
Cash flow	2.1	3.4	1.9	0.0	6.1
Net result, Group's share	2.6	3.9	2.8	0.4	4.9
Value of equity	41.8	44.4	45.6	44.4	47.7
Gross ordinary dividend	1.25	1.75	1.40	0.00	2.40
Net ordinary dividend	0.94	1.31	1.05	0.00	1.80

STOCK MARKET RATIOS

	2010	2011	2012	2013	2014
List price on 31 December (EUR)	31.58	24.70	28.25	35.99	43.1
Maximum quotation (EUR)	32.85	34.00	28.90	37.43	44.5
Minimum quotation (EUR)	23.02	23.86	24.15	28.36	36.5
List price/book value	76%	56%	62%	81%	90%
Gross return for 1 year ³	36.0%	-17.8%	21.5%	32.4%	24%
Gross ordinary dividend/last list price	4.0%	7.1%	5.0%	0.0%	5.6%
Net ordinary dividend/last list price	3.0%	5.3%	3.7%	0.0%	4.2%

24%
SHARE GROSS
RETURN IN 2014

1. In accordance with IFRS, the Company applied since 1st January 2014, IFRS 11, which strongly amends the readings of the financial statements of the Company but does not change the net income and shareholders' equity. The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

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

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

SHAREHOLDER

INFORMATION

SHARE PRICE EVOLUTION

SHARE PRICE EVOLUTION IN 2014



SHARE PRICE EVOLUTION OVER A 5-YEAR PERIOD



IMMOBEL's market capitalization exceeded its net asset value at the end of January 2015.

DIVIDEND POLICY

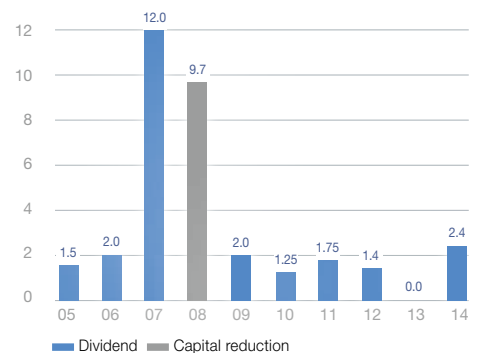
In 2008 the Board of Directors adopted the following dividend policy: IMMOBEL pays out between 40 and 50% of the consolidated annual net result.

Some conditions laid down in the bond issues of December 2011 and March 2013 also provide that the company may not distribute more than 50% of its annual net result.

For the fiscal year 2014 the proposed gross dividend amounts to 2.40 EUR per share. Taking into account the interim dividend of 1.60 EUR (gross) paid on 4 September 2014, an amount of 0.80 EUR (gross) per share will be paid on 1 June 2015.

For reference, the following amounts were paid in previous years: no dividend in 2013, 1.40 EUR in 2012, 1.75 EUR in 2011 and 1.25 EUR in 2010. In the period 2010-2014, the average gross yearly dividend amounted to 1.36 EUR gross per share.

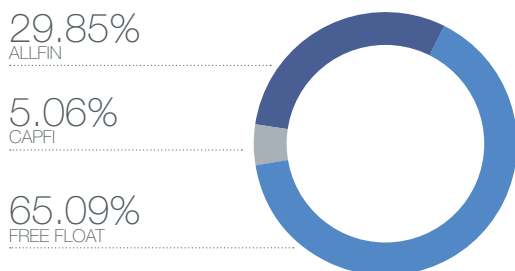
DIVIDEND EVOLUTION OVER THE PAST 10 YEARS (EUR)



ALLFIN GROUP COMM. VA, A COMPANY CONTROLLED BY MARNIX GALLE, PURCHASED A 29.85% STAKE OF 1 230 398 SHARES FROM CRESIDA INVESTMENT SÀRL, A 100% SUBSIDIARY OF THE EASTBRIDGE GROUP.

SHAREHOLDING STRUCTURE

SHAREHOLDERS AS 31-12-2014



In accordance with of article 29 of the Law of 2 May 2007 on the disclosure of stakes held in issuers whose shares are admitted to trading on a regulated market, IMMOBEL has been informed by the following Shareholders that they hold the following shares:

SHAREHOLDERS	VOTING RIGHTS	% OF TOTAL SHARES
ALLFIN GROUP COMM. VA having its registered seat at 1000 Brussels, rue des Colonies 56	1 230 398	29.85%
CAPFI DELEN ASSET MA- NAGEMENT NV having its registered seat at 2020 Antwerp, Jan Van Rijswijcklaan 178	208 516	5.06%
FREE FLOAT	2 683 073	65.09%
TOTAL	4 121 987	100%

FINANCIAL CALENDER

Publication of annual accounts 2014	27 March 2015
Ordinary General Meeting 2015	28 May 2015
Publication of 2015 half-year results	24 September 2015
Publication of 2015 annual accounts	24 March 2016
Ordinary General Meeting 2016	26 May 2016

177
MEUR

MARKET
CAPITALIZATION
BY END 2014

+20%
DURING 2014

+172%
BETWEEN
BEGINNING 2010
AND END 2014





SINCE ITS INCORPORATION IN 1863 PROPERTY DEVELOPMENT HAS BEEN AT THE HEART OF IMMOBEL'S STRATEGY.

ATTENTIVE TO DEVELOPMENTS IN THE MARKET, THE COMPANY HAS DIVERSIFIED ITS ACTIVITIES TO ENCOMPASS **THREE LINES OF BUSINESS**, IN **THREE COUNTRIES**.

IN ADDITION TO BELGIUM, IMMOBEL EXERCISES ITS EXPERTISE IN LUXEMBOURG, WHERE IT HAS HAD A PRESENCE SINCE THE EARLY 2000S, AND, SINCE 2011, IN POLAND ACROSS **THREE SEGMENTS**: OFFICES, RESIDENTIAL AND LANDBANKING.

THE COMPANY TARGETS **THREE TYPES OF CLIENTS**: THE STATE, THE EU AND/OR INSTITUTIONAL INVESTORS FOR LARGE OFFICE COMPLEXES; PRIVATE CLIENTS FOR RESIDENTIAL PROPERTY AND LAND PURCHASES; AND PRIVATE INVESTORS WISHING TO INVEST IN RESIDENTIAL ACQUISITIONS.

STRATEGY

DIVERSIFY OUR ACTIVITIES

So far, IMMOBEL has developed all three activities in Belgium; the office and residential segments in the Grand Duchy of Luxembourg; and the office market in Poland, including projects with a mix of retail too. IMMOBEL invested in a first Polish residential project in 2014.

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

TO BALANCE RISKS

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

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

DIVERSIFICATION

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



PROPERTY DEVELOPMENT



Konrad Adenauer

PORTFOLIO DISTRIBUTION¹ BY COUNTRY

16%
POLAND

13%
LUXEMBOURG

71%
BELGIUM

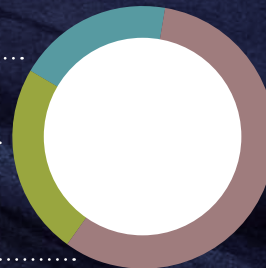


PORTFOLIO DISTRIBUTION¹ BY SEGMENT

22%
LANDBANKING

24%
RESIDENTIAL

54%
OFFICE



1. Based on Inventories value at 31-12-2014.

ENT



BELGIUM



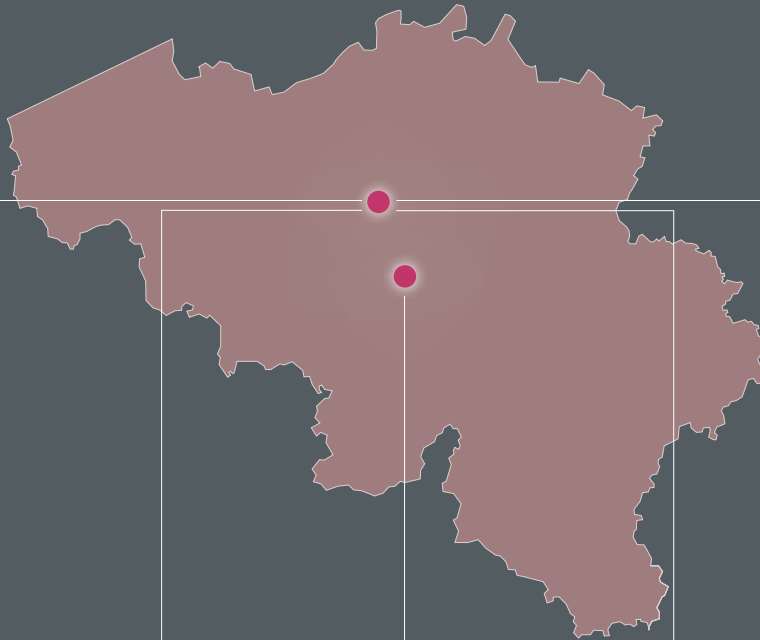
146 100 m²
OFFICE SPACE

2 570
RESIDENTIAL
UNITS

420 HA
LANDBANKING¹

1. Including plots of land acquired under conditions precedent.

MAIN PROJECTS



THE BLACK PEARL
BRUSSELS
(EUROPEAN DISTRICT)
11 000 m²



The construction of this "exemplary building 2012" was completed by the end of 2014.

GATEWAY
ZAVENTEM
36 000 m²



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

CHASTRE RUE DU CHÊNE
CHASTRE
42 BUILDING PLOTS



A new land development project in Walloon Brabant.

PARC SENY
BRUSSELS
(AUDERGHEM)
121 APARTMENTS
2 BUSINESS SPACES



Reconversion of offices into apartments.

BEL-AIR
BRUSSELS (CITY)
150 000 m²



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



WE RECORDED SIGNS OF RECOVERY IN DEMAND FOR OFFICE SPACE IN BRUSSELS IN 2014, ALTHOUGH THE BULK OF THE PERFORMANCE OF THE YEAR WAS DUE TO TRANSACTIONS BY THE BELGIAN PUBLIC SECTOR.

CONTEXT

OFFICE¹

Economic growth is insufficient yet to truly boost the real estate needs of the private sector but the slight decline in rental values for quality buildings seems to have been the trigger for medium sized transactions since the 4th quarter. There are relatively few new speculative deliveries and these are almost exclusively located in the CBD². Availability therefore tends to decrease in the CBD districts, but remains very high in the outskirts. Decentralised districts benefit from multiple conversions of old offices and although there is high availability, the trend is downward. Rental values have been under pressure for the last two years, including for new buildings, reflecting market conditions favourable to tenants.

The context of low levels of interest rates in the short and long term is very favourable to real estate investments, investment volumes in Belgium were very firm in 2014 and we recorded 3.32 billion EUR of transactions, up 47% year on year and 22% higher than the average for the last ten years. Demand remains predominantly concentrated on “core” products but we see that investors are now willing to take more risk, this being illustrated by several large size “non-core” transactions. Yields are down for all asset classes but are still significantly higher than in most neighbouring countries.

+47%
INVESTMENT
VOLUME IN
BELGIUM IN
2014

LETTING MARKET IN BRUSSELS

TAKE-UP

The letting market in Brussels rebounded in 2014, we recorded 419 000 m² of take-up, 27% more than in 2013 and 5% higher than the 5 year average. The Belgian administrations (local and regional) were the most active with very large transactions such as pre-letting to Actiris of 34 000 m² in the Astro Tower (North district) and pre-letting by the Flemish Community of the Meander, a new 50 000 m² project also located in the North district. Belgian administrations have contributed to 38% of the total take-up against an average of 19% the past 10 years. The private sector was much quieter and contributed to only 53% of the total take-up vs. 65% on average the past ten years. The last quarter of

LEASING MARKET IN BRUSSELS

	2013	2014	12 MONTH OUTLOOK
Stock (million m ²)	13.3	13.2	→
Total take-up (m ²)	331 000	419 000	→
Vacancy rate	10.1%	10.3%	↘
CBD	5.9%	6.1%	↘
Outside CBD	17.5%	17.8%	↘
Completions (m ²)	223 000	88 000	↗
Prime rents (EUR/m ² /year)	285	275	→
Top quartile rent (EUR/m ² /year)	210	208	→
Weighted average rent (EUR/m ² /year)	169	165	→

1. Source: Jones Lang LaSalle.
2. Central Business District.

THE BLACK PEARL
Brussels
(European District)
– Art & Build



the year showed some signs of improvement from the corporates, for example Dimension Data took 6 347 m² in the Light House in Diegem (Periphery). This rebound seems confirmed during the first weeks of 2015. It essentially relates to relocation transactions, not new demand. European institutions have been significantly less active than the previous three years with only one transaction, the letting in the form of a usufruct right of 15 000 m² in Livingstone II (European district) by the European Commission Training Center. European institutions demand amounted to 4% in 2014, against 11% on average in the last ten years. Finally, we recorded several transactions from international administrations, such as the Slovak Embassy which leased 7 635 m² in the Da Vinci in the European district. They contributed to 5% of the total take-up, which is in line with the ten year average.

VACANCY AND FUTURE SUPPLY

The availability increased slightly in Q4 2014 following several speculative deliveries, such as *The Black Pearl* and the C de Ligne, and as a result of approximately 20 000 m² vacated by AXA in the Belmont building (European district). At 31 December 2014, 1 367 000 m² were vacant in Brussels, implying a vacancy rate of 10.3%. A year earlier the vacancy rate was 10.1%. In the CBD the vacancy rate was 6.1% in Q4 2014 against 5.9% a year earlier. We also recorded a small rise outside the CBD to 17.8% against 17.5% a year earlier, with the Periphery displaying an availability of 22.7%, its highest ever. In the Decentralised, the trend is downward to 13.6% against 15% a year earlier. The gradual correction of the structural vacancy in the Decentralised is the result of conversions which can currently not spread to the Periphery mainly for political reasons.

Completions for 2015 are estimated at 136 000 m², of which 67 000 m² is speculative. Of this, 28 000 m² is located in the Pentagon, 31 000 m² in the European district and 8 000 m² in the Decentralised. No speculative delivery is expected in the Periphery in 2015, but 23 000 m² could be delivered speculatively in this area in 2016. Next year, a total of 215 000 m² of completions is expected, of which only 48 000 m² is speculative.

RENTS

In 2014 nominal rents decreased slightly: in the fourth quarter, top quartile rents were down 1% year on year, while weighted average rents were down 2%, this trend showing favorable market conditions for tenants. The “prime” rents fell by 3.5% to 275 EUR/m²/year.

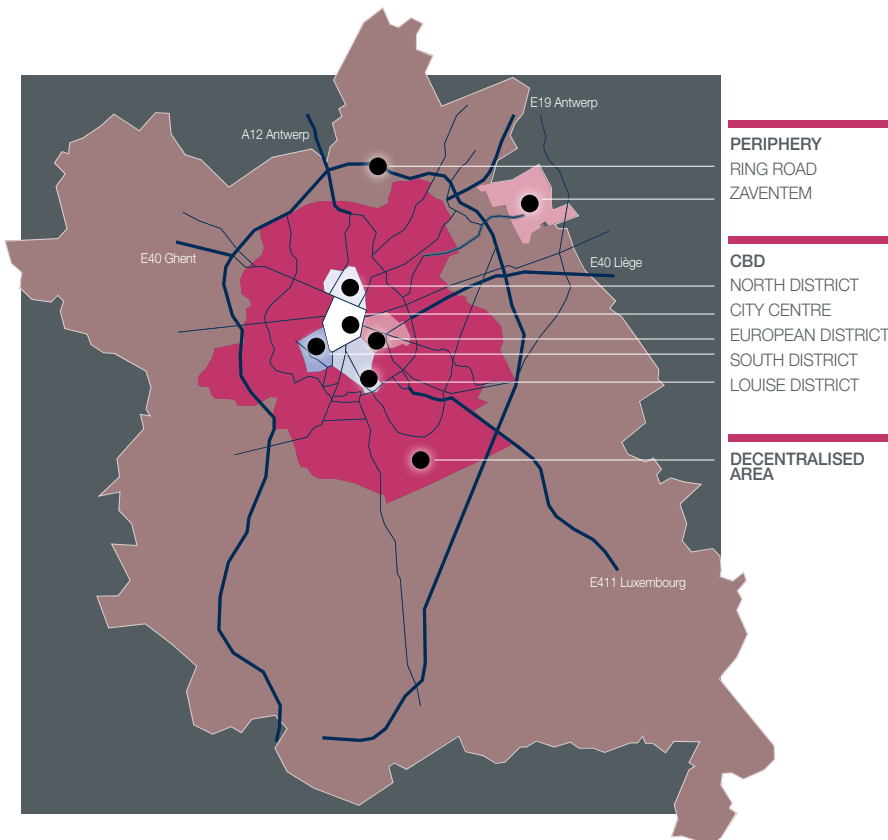
The “incentives” remained high and analysis of a selection of transactions over the past year reveals an average delta of 15 to 25% between nominal rents and economic rents, with a trend towards stabilization outside the CBD and early signs of a decrease in the CBD.

OUTLOOK

We expect significant transactions by the European institutions in 2015. It is likely that approximately 50 000 m² will be taken during the first semester. Regional and local administrations in Brussels could also complete significant transactions, however, visibility on the outcome of these transactions is limited. Macroeconomic forecasts for 2015 and 2016 do not augur well for a significant recovery from the private sector, however, as we have seen at the end of 2014 and early 2015 several medium-size transactions could stimulate the market without returning back to pre-crisis levels. Speculative deliveries remain very limited, availability will in our view decrease but mainly in the CBD.

In the Periphery, we believe that the vacancy rate will remain high for the next 2-3 years. In the CBD, we estimate that by 2016 the vacancy rate could fall below 5%, however, across all areas it should remain above 9% for the next three years.

Mobility and accessibility by efficient means of transport are key selection factors for companies in the event of relocation. Attention is also paid to the effectiveness of workspaces, as the average area per employee is decreasing, the use of open-space tends to spread in a wider variety of occupants, and flex-desk solutions are considered by a growing number of companies.



10.3%

AVERAGE
VACANCY RATE
IN BRUSSELS

VOLUME OF INVESTMENTS (MEUR)

	2013	2014	10 YEAR AVERAGE	TREND 2015
Offices	1 262	2 144	1 506	↘
Industrial	201	239	224	↗
Retail	646	588	536	↗
Retirement homes	120	183	153	→
Other	31	166	112	→
Total	2 260	3 320	2 731	→

INVESTMENT MARKET

INVESTMENT VOLUME

The total investment volume in Belgium for 2014 reached 3.32 billion EUR, up 47% year on year, exceeding by 22% the 10 year average. The office segment was by far the most active with a volume of 2.14 billion EUR, or 70% more than in 2013 and 42% higher than the 10 year average. We recorded several large size transactions, the main ones being the sale of the North Galaxy to ATP and AXA (the largest transaction involving a single asset ever in Belgium), the sale of the Covent Garden to Hannover Leasing and an Asian fund, and the sale of the Kievitplein in Antwerp to AG Real Estate. Investments in retail were down 9% year on year to 588 million EUR but are 10% above the 10 year average. The largest retail transaction of the year was the purchase by Wereldhave Belgium of Kortrijk Ring Shopping Centre for 108 million EUR. The industrial real estate sector has had an excellent year with an estimated volume of 239 million EUR, or 26% more than in 2013. This improvement is largely due to an increase of the market liquidity which was previously limited.

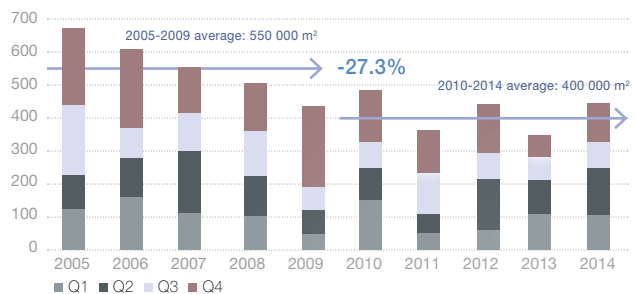
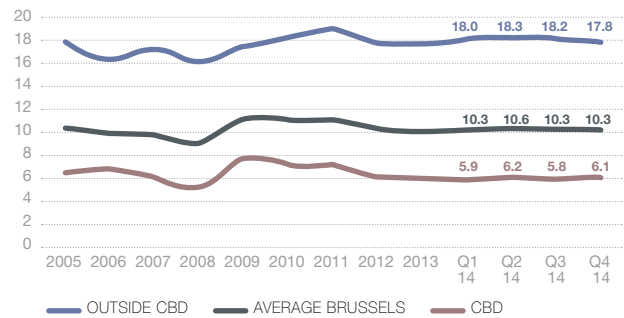
All asset classes together, Brussels and its periphery is by far the most active region of the country with 60% of the investment volume. Flanders follows with 37% and Wallonia with 3%.

In 2014 we observed a change in attitude of investors towards risk: over the period 2009-2013, 80% of all transactions of asset classes was “core”. In 2014 this proportion declined to 70%, the rest consisting of opportunistic and value-added transactions. Since mid-2014, “non-core” transactions are no longer confined to retail or small transactions. Indeed, among the major transactions of the year we recorded the sale of the Pegasus Park to Ares Management for 83 million EUR. This second hand business park located in the

Periphery of Brussels still has about 20% of vacancy. A similar example is the sale of the Manhattan Center in the North district to the British investment fund Victory, for an amount of 70 million EUR.

The investor base in Belgium has become more international, the proportion of Belgian investors decreased from 68% in 2009-2013 to 58% in 2014. The Danes are second with 10% of the total volume with the acquisition the North Galaxy. German investors have contributed to 10% of the volume, against 15% on average the last 5 years. French investors followed with 4.8%, while Asian contributed 4.7%. US investors are also back in Belgium with 4% of the total volume. Institutional investors such as pension funds and insurance companies dominate the market with 41% of the total volume. REITs (including B-REITs) follow with 17% and private investors with 16%. Collective investment funds (“pooled funds”) contributed to 14%.

EVOLUTION OF VACANCY RATE (%)



YIELDS

In Brussels, yields for high-quality offices with standard leases are under pressure in the CBD, and are now in the range of 5.75% to 6.50%, 5 basis points lower than 2013. Outside CBD, transactions are more numerous than in previous years and liquidity increases. Quality and well let buildings trade on average between 7.5% and 8%, and often beyond. In Antwerp and Ghent, the best buildings trade between 6.25% and 7.5%, 25 basis points less than a year ago. The yields for office buildings with long leases in Belgium are also under pressure and often are below the 5% mark.

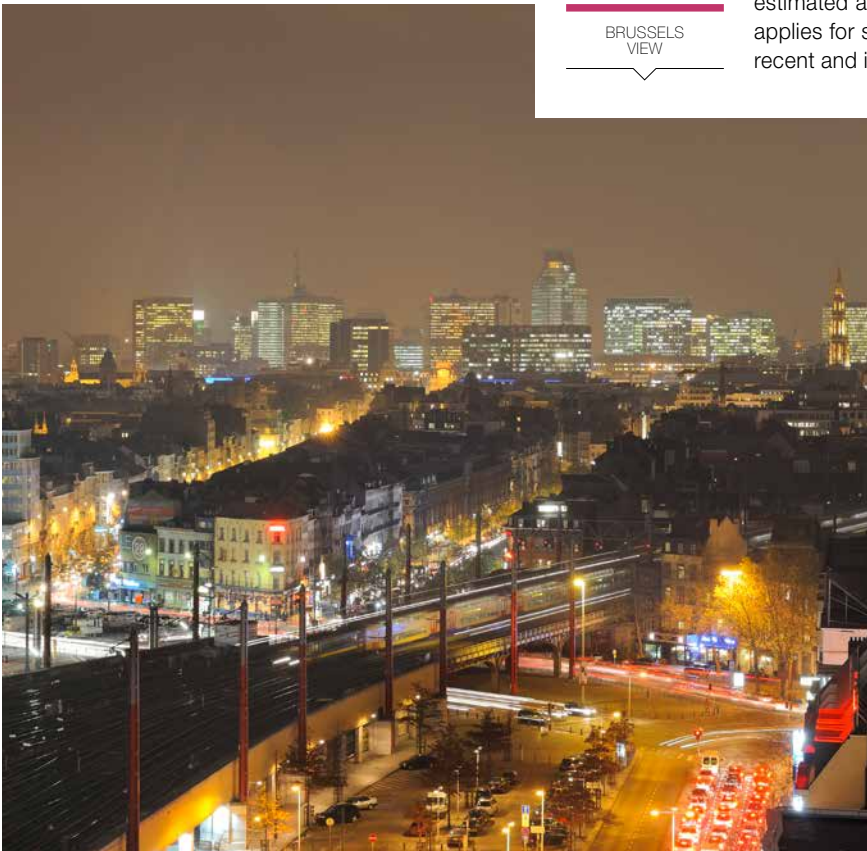
41%

OF INVESTORS
ARE INSTITUTIONAL
INVESTORS SUCH
AS PENSION
FUNDS OR
INSURANCE
COMPANIES

Yields for prime industrial buildings remained stable at 7% in 2014, but they are also under downward pressure.

Demand for retail property has not wavered in 2014, which again pushed yields for High street shops down to 4% against 4.25% a year earlier. For exceptional locations in major Belgian cities, it is common to obtain yields below 4%. For shopping centers, yields remain around 5% while for retail warehousing yields are unchanged in the range of 6 to 7.5% but still are under downward pressure.

The market for nursing homes is fairly recent, yields are estimated at between 5% and 6.50%. The same range applies for student houses, this market segment is also recent and its liquidity is relatively low.



BRUSSELS
VIEW



ELLIPSE
Brussels (Schaerbeek)
- Art & Build - Montois
Partners Architects

BELGIUM

OUTLOOK 2015

The significant cash available to pension funds and insurance companies, which have traditionally been invested in fixed income securities issued by governments or corporates, could move towards real estate offering better returns than bonds and lower volatility than stocks. Since the macroeconomic context does not presage a significant increase in long-term interest rates, we believe demand will remain high for real estate. Furthermore, the significant yield differential between Belgium and some other European countries for offices,

+5%
ACTIVITY
IN 2014

THE BLACK PEARL
Brussels
(European District)
- Art & Build



GATEWAY
Zaventem –
Jaspers-Eyers
Architects - A2RC



shopping centers and logistics could mean that more international investors might be interested in the Belgian market. The premium offered by “non-core” products could also enhance risk-taking by investors. We therefore expect that the investment volume in 2015 will be similar to that of 2014, with a substantial increase in the share of retail deals due to the expected closing of several large transactions in shopping centers.

We believe that yields for the best quality products in all asset classes will decline further in 2015. It is also likely that the products not meeting these criteria (“core” in secondary locations or “non-core” in prime locations) will also decrease in 2015.

Finally, we believe that office redevelopment transactions will remain high, mainly with the aim to convert them into mid-to-upper scale residential, nursing homes or schools. The profitability of this type of transaction is conditioned by the purchase price of the property and the cost of the conversion, we therefore believe that great selectiveness is required, among other things in terms of location.

THE YEAR 2014 WAS CHARACTERIZED BY A GROWTH IN BUSINESS OF +5%. HOWEVER, THE GLOBAL GROWTH FIGURE HIDES A DISPARITY BETWEEN THE REGIONS. THE FLEMISH AND WALLOON REGIONS EXPERIENCED A RISE OF +7.6% AND +3.9% RESPECTIVELY, WHILST BUSINESS IN THE BRUSSELS REGION DECREASED BY -7.8%.

RESIDENTIAL¹



BUSINESS IN 2014

The global rise in business appears to have been due to three factors:

- Uncertainty concerning the housing bonus, which pushed prospective buyers to speed up their purchases;
- Low mortgage rates, which has made borrowing attractive, though prospective borrowers should never ignore the effort they will have to make themselves;
- Low interest rates on savings accounts, which has pushed savers/investors to look for more lucrative alternatives, including real estate.

The sharp rise in Flanders can be explained by the changes announced in the level of the housing bonus, the benefits of which have been considerably reduced as of 2015, which pushed prospective buyers to purchase before the end of 2014 (boom in notarial transactions in Q4 2014).

BELLA VITA
Waterloo –
FCM Architects -
Baudouin Courtenis
& Associés

The competences linked to the housing bonus were regionalised as of 1 January 2015. There seems, therefore, to have been considerable anticipation of the change, especially in Flanders. It would appear that the consequences of the modification of the housing bonus were underestimated. Several recent studies show that borrowing capacity will definitely be affected by the new systems put in place. In Flanders, all borrowers will be affected, while in Wallonia and Brussels only borrowers whose annual remuneration exceed 40 000/45 000 EUR will be concerned for the moment.

The sharp drop in business in the Brussels region can be explained by the increased delay between the signature of the private agreement and of the notary sale deed as a result of the new measure requiring, since August, that the seller transmit all the planning information upon the signing of the private agreement rather than upon signature of the notary deed.

1. Source: Latour & Petit and Baromètre des Notaires.



DUIJENZICHT
Bredene
- Berkein

UNIVERSALIS PARK
Brussels (Ixelles) -
Art & Build



PRICES IN 2014

Despite the rise in activity, prices have remained globally stable due to the large supply of properties.

The last notarial barometer shows, in 2014, that:

- The average sales price for houses in Belgium has increased by +0.3%;
- The average sales price for apartments in Belgium has decreased by -1.4%.

In the Brussels region the apparent global stability hides a drop in the prices of apartments and a rise in house prices.

- The sales price for houses in Brussels has increased by +6.3% to 436 000 EUR;
- The sales price for apartments in Brussels has dropped by -4.3% to 218 000 EUR (with the exception of new properties, prices of which have remained stable).

THE APARTMENT MARKET IN THE BRUSSELS REGION

For over 30 years the Brussels region has had the largest proportion of built property. Likewise, the largest proportion of new housing has been constructed in Brussels. Projected annual requirements remain around 4 000 to 6 000 new units (+120 000 inhabitants in 2020).

Trends show a growing disinterest in energy-guzzling “secondary” buildings for renovation. Prospective buyers take into consideration the cost of renovation of an apartment as well as the long-term cost of renovation of the building and the cost of monthly service charges.

EVOLUTION OF PRICES

	2013	2014	TREND 2015
Houses			
Belgium	234 686	233 000	↗
Flanders	252 864	250 000	↗
Wallonia	175 796	176 000	↘
Brussels	448 923	410 000	↗
Apartments			
Belgium	201 295	204 101	↘
Flanders	206 036	204 402	↗
Wallonia	157 002	155 000	↗
Brussels	214 113	228 000	↘

The market for new property still arouses a lot of interest. The difference between the prices of new property and property in the secondary market was very clear in 2014.

Given the points mentioned above concerning older buildings in Brussels, where energy standards are becoming increasingly strict, it would appear that the market for new property will continue to expand.

Obviously there will have to be a balance between supply and demand. As far as the supply is concerned, according to the notarial barometer, in the first three quarters of 2014 the number of building permits for new housing in Belgium increased by 18.6% (+25% in Flanders, +6.2% in Wallonia, compared to a drop of 18.3% in Brussels). Could this be a sign of saturation in the Brussels market compared to its absorption capacity? The question is worth considering, given the number of projects announced in certain zones.

In terms of sales prices for new apartments in the Brussels region we have not noticed any great difference compared to 2013; i.e.:

- Average prices per square metre are between 2 500 EUR and 3 000 EUR in the standard interest zones;
- In neighbourhoods that are more in demand, with high quality projects, the average price varies between 3 000 EUR and 3 500 EUR;
- For the most sought after locations (no nuisance, businesses and public transport in the immediate vicinity, buildings on a human scale, large balconies, etc.) and properties with superior quality finishings, prices rise to 4 000 EUR/m² or even slightly higher. However, the marketing period of these projects sometimes proves longer.

OUTLOOK FOR 2015

- Deloitte is counting on stability in the residential market in terms of both activity and prices;
- The most recent forecasts from S&P suggest a general decrease of -3.5% and -2.5% in 2016;
- ING bank is also announcing a general downturn in prices of -1.5% in 2015, linked mainly to the abolition of the housing bonus. This downturn could be accentuated in 2016-2017, commensurate with the potential rise in interest rates and the volume of savings available.

CONCLUSIONS

In general, we see that the Belgian market remains very stable. We can contemplate the future with serenity, as long as interest rates remain stable and low.

- The downward trend for old properties has become more marked, especially for apartments located in buildings where the service charges are high;
- Interest in new property continues but not at any price; although niche products sometimes fetch very high prices.

-3%
AVERAGE
DECREASE IN
REAL-ESTATE
FORECASTED
BY S&P FOR
2016

GEORG GRARD
Oostduinkerke –
2.12 Architecten
bv ovv bvba



LANDBANKING¹

The surface area sold during the first nine months of 2014 amounted to 1 209 ha, compared to 1 346 ha for the corresponding period in 2013, continuing the downward trend of the last several years.

The total revenue from the sale of building plots has remained relatively stable for a number of years, while the number of transactions has decreased by about 40% over the last nine years and the surface sold has decreased by 35%, demonstrating an increase in prices per square metre of more than 50% during the last nine years. This increase continued in 2014.

We should expect a sharp growth in the number of transactions in the fourth quarter of 2014, as demand, especially in the Flemish region, reacted in anticipation of changes to the tax regulations (housing bonus). The same phenomenon was already noted in the last quarter of 2013, when 37% of the revenues for the year were booked, though for different reasons.

The year 2014 can therefore be characterised as a year in which the volume of transactions was stable, with prices up about 5%.

×4
ON AVERAGE
PRICE OF
LAND FOR
DEVELOPMENT
IN 15 YEARS

So, building plots continue to increase in price, despite almost zero inflation.

In 2014, the ongoing drop in mortgage interest rates certainly contributed to the good performance of the market. The scarcity factor and the long and costly procedures required to obtain permits should not have a marked effect on the upward trend noticeable in recent years.

Important disparities in average prices/m² are still noticeable in the three regions. With the exception of part of Walloon Brabant, the Walloon region is considerably less expensive than the other two regions. The limited number of transactions in the Brussels region should be set against the average price and the evolution thereof.

For the first three quarters of 2014, the difference between the Flemish and Walloon regions can be summed up as follows: 51% of all sales transactions, involving a surface of 613 ha, were in the Walloon region and represent 22.7% of the value, while 49% of transactions, involving 594 ha, were in the Flemish region and represent 77.3% of the value. This demonstrates a difference ratio in price per m² of around 1 to 3.5.

AVERAGE PRICE/M ² (EUR)	1992	2000	2005	2011	2012	2013	2014
Flemish region	25.63	55.06	110.77	156.51	165.34	169.31	183.65
Brussels Capital region	156.27	166.91	235.04	437.37	410.95	585.81	896.26
Walloon region	14.06	18.27	32.5	48.74	48.99	30.97	54.35
Belgium	23.42	38.54	71.27	102.57	105.10	111.58	117.45

¹. Data relating to the first three quarters of 2014, source STATBEL, FPS Economy.

DURING THE FIRST THREE QUARTERS OF 2014 (THE ONLY OFFICIAL DATA WE HAVE), THERE WERE 10 389 TRANSACTIONS INVOLVING BUILDING PLOTS AS OPPOSED TO 11 674 IN THE FIRST THREE QUARTERS OF 2013.



EKEREN

LONGCHAMPS
Egezhée



The number of building permits in 2014 (three first quarters) is slightly increasing compared to 2013 (around 5%), but the number of housing units authorized is up by about 19%, which shows a marked increase in the number of apartments authorized during that period (approximately 23%) ; the number of permits for single-family houses has increased by about 13%.

In the Flemish region, 60% of the housing authorized involves apartments; in the Walloon region, this proportion drops to 53%. Finally, 76% of the total number of housing units authorized during this period (43 171) are located in the Flemish region.

During the whole of the year 2013, 23 822 permits were granted, involving 48 990 housing units: 27 953 apartments and 21 037 single-family houses.

At the regulatory level, it should be noted that the land development code, CoDT, which is set to replace the CWATUPE, was finally passed at the end of the 2014 legislative term, but its entry into force, originally scheduled for 1 January 2015, has been postponed till 1 October 2015.

In the Brussels region, a new regulation on planning permission charges has come into force. For the first time the region will levy a tax on residential planning permits for large projects. The new regulation imposing the passive building standard on all applications for residential building permits, which came into force on 1 January 2015, also applies now.

THIS MASSIVE AND COMPLEX PROJECT HELD IN PARTNERSHIP OFFERS A DEVELOPMENT POTENTIAL OF ABOUT 150 000 M² IN 4 PHASES: 2 OFFICE PHASES (INCLUDING ONE SOLD IN 2014) AND 2 RESIDENTIAL AND SERVICE PHASES, INCLUDING A SCHOOL, A KINDERGARTEN, AND THE RENOVATION OF THE GARDEN PÉCHÈRE ACCORDING TO ITS ORIGINAL DESIGN, ETC.



BEL-AIR

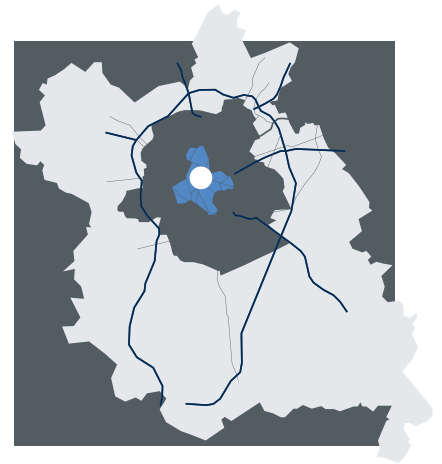


**KEY PROJECT
FIGURES**

5 ha

150 000 m²

2021
EXPECTED
COMPLETION DATE



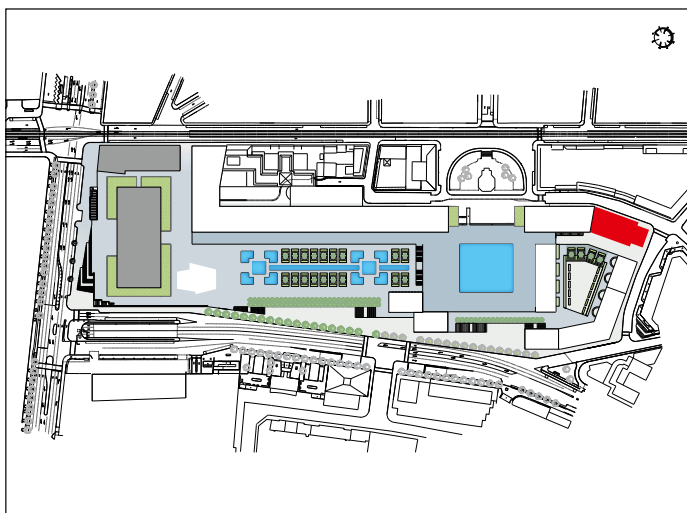
This site is dedicated to urban man - people who are not bothered by having other buildings opposite them and who are fully involved in a real urban dynamic. After all, the whole point of Bel-Air is to regenerate part of the city: The project will have a knock-on effect. It's not only the former "Cité Administrative" that will get a new look, the entire rue Royale will get a face lift as well.



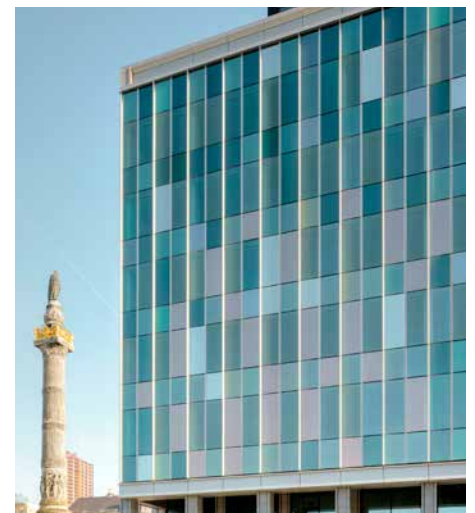
The *Bel-Air* project involves a bit of everything - town planning, landscaping, layering of functions, differences in relief, conversion for other uses, and renovation. It's a project that involves a great many players and obvious technical difficulties, since we have to work on a large slab

beneath which there are functioning car parks. And don't forget that it's situated right beside the North-South railway junction. When we drill we have to make sure we aim right!

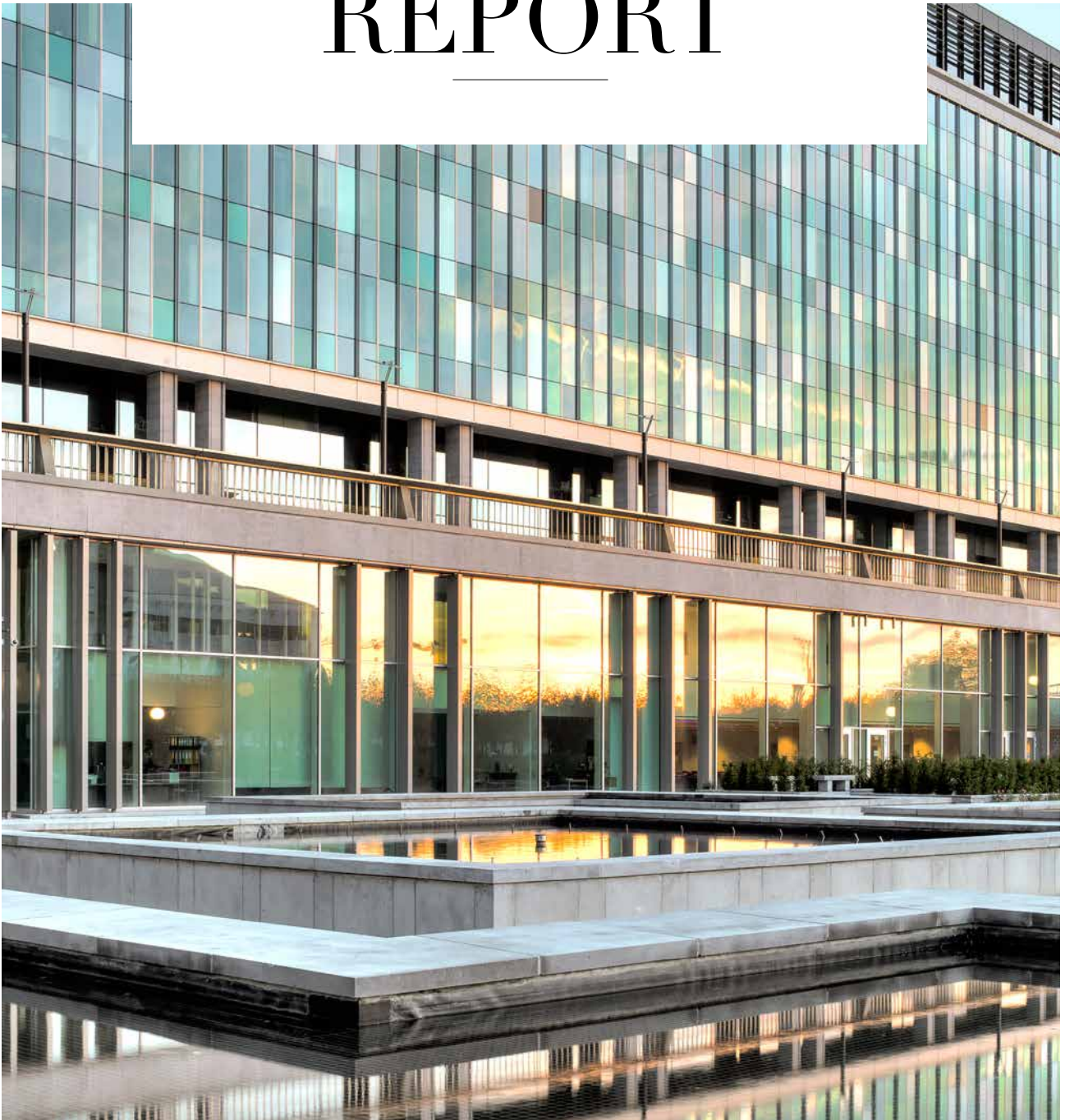
**Philippe Verdussen
(Archi 2000)
Jaspers-Eyers
Architects**



A TOTAL OF
500
HOUSING FOR
THE WHOLE
PROJECT



ACTIVITY REPORT



THE OFFICE MARKET IS A MAJOR PART OF IMMOBEL'S DEVELOPMENT STRATEGY. THE COMPANY FOCUSES ON THE CONSTRUCTION OF EXEMPLARY BUILDINGS THAT MEET THE STRICTEST ARCHITECTURAL, TECHNICAL AND ENVIRONMENTAL STANDARDS.

OFFICES

IMMOBEL has always endeavoured to anticipate new standards and to be a pioneer in its field.

Likewise, the Company is very careful in its selection of locations, so as to ensure it is present where the development opportunities are greatest, where the communications facilities and where the interaction with the urban fabric are optimal. IMMOBEL has logically focused most often on central business districts or equivalent locations.

Certain projects particularly impacted IMMOBEL's activity in 2014 and are detailed below. A more comprehensive survey of the various projects under development as at 31 December 2014 is available on page 54.

BEL-AIR 1 & 2: NEW LIFE FOR AN ICONIC SITE IN THE CENTRE OF BRUSSELS

79 500 M² OFFICES COMPLETED AT THE END OF 2013 WERE SOLD AND ARE FULLY USED BY THE FEDERAL POLICE; 9 500 M² OF ADJACENT OFFICE SPACE ARE ABOUT TO BE COMPLETED

The large and complex *Bel-Air* project, which is held in partnership (40%), offers an aggregate development potential of about 150 000 m² split in four different lots: two lots dedicated to offices (RAC1 and RAC2) whereas the other two lots accommodate residential units and public service functions such as a school, a kindergarten, a public square known as the Esplanade and a public garden originally designed by the famous landscape architect René Péchère (RAC3 and RAC4).

A first phase of approximately 79 500 m² above ground of office and ancillary space known as RAC1 was completed and delivered to the Belgian Buildings Agency and the Federal Police, in their respective qualities of tenant and occupant, in December 2013. The related lease agreement was entered into for a fixed term of 18 years which started on 1 January 2014, and the sale of the shares in the special purpose company RAC1, which owns this office project, to Hannover Leasing and its Asian partner, was completed in Q1 2014.

A second phase of approximately 9 500 m² above ground of office and ancillary space known as RAC2 is now completed and should be provisionally accepted by mid-2015. The letting and sales process has started.

IMMOBEL and its partner have redeveloped an iconic building of central Brussels (formerly known as the "Cité Administrative de l'Etat/Rijksadministratief Centrum"), thereby creating an essential link between the upper and lower parts of the city, and offering a future variety of functions on the site, with public areas and collective utilities, shops, offices, housing units, etc.

150 000 m²

DEVELOPMENT POTENTIAL
FOR THE BEL-AIR
PROJECT

BRUSSELS TOWER: HUGE POTENTIAL IN BRUSSELS' NORTHERN DISTRICT

PRE-LETTING DISCUSSIONS ONGOING IN A DIFFICULT MARKET

The permits obtained for this project authorize a 59 600 m² office development in Brussels' Northern District, along the boulevard Albert II.

Partial demolition and earthworks started in 2014, while the company keeps its focus on the pre-letting of the project.

IMMOBEL finalises the acquisition of the 50% stake held by its joint venture partner in this project and examines different options such as the pre-letting of the current project or the redevelopment of a new mixed-use concept providing for offices, residential, services and retail.

The project, which was purchased in 2004 and is located ideally, offers a huge redevelopment potential in line with the company's high environmental and architectural requirements.

GATEWAY: BRAND NEW OFFICES IDEALLY LOCATED AT THE VERY HEART OF BRUSSELS AIRPORT AND FULLY LET TO DELOITTE

CONSTRUCTION START IN MAY 2014

Situated on Brussels National Airport's site in Zaventem and immediately adjacent to the departures terminal, this project held in partnership (50%) and acquired in 2012, consists in a major renovation, transformation and extension of the old Terminal 58 which will accommodate approximately 34 000 m² of top-quality office space which will benefit from a "very good" or "excellent" Breeam certification.

The office building is fully pre-let to Deloitte for a fixed term of 18 years. Permits have been obtained and have now become definitive.

The project divestment process is ongoing.

IMMOBEL and its partner (50%) hereby engaged into a sustainable conversion, preserving the original concept of a building with a unique airport location, above a railway station, and a facade looking directly onto the tarmac. The new building complex will also feature an outstanding inside atrium.

THE BLACK PEARL: A NEW PASSIVE OFFICE BUILDING WITH A VERY SPECIAL DESIGN AT THE HEART OF THE CBD

THE CONSTRUCTION OF THIS "EXEMPLARY BUILDING 2012" WAS COMPLETED BY THE END OF 2014

This office building is ideally situated right in the centre of Brussels, at the corner of the rue Montoyer and the rue du Commerce, in the European District, which is probably the best office location in Brussels, thanks in particular to the presence of European institutions.

This project started with the demolition of existing old and obsolete buildings and was followed by the construction of a new office complex of about 11 000 m² meeting the highest architectural, technical and environmental requirements.

The great quality of this project was confirmed when the Brussels Capital Region awarded it with its "Exemplary Buildings 2012" label. *The Black Pearl* is considered to be a "passive building" and has gained the BREEAM certification "Excellent".

The construction works started in April 2012 and the provisional acceptance took place at the end of 2014.

The letting and sales process is ongoing; current negotiations relate to a long term occupation of the entirety of the building to a high quality tenant. The sale procedure depends on the actual letting of the building.

THE BLACK PEARL
Brussels
(European District)
- Art & Build



GATEWAY
Zaventem -
Jaspers-Eyers
Architects - A2RC

RESIDENTIAL DEVELOPMENT IS AN ESSENTIAL COMPONENT OF IMMOBEL'S BUSINESS WHICH HAS NOT CEASED TO GROW IN IMPORTANCE OVER THE LAST YEARS. TODAY IT IS RIGHT AT THE HEART OF IMMOBEL'S DEVELOPMENT STRATEGY.

RESIDENTIAL

True to its stringent requirements in terms of building quality and environmental innovation, IMMOBEL is an avant-garde player in the residential sector.

Every project must meet a majority of criteria guaranteeing added value: harmonious integration into the urban fabric or mixed outskirts, the gamble of an intergenerational mix, an architectural approach that is both contemporary and common to the majority of the projects, and the anticipation of new environmental standards. This is how IMMOBEL imposes its vision and its leadership.

Certain projects made a particular mark on IMMOBEL's activity in 2014. These are detailed below. A more comprehensive survey of the various projects under development as at 31 December 2014 is available on page 55.

BEL-AIR 3: FIRST RESIDENTS SHOULD SHORTLY MOVE IN THE FORMER CITÉ ADMINISTRATIVE

CONSTRUCTION OF 77 APARTMENTS AND SALES PROCEDURE STARTED IN 2014

After completion of the office part of the former Cité Administrative (see *Bel-Air 1 et 2 supra*), IMMOBEL and its partner started the construction of the first phase (77) of qualitative apartments in 2014. The residential project should comprise, in aggregate, around 500 units (including phase 4).

The sales process started in November 2014 and resulted in the signature of 6 sales deeds in 2014.

First residents are expected to move in the premises at the end of 2015.

IMMOBEL and its partner pursue their redevelopment of an emblematic site in central Brussels by phasing the residential phases of this major development. With this first residential phase, they achieve the return of mixity and of a residential function on this site which had been previously used exclusively for office purposes.

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

A NEW INTERGENERATIONAL CONCEPT AT THE HEART OF WATERLOO

The *Bella Vita* project, acquired in partnership (50%) in 2005, is situated in Waterloo, to the south of Brussels, on a 15ha site. Close to the town centre and the train station, its location is exceptional: the lively centre of Waterloo, with its shops, cafés, restaurants and banks is in the immediate vicinity.

This site, a large part of which is classified, is being transformed into an intergenerational residential complex. Next to housing units including both houses and apartments, residents will benefit from a retirement home, a kindergarten, medical and paramedical facilities, other local services, etc.

Out of 269 residential units (182 apartments and 87 houses), 23 sales notary deed were signed in 2014, bringing the total sales to 123 units (27 houses and 96 apartments) at the end of 2014.

By the end of 2014, approximately 50% of the construction works started in 2013 have been completed.

IMMOBEL and its partner pursue the development of an innovative intergenerational concept of unique scale in Belgium. It will offer a mixture of housing units (new or completely renovated) and services of all kinds, and creates a whole new district between the train station and Waterloo's town centre.

269

RESIDENTIAL
UNITS FOR THE
BELLA VITA
PROJECT



CHIEN VERT
Brussels
(Woluwe-Saint-Pierre)
– MDW Architecture

CHIEN VERT: A NEW OFFICE TO HOUSING CONVERSION IN BRUSSELS

PERMIT APPLICATIONS FILED

The *Chien Vert* project, which was purchased in 2013, consists in the conversion of an obsolete office complex into a highly qualitative housing complex (41 apartments) on the avenue de Tervueren in Woluwe-Saint-Pierre. The project will benefit from an exceptional frontal view on the Woluwe Parc, in a green environment within the immediate vicinity of public transportation facilities and major communication routes.

If the office building will remain in use until September 2015, the building permit application was filed by the end of 2014.

IMMOBEL hereby launches a new office to housing conversion in line with the residential character of the neighbourhood offering high quality architectural and environmental standards in green surroundings, close to shops, major roads and public transportation networks.

CLOS BOURGEOIS: A NEW DEVELOPMENT AT THE HEART OF BERCHEM STE AGATHE

79 NEW APARTMENTS IN CONSTRUCTION

This residential development, held in partnership with Citydev, is comprised of 79 passive apartments, including 36 social housing units; the other 43 apartments being available for sale without specific conditions.

The construction works started in September 2014 and should last for 2 years.

The sales process started in October 2014 and resulted in the sale of 6 apartments in 2014.

IMMOBEL and Citydev hereby increase the availability of affordable qualitative apartments in the Brussels Region, which meet stringent environmental conditions.

DUINENZICHT: DEVELOPMENT OF CONTEMPORARY APARTMENTS

IMMOBEL ADDS VALUE TO ITS LAND POSITION CLOSE TO THE SEAFRONT IN BREDENE

The project, held in partnership (50%), and developed on land owned by IMMOBEL close to the sea front consists in a complex of 49 apartments comprised of two separate buildings benefiting from a contemporary architecture.

The construction of the first building, which will comprise 24 apartments (including 21 apartments which are already sold), started in 2013 and was completed at the end of 2014.

The construction of the second building is scheduled for completion in the course of 2015; it being noted that 15 apartments of this second building have been pre-sold.

IMMOBEL capitalises on its residential experience to maximise the value of its land positions.

LINDEPARK: NEW APARTMENTS IN A GREEN AREA AT THE HEART OF TERVUREN

FIRST PHASE OF 45 APARTMENTS FULLY SOLD

This new residential development acquired mid-2011 is located in the centre of Tervueren, a green sought after town situated to the east of Brussels. The project involves the construction of 60 apartments in two phases of respectively 45 and 15 units.

The construction of the first phase started in 2013 and 50% of the works were completed by the end of 2014.

The notarial deed of sale of the last apartment of the 1st phase took place in 2014.

The permit relating to the construction of the second phase was obtained in 2014. Construction works are expected to start in Q1 2016, upon vacation of a building currently occupied which is located on the land.

IMMOBEL successfully started an architecturally and environmentally high-quality development in a sought after green area in the centre of Tervuren, close to the shops and communication routes.

PARC SENY: AN OFFICE TO HOUSING CONVERSION

PERMITS OBTAINED BUT SUBJECT TO RECOURSES

This project, which was acquired in September 2012, consists in the transformation of old obsolete offices into a qualitative residential complex that will comprise 121 apartments and two units dedicated to liberal professions. In Auderghem, set back from the Boulevard du Souverain, the project is located in a green environment and in the immediate vicinity of Herrmann Debroux metro station.

Offices were partially occupied until the end of 2014.

Permits were obtained ; the construction is scheduled to start once they become definitive.

The environmental permit is subject to a reformation recourse, whereas a recourse is pending before the Brussels government in relation to the validity of the building permit.

Here IMMOBEL is participating in the conversion of (old) offices into quality housing nicely integrated in a green neighbourhood, close to shops and major communication routes. The development offers top quality architecture and environmental standards.

RESIDENCE GEORG GRARD: CLOSE TO THE NORTH SEA

23 HIGH-END APARTMENTS UNDER CONSTRUCTION IN OOSTDUINKERKE

A building permit was issued in 2014 for the development of 23 contemporary high end and high quality apartments which is scheduled to take place in 2015.

The sales of the apartments will start in 2015. The market already showed signs of interest for this new development.

IMMOBEL capitalises on its residential experience to market 23 luxury and qualitative apartments.

UNIVERSALIS PARK: NEW URBAN DEVELOPMENT CLOSE TO 2 UNIVERSITY CAMPUS FACILITIES

PIPE OF UP TO 130 000 M² OF MAINLY RESIDENTIAL SURFACES

Universalis Park, purchased in 2007 and held in partnership (50%), is a new major urban redevelopment around the ULB and the VUB university facilities, which will enable the development of up to 130 000 m² on two different pieces of land having an aggregate land surfaces of 8 ha 50 a.

Considering ongoing market evolutions, the initial mixed-used project (residential + offices) evolved to a purely residential development (notwithstanding the legal possibility to develop offices, up to 30 000 m² out of a total of 130 000 m²).

A building permit was delivered in June 2014 for the cutting of trees and the construction of the infrastructure works necessary for the first residential phase (140 units) which is subject to an annulment recourse. Notwithstanding intense opposition, the cutting of the trees was completed in December 2014 after having obtained the necessary court decisions.

The building permit for the construction of the first residential phase should be delivered in Q2 2015. The global planning scheme relating to the site is currently reviewed by the municipality of Ixelles and is expected to be approved in Q2 2015.

IMMOBEL and its partner shall create two new residential areas over a 10-year period offering a wide range of residential options (both average and high end units, student accommodation units, nursing home, etc.) within green university surroundings comprising a central park of about 2 ha.

ZUR ALTEN BRAUEREI: QUALITATIVE REDEVELOPMENT OF A FORMER BREWERY AT THE HEART OF EUPEN

PROJECT 100% SOLD

Ideally located at the heart of Eupen, this second phase of the project held in partnership (33%) comprises 25 apartments and 3 office units built around an external atrium as well as a large parking complex comprising 69 underground car parking spaces.

The construction works have been completed in early 2015. All apartments and all office units are sold.

2 570
RESIDENTIAL
UNITS UNDER
DEVELOPMENT
IN BELGIUM

UNIVERSALIS PARK
Brussels (Ixelles) –
Art & Build



LANDBANKING IS ONE OF IMMOBEL'S MOST ANCIENT LINES OF BUSINESS. THE COMPANY HAS ALWAYS BEEN ACTIVE IN DEVELOPING PLOTS OF LAND OFFERING AN EXCELLENT POTENTIAL IN QUALITATIVE ENVIRONMENTS. THIS BUSINESS ACTIVITY IS GROWING STEADILY.

LANDBANKING

Reactive to new trends in the market, the Company focuses on residential extension zones and prioritises proximity to towns, public transport and major communication routes when selecting the sites in which to invest.

Certain projects made a particular mark on IMMOBEL's activity in 2014. These are detailed below. A more comprehensive survey of the various projects under development is available on page 54.

EGHEZÉE, A NEW DEVELOPMENT WITH A VILLAGE CHARACTER IN A VERY SOUGHT AFTER LOCATION

34 PLOTS OF LAND TO BE SOLD SOON

Just a few minutes from two major communication routes, the E411 and E42, and on a flat piece of land that makes this a high quality green space, the Company has started works to equip this new development with utilities.

The subdivision permit for the creation of 34 plots intended for detached and semi-detached single-family houses was granted in 2014.

Utility works begun in 2014. They will be delivered and approved in the course of 2015.

Once again IMMOBEL has demonstrated its preference for extremely well situated and much sought after locations.

GEEL GANSACKER: A NEW NEIGHBOURHOOD IN THE PROVINCE OF ANTWERP

ALMOST 80 NEW PLOTS FOR SALE

The project is situated in Geel (Province of Antwerp) on a 3 ha 27 a piece of land between the Antwerpsedries and the Gansackerstraat and consists in the creation and equipment of 68 plots of construction land dedicated to the construction of detached, semi-detached and independent houses, including 17 low cost plots ("betalbaar

wonen") and a plot dedicated to the construction of an apartment building comprised of ten social units.

Infrastructure works started in 2014 were completed by the end of 2014. The sales process started well with 23 sales deeds signed and agreements in place for the development of the remaining units with several developers.

The success of this development is due to the quality of its physical organisation and to its location close to the city centre.

IMMOBEL hereby initiated a large land development project offering a variety of dwelling units in a sought after municipality in the Province of Antwerp.

LOMBARDSIJDE: IMMOBEL CONTINUES TO DEVELOP SITES AT THE COAST

A PROJECT OF 180 PLOTS OF LAND IN MIDDELKERKE WILL START SOON

In this coastal village, a piece of land measuring 6.5 ha is to be developed shortly.

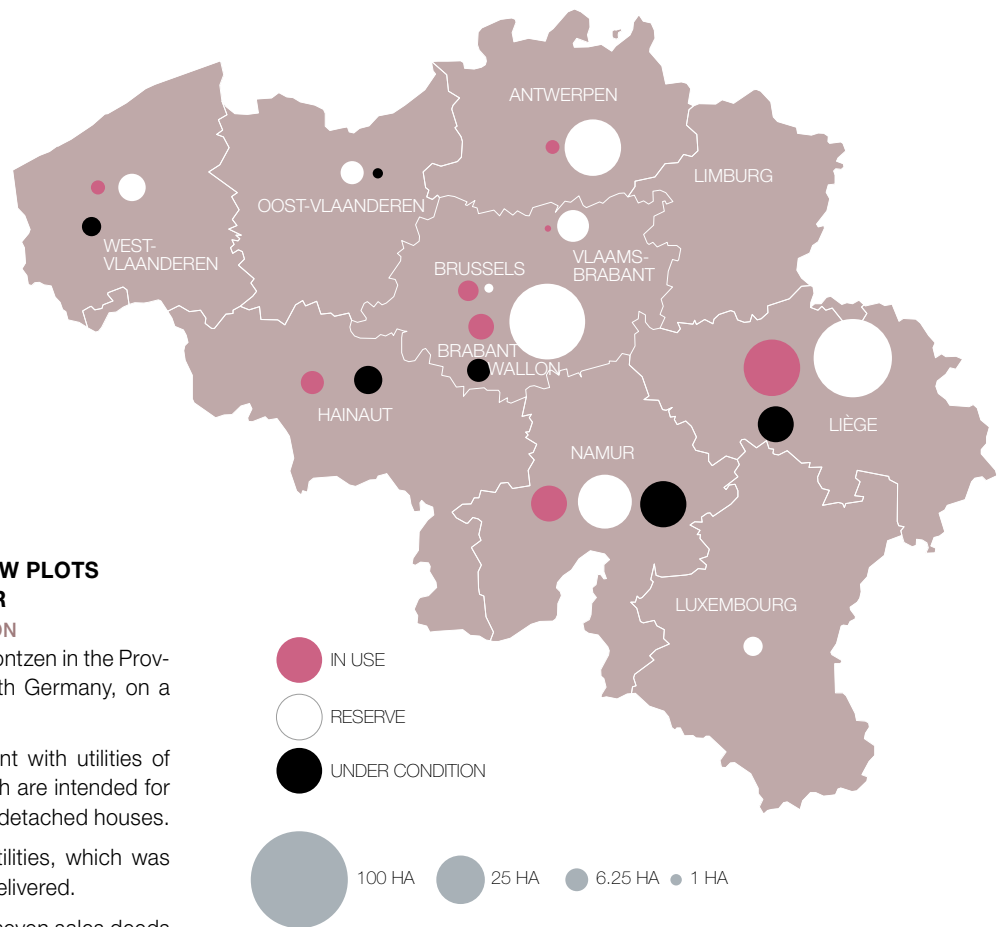
In 2014, an RUP was approved for the construction of a project consisting of 180 homes: 60 units of social housing and 120 single-family homes at "reasonable" prices.

A pre-sale agreement has been signed with a social housing company for the land intended for social housing. The application for planning permission for the remaining 120 plots will be submitted in 2015.

While continuing to develop its real estate property, IMMOBEL is also making a contribution to society by putting 180 low or reasonably priced homes on the market.

420 ha

LANDBANKING
PROJECTS
UNDER
DEVELOPMENT



LONTZEN KLOSTERSTRASSE: NEW PLOTS CLOSE TO THE GERMAN BORDER

53 NEW PLOTS OF LAND COMING SOON

This project is located in the town of Lontzen in the Province of Liège, close to the border with Germany, on a piece of land measuring 3 ha 61 a.

It involves the creation and equipment with utilities of 53 building plots, the majority of which are intended for the construction of detached or semi-detached houses.

The works to equip the plots with utilities, which was completed in early 2014, have been delivered.

Marketing started in spring 2014 and seven sales deeds were signed in 2014.

Here IMMOBEL has created a new development in a residential zone on a piece of land with a significant natural incline. The infrastructure has been constructed so as to guarantee a clear view of the surrounding countryside, while creating good quality spaces and roads.

OLNE PRÉ LILA: NEW PLOTS OF LAND IN THE PROVINCE OF LIÈGE

28 NEW PLOTS FOR SALE

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

The project consists in the creation and equipment of 28 plots of construction land dedicated to the construction of detached and semi-detached houses.

Utilities equipments were completed early in 2014 and have been delivered.

Twelve plots of land have already been sold.

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

SOUMAGNE: IMMOBEL SUCCESSFULLY CONTINUES ITS DEVELOPMENT OF PROJECTS IN THE OUTSKIRTS OF LIÈGE

24 PLOTS FOR SALE

The Company has been active in this municipality on the outskirts of Liege for several years and has already carried out major development projects here.

One of these required the construction of utilities, which were delivered in 2014.

The development consists of 24 plots intended for single-family homes.

The attraction of this location was confirmed in 2014, as IMMOBEL signed twelve sale deeds in the course of the year.

IMMOBEL continues, therefore, to invest in residential developments in this very attractive and sought after suburb of Liège.



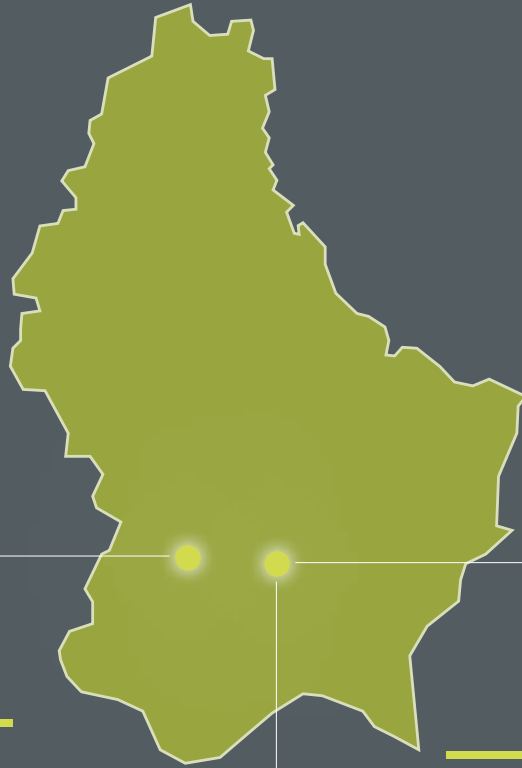
GRAND
DUCHY OF
LUXEMBOURG





28 700 m²
OFFICE SPACE
210 RESIDENTIAL
UNITS

MAIN PROJECTS



WESTSIDE VILLAGE
MAMER-CAPPELEN
11 700 m²



Quality offices at the entrance to Luxembourg City.

GALERIE KONS
LUXEMBOURG CITY
20 500 m²



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

GREEN HILL
LUXEMBOURG CITY (DOMMELDANGE)
174 APARTMENTS



Dwellers of new green homes are settling in.

THE LUXEMBOURG OFFICE MARKET HAD AN EXCELLENT YEAR IN 2014 WITH THE HIGHEST TAKE-UP REGISTERED SINCE 2008. WE HAVE INDEED RECORDED FOR 201 000 M² OF OCCUPANCY TRANSACTIONS, OR 38% MORE THAN IN 2013.

CONTEXT

OFFICES¹

Banks and financial institutions have contributed to 23% of take-up, against 28% on average the last 5 years. Banks accounted for 46 826 m² of take-up in 2014, against 38 717 m² on average the last five years. For example, the Banque et Caisse d'Epargne de l'Etat (BCEE) bought the "Castle ArcelorMittal" (10 500 m²) in the station district, while China Merchants Bank has pre-leased the iconic Royal 20 in the CBD (4 700 m²). Business services have dominated the market with 67% of the total take up, against 29% on average the previous five years. This can be explained by the transactions by PwC and KPMG for their respective new headquarters in the Cloche d'Or and Kirchberg.

The move of PwC and KPMG freed important second-hand office space, however this was largely offset by the strength of the rental market and the vacancy rate fell from 5.1% at the end 2013 to 4.7% at the end of 2014.

Development activity has cautiously restarted, however out of 84 000 m² of expected deliveries for 2015, only 22 000 m² is still available. Most of the new developments are located in the central districts such as the CBD, the Kirchberg and the Station district.

The prime rent has stabilized in 2014 at 42 EUR/m²/year in the CBD (+ VAT).

4.7%
VACANCY RATE
IN OFFICES IN
2014

Investment activity was very strong in 2014. The total volume, also including land purchases and acquisitions for own use, increased by 29% year on year and stood at 889 million EUR. This corresponds to an increase of 57% compared to the 5 year average. Belgian and German investors contributed to respectively 34% and 33% and continue to dominate the market. Notably, US investors have entered the Luxembourg market with one of the largest deals of the year, namely the purchase of the building "The Dome" in the station district for 120 million EUR.

Yields for prime offices with standard leases are under pressure and declined by 25 basis points to 5.50%. For long-term leases and high quality goods, yields can drop below 5%.

LEASING MARKET IN LUXEMBOURG

	2013	2014	12 MONTH OUTLOOK
Stock (million m ²)	3.5	3.6	↗
Total take-up (m ²)	146 000	201 000	→
Vacancy rate	5.1%	4.7%	↘
Completions (m ²)	71 000	104 000	↘
Prime rents (EUR/m ² /month)	42	42	↗
Investment volume (millions EUR)	685	889	→
Prime yields (%)	5.75	5.50	↘

1. Source: Jones Lang LaSalle.

LUXEMBOURG

WEST SIDE VILLAGE
Mamer-Capellen –
Assar Architects SARL

OUTLOOK 2015

We believe that the take-up in 2015 should at least match that of 2014. Indeed, the European Commission is looking for large areas to relocate employees currently installed in the Jean Monnet building that will soon be rebuilt. In addition, the European Investment Bank is looking for significant additional space on the Kirchberg plateau. This will have a significant impact on the vacancy rate that could fall to 3% or below. Prime rents could rise in the central districts.

The market seems to believe that the “Luxleaks”-gate will have no impact on the future of Luxembourg as an international financial centre and hence of take-up demand from the financial industry.



RESIDENTIAL¹

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



In 2014 the average prices per m² for apartments continued to rise slightly, both for sales of existing apartments and for sales of apartments under construction.

The sales price indicators announced have also increased: +6.8% for houses and +7.4% for apartments, compared to values in Q3 2013 and Q3 2014.

The pace of the upturn has been relatively regular since the start of 2014.

1. Source: Ministère du Logement, observatoire de l'Habitat.

IN THE EARLY 2000'S IMMOBEL DECIDED TO ESTABLISH ITSELF IN THE GRAND DUCHY OF LUXEMBOURG, STARTING, INITIALLY, WITH ITS OFFICE DEVELOPMENT BUSINESS.

ACTIVITY REPORT

OFFICES

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

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

Certain projects made a particular mark on IMMOBEL's activity in 2014. These are detailed below. A more comprehensive survey of the various projects under development as of 31-12-2014 is available on page 54.

GALERIE KONS: A NEW MULTIFUNCTIONAL DEVELOPMENT IN FRONT OF THE STATION

ING BANK LUXEMBOURG WILL INSTALL ITS OFFICES THERE

Located right in the centre of Luxembourg City, opposite the station, this new multipurpose project purchased in early 2014 is being developed in partnership (33%) and involves 20 500 m² (14 600 m² of offices, 3 500 m² of housing and 2 400 m² of retail).

Its location is unique, in a continuously evolving district.

The redevelopment of the present site includes the almost total demolition of the present buildings.

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

IMMOBEL and its partners sold their participation in the company holding the project *Galerie Kons* in Luxembourg to AXA Belgium; this sale is subject to the delivery and acceptance of this building, which are scheduled for H2 2016. This sale represents an investment volume of about 150 MEUR.

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

20 500 m²

MULTIFUNCTIONAL
DEVELOPMENT FOR
GALERIE KONS

**WEST SIDE VILLAGE: QUALITY OFFICES
AT THE ENTRANCE TO LUXEMBOURG CITY**

OFFICES LET FOR 83% AND FOR SALE

The *West Side Village* project is located along the E25 Luxembourg-Brussels motorway, less than ten minutes by car from the centre of the city.

The complex consists of three buildings totalling 11 670 m² of offices (and 534 parking spaces). Completed in May 2010, it is the second phase of a much larger project. The first phase, also totalling about 12 000 m², was sold at the end of 2007.

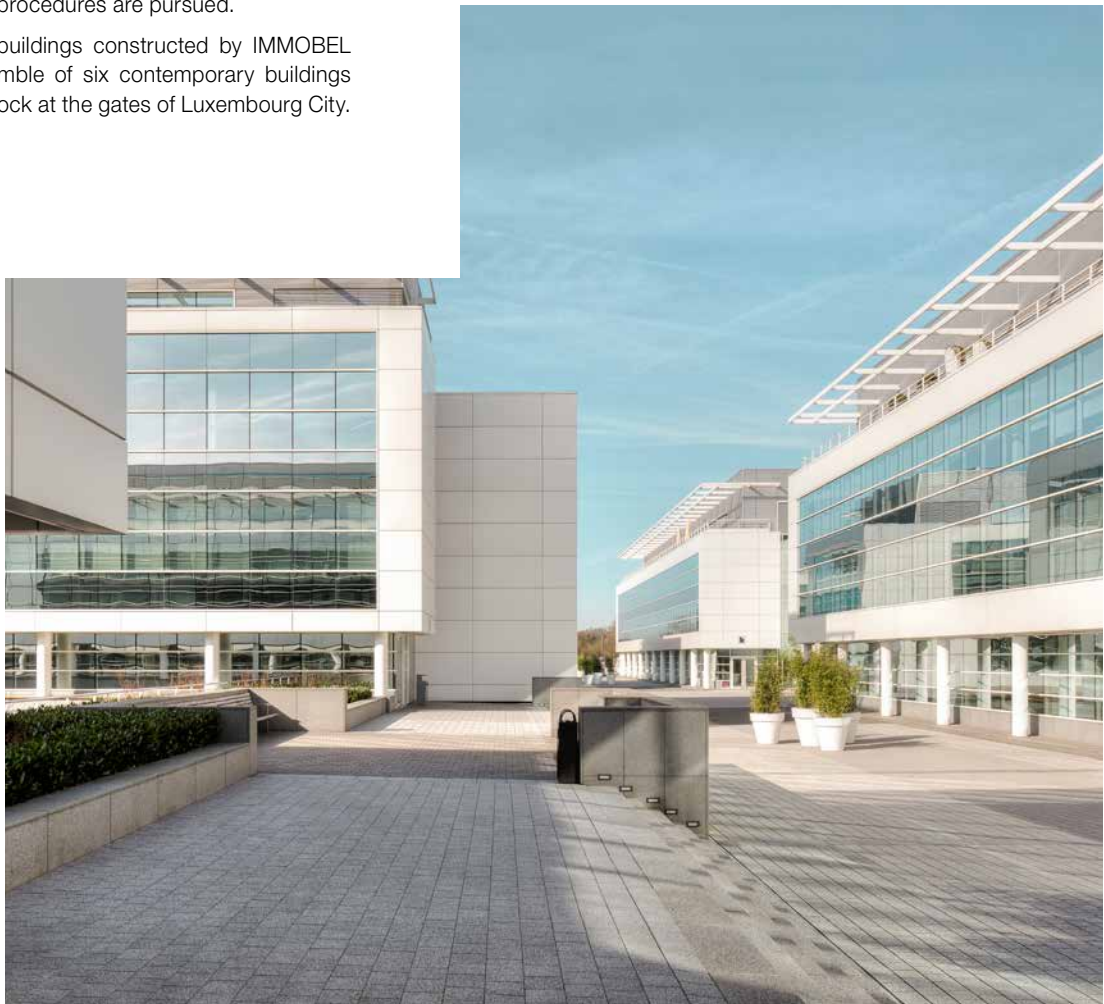
Visibility and access are excellent, two important assets that are a definite attraction for the tenants that have chosen to occupy these offices (83% leased at the end of 2014).

Leasing and sales procedures are pursued.

These three new buildings constructed by IMMOBEL complete an ensemble of six contemporary buildings around a central block at the gates of Luxembourg City.

11 670 m²
FOR WEST SIDE VILLAGE

WEST SIDE VILLAGE
Mamer-Capellen –
Assar Architects SARL



IN LUXEMBOURG IMMOBEL IS REAPING THE BENEFITS OF THE EXPERTISE IT HAS GAINED IN THE BELGIAN RESIDENTIAL CONSTRUCTION MARKET. THE COMPANY'S PRINCIPLES GUIDE THE LOCAL ACTION OF IMMOBEL'S TEAMS.

RESIDENTIAL

Strategic locations, proximity to transport facilities, meticulous construction and finishing are the Company's recipes for success which are successfully applied and differentiate it from the competition.

In addition, in order to integrate some of the particularities of the market, IMMOBEL is careful to associate itself, where necessary, with a local partner.

GREEN HILL: A NEW NEIGHBOURHOOD ON THE LUXEMBOURG HEIGHTS

NEW OCCUPANTS HAVE BEGUN TO MOVE IN

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

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

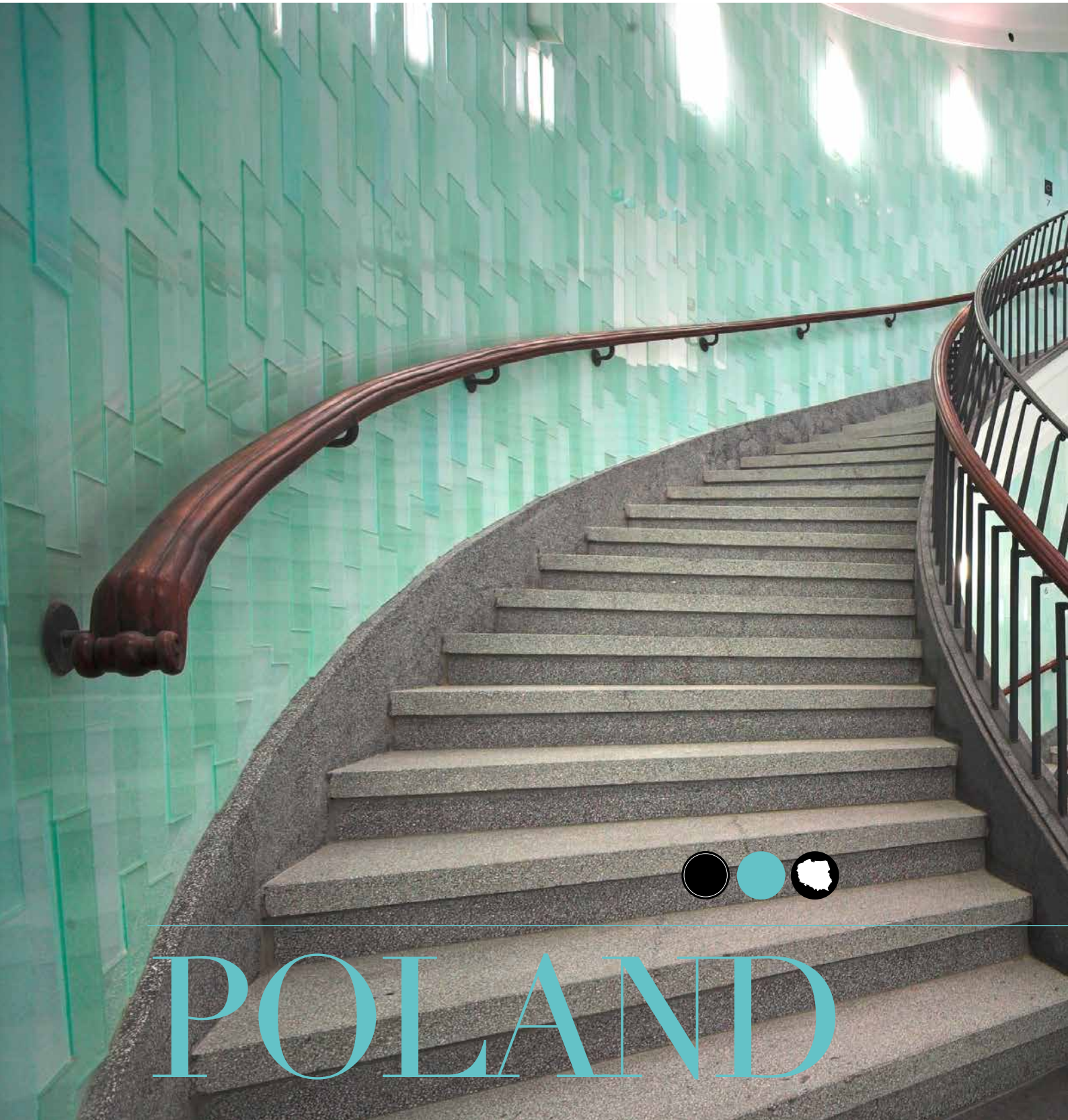
In addition to the sales that had been finalised previously, 20 sales deeds were signed in 2014 and one apartment only remained available for sale at the end of 2014.

By the end of 2014, 11 buildings out of 14 had been completed and delivered and 3 others were under construction.

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

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





POLAND



47 900 m²
OFFICE SPACE
175
RESIDENTIAL UNITS

MAIN PROJECTS



OKRAŁAK
POZNAN
7 900 m²



The thorough renovation of this landmark has been followed by a 90% occupancy of the available space.

CEDET
WARSAW
21 200 m²



The valorisation of this well-known building in the center of Warsaw is to start in 2015.



OSIEDLE WILANOW
WARSAW
174 homes



IMMOBEL has invested in residential in Warsaw in 2014.

CBD ONE
WARSAW
18 000 m²



A new ambitious project in the center of Warsaw.

CONTEXT¹

WARSAW, OFFICE PROPERTIES

In Warsaw the offices market was marked by sustained demand from tenants throughout 2014, especially in the last quarter, with gross take-up high, at 612 000 m². Nonetheless this result remains slightly lower than the record level in 2013, which topped it by 21 000 m².

The bulk of the take-up is in the Upper-South (Mokotow) zone and the CBD, with 28% in the former and 26% in the latter.

At the end of 2014, including the numerous new spaces on the market (around 300 000 m²), the vacancy rate reached 13.3% (up 11.7% compared to the end of 2013). This upward trend is set to continue in 2015 and 2016.

The total inventory of modern offices in Warsaw has risen to 4.4 million m².

New office construction activity in 2014 was high, with 760 000 m² under development (56 000 m² of which are under renovation); only 19% are secured by pre-lease agreements (down sharply compared to 2013).

Of these ongoing developments, 320 000 m² should be available in 2015 and at least as much in 2016.

The highest nominal rents in Warsaw remained stable in 2014, hovering around 22-24 EUR/m²/month in the CBD, and 14.50 EUR/m²/month elsewhere.

POZNAN, OFFICE PROPERTIES

In Poznan, the office property market increased by around 22 000 m² to a total of 333 000 m² in 2014.

The availability rate is currently 14.6%. This should increase in 2015 given the significant amount of construction (about 82 000 m² should arrive on the market in 2015).

The highest nominal rents decreased slightly by 0.50 EUR/m²/month and are therefore around 14 to 15 EUR/m²/month now.

In 2014 the take-up in Poznan reached 18 700 m².

WARSAW, RESIDENTIAL MARKET

The year 2014 was marked by a significant number of sales (with a record number of transactions in the last quarter) and a slight growth in prices.

The market was supported by the low interest rates, relatively low sales prices (around 1 900 EUR/m² inc VAT), a certain optimism on the part of the prospective buyers as well as the attractive offers made by residential property developers.

THE POLISH INVESTMENT MARKET

At 1.77 billion EUR, the volume of office property transactions was considerably higher in 2014 than the 0.9 billion EUR in 2013.

The bulk of the activity was concentrated on Warsaw (with transactions like Rondo 1 for 280 MEUR and Plac Unic for 226 MEUR).

The strong activity observed in the other real estate segments in Poland meant transactions passed the 3 billion EUR threshold ; this confirms that in Poland good quality real estate products continue to be sought after by investors.

The highest yields on offices remained stable at around 6.00%. The spread between the yields on prime investments and secondary investments was around 125 to 250 basis points. These yields should remain at this level in 2015, if not decrease slightly in Warsaw.

1. Sources: 2014 Market Reports by JLL, Savills and REAS

760 000 m²
OFFICES UNDER
DEVELOPMENT IN
WARSAW IN 2014

LEASING MARKET IN WARSAW

	2013	2014	12 MONTH OUTLOOK
Inventory (million m ²)	4.1	4.4	→
Total take-up (m ²)	633 000	612 000	→
Availability rate	11.7%	13.3%	↗
Deliveries (m ²)	300 000	300 000	→
Top of the range rents (EUR/m ² /month)	22-24	22-24	↘

ACTIVITY REPORT



IMMOBEL invests in urban centres, at the heart of public transport systems and the major communication routes.

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

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

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

Certain projects made a particular mark on IMMOBEL's activity in 2014. These are detailed below. A more comprehensive survey of the various projects under development on 31-12-2014 is available on page 54.

OKRAGLAK
Poznan –
Rhode Kellermann
Wawrowsky

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

**THE PERMITS HAVE BEEN GRANTED BY MID-2014;
WORKS SHOULD START IN EARLY 2015**

As part of its geographical expansion, which was decided in 2010, IMMOBEL acquired an existing classified building, particularly well located right in the centre of the CBD in Warsaw, for redevelopment as a high-quality multipurpose building with a surface area of about 20 000 m² of office and retail space.

The final and unforceable building permit was granted in June 2014.

It allows a development of 15 000 m² of offices and 7 000 m² of retail space.

Works should start during Q1 2015 once a certain pre-letting rate will be achieved.

IN 2010 IMMOBEL DECIDED TO ESTABLISH ITSELF LONG-TERM IN POLAND AND MAKE ITS SECOND MARKET THERE. WITH A FIFTEEN-STRONG LOCAL TEAM, THE COMPANY APPLIES THE SAME STRATEGY IN POLAND AS IT DOES IN BELGIUM AND LUXEMBOURG.

The sale and letting (8% of pre let at the end of 2014) processes are on-going.

IMMOBEL launched, early in 2011, the redevelopment of a classified building that is iconic for the city, including the restoration of the front wing and the construction of a new section to make this a harmonious architectural complex with high visibility all along Warsaw's main commercial artery.

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

ALMOST 90% OF THE OFFICES ARE LEASED.

SALES PROCEDURE ONGOING

As part of its geographical expenses, which was decided in 2010, IMMOBEL started in 2011 the thorough renovation of an existing building, which is iconic both for the city and its inhabitants and immediately recognizable by its circular form and characteristic staircase.

It involves 6 800 m² of offices complemented by 800 m² of retail.

By the end of 2014, 88% of the building had been leased and occupied.

The sale and letting processes are ongoing.

CBD ONE: AN AMBITIOUS NEW PROJECT RIGHT IN THE CENTRE OF THE CBD

18 000 M² OF NEW OFFICES IN THE CBD

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

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

The "zoning permit" was granted in 2014.

The building permit application has been introduced at the end of 2014.

In line with its philosophy, IMMOBEL is keen to develop, in the centre of the CBD and therefore with high visibility, a new building that meets the latest architectural, technical and environmental criteria.

OKRĄGLAK:
NEARLY

90%
LET

CEDET
Warsaw –
AMC Andrzej
Chodzyński, RKW
Rhode Kellermann
Wawrowsky

RESIDENTIAL IN POLAND

IMMOBEL has invested in residential in 2014, and exercises two of its three lines of business in this country. The company purchased 25% of the shares of a company holding the Warsaw *Osiedle Wilanow* project which will accommodate 174 villas and houses of high quality and ecological standards on a 36 ha site.



THE REAL ESTATE PORTFOLIO

OFFICE

SITUATION	CITY	NAME OF PROJECT	STATE OF COMMERCIALISATION AND/OR CONSTRUCTION AS OF 31-12-2014	LEASING (%)	TOTAL AREA (M ²)	% OUR PARTICIPATION
Built - leased and for sale	Luxembourg	West Side Village	Offices leased for 83%. Leasing procedures are on going. See page 46.	83%	11 700	100%
	Poznan	Okraqlak	Building leased for 88%. The sale and letting processes are on-going. See page 53.	88%	7 900	100%
Built - for lease and for sale	Brussels	Bel-Air (RAC2)	The works are completed and the building should be provisionally accepted by mid-2015. The letting and sales process has been started. See page 33.		9 500	40%
		The Black Pearl	The works were completed end 2014. The letting and sales process has been started. See page 34.		11 000	100%
Construction under way - let and sold	Luxembourg	Galerie Kons	Lease signed with ING Luxembourg for 75% of the project. Works started with demolition of almost all existing buildings. Project fully sold to AXA. See page 45.	75%	17 000	33%
Construction under way - let and for sale	Brussels	Gateway	An 18 year lease signed with Deloitte for the entire project. The works started in May 2014. Sale process under way. See page 34.	100%	36 000	50%
File under development, various stages of progress	Bruxelles	Brussels Tower	Partial demolition and earthworks started in 2014, while the company keeps its focus on the pre-letting of this project. See page 33.		59 600	50%
		Universalis Park	Project under analysis. See page 37.		30 000	50%
		Cedet	Final permit obtained mid 2014. Works should start during 1 st semester 2015. The letting and sales process has been started. See page 52.	8%	22 000	100%
		CBD One	Zoning permit obtained. File for building permit submitted end 2014. See page 53.		18 000	50%

LANDBANKING

		BRUSSELS	WALLONIA	FLANDERS	TOTAL
Land stock at 31-12-2014					
Under development	Area (ha) ¹	3.1	63.6	3.9	70.6
	Number of projects	5	64	5	74
In reserve	Area (ha) ²	0.6	198.2	70.5	269.3
	Number of projects	1	56	16	73
Subject to conditions precedent	Area (ha)	-	49.7	6.5	56.2
	Number of projects	-	18	3	21
Agricultural reserve	Area (ha)	4.1	17.5	4.3	26.0
	Total Area (ha)	7.8	329.0	85.2	422.1
Activity 2014					
Acquisitions	Area (ha)	-	13.4	2.3	15.7
Sales	Net area (ha)	0.1	12.9	2.6	15.6
Permits applied for	Area concerned (ha) ³	0.6	99.7	18.3	118.6
Permits obtained	Area concerned (ha) ⁴	0.3	6.2	0.3	6.8
	Number of residential units concerned	6	117	23	146

1. From which 6 ha under building right. 2. From which 13 ha under building right. 3. From which 5 ha under building right. 4. From which 0.8 ha under building right.

RESIDENTIAL

SITUATION	CITY	NAME OF PROJECT	NO. RESID. UNITS	NO. COMM./ PROFES. UNITS	STATE OF COMMERCIALISATION AND/OR CONSTRUCTION	TOTAL AREA (M ²)	% OUR PARTICIPATION
Built - sales under way	Brussels	Etterbeek - Rue P.E. Devroye	12	1	7 apartments sold.	1 900	33%
		Charmerai, Uccle, phase 1	22		11 (out of 14) apartments are sold, 7 houses still for sale (out of 8).	4 300	80%
Construction and sales under way	Brussels	Bel-Air RAC3	76		Works are progressing. Sales process started end of the year. 6 apartments (out of 77) sold. See page 35.	9 800	40%
		Clos Bourgeois	78		Construction started in September 2014. Sales started end october. 6 apartments (out of 78) sold. See page 36.	10 000	97%
	Bredene	Duinenzicht	49		First building completed. 21 apartments (out of 24) sold. The works for the second building are progressing. 15 appartements (out of 25) sold. See page 36.	5 200	50%
	Oost-duinkerke	Georg Grard	23	2	Building permit obtained in 2014. Works should start in 2015. Sales process to be launched begin 2015. See page 37.	4 400	100%
	Eupen	Zur Alten Brauerei	25	3	Works to be delivered in june 2015. All units sold, except 1 professional unit. See page 37.	3 800	33%
	Chastre	Rue du Chêne	16	1	Sales process just launched. No sale in 2014.	2 200	100%
	Tervueren	Lindepark, phase 1	41		Works in progress. All units sold. See page 36.	5 300	100%
	Waterloo	Bella Vita	269		Works in progress. 123 units sold. See page 35.	51 500	50%
	Luxembourg	Galerie Kons	35		All units sold to AXA. See Offices page 45.	3 500	33%
		Green Hill	174		11 buildings out of 14 are delivered, works for 3 under progress. All units are sold, except 1 apartment. See page 47.	21 800	50%
File under analysis at different stages of progress	Brussels	Bel-Air RAC4	230		Application for permit under preparation.	61 700	40%
		Etterbeek Residential	50		Building permit obtained end 2013 - process managed in 2014 in order to be able to start works in 2015.	5 500	50%
		Parc Sainte-Anne	26		The company bought this project in the form of a waiver of the right of accession to develop 26 standing apartments.	3 500	100%
		Parc Seny	121	2	The permits have been granted but are subject to recourse. The works will start when the building will be final. See page 36.	13 700	100%
		Charmerai, phases 2 and 3	47		The building permit for phase 2 is under preparation.	10 000	80%
	Tervueren	Chien Vert	46		The offices (to be transformed into residential) are still occupied till september 2015. The building permit has been submitted end december 2014. See page 36.	4 300	100%
		Universalis Park, Lot 3 Phase 1	140		Building permit delivered in June 2014 for the cutting of trees and the infrastructure necessary for this phase. Cutting of trees completed end 2014. See page 37.	12 500	50%
		Universalis Park, Lot 3 phase 3			Application for permit under preparation.		50%
		Universalis Park, Lot 2	860		Application for permit under preparation.	87 500	50%
		Universalis Park, Lot 3 Phase 2			Application for permit under preparation.		50%
	Tervueren	Lindepark, phase 2	15		Building permit obtained in 2014. Works should start in 2016. See page xx.	1 700	100%
	Grez-Doiceau	PPP Gastuche	220		Application for development permit has been submitted.	37 000	50%
Knokke	Koningslaan	43	2	Application for building permit has been submitted.	5 300	50%	
Nivelles	Ilot Saint Roch	150		File under analysis.	19 000	100%	
Warsaw	Osiedle Wilanow	174		Application for permit under preparation.	3 500	25%	

DIRECTORS' REPORT

Ladies and Gentlemen,

We have great pleasure in presenting our report on the activities of the IMMOBEL Group during 2014.

In a still difficult economic environment, particularly in the office property segment in Brussels, IMMOBEL ended 2014 with an operating income of 27.6 MEUR, compared to 8 MEUR in 2013.

This income generated a net consolidated profit of 20.04 MEUR, compared to 1.47 MEUR in 2013.

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

ACTIVITÉS DU GROUPE IMMOBEL

Sales for the year ended came to 31.61 MEUR (before IFRS 11: 173.05) compared to 27.85 MEUR (before IFRS 11: 53.85) in 2013.

During the year 2014, IMMOBEL pursued its development plan in its various spheres of activity, Offices, Residential and Landbanking, in Belgium, the Grand Duchy of Luxembourg and Poland. It has therefore carried out several important sales, acquisitions and leases, in accordance with its objectives, as described below:

a) Belgium

Sales

IMMOBEL has completed the sale of the shares of RAC1 (40% participation), the company holding the first phase of the *Bel-Air* project, to Hannover Leasing and its partner, a major Asian institutional investor; effective transfer of the ownership of the shares took place on 10th March 2014.

IMMOBEL sold 59 apartments and houses in the following projects: *Bel-Air 3*, *Charmeraie*, *Clos Bourgeois*, *Espace Midi* and *Vallée du Maelbeek* in Brussels, *Lindepark* in Tervueren, *Duinenzicht* in Bredene, *Zur Alten Brauerei* in Eupen and *Bella Vita* in Waterloo.

It also sold the hotel project on the *Place des Martyrs* in Brussels.

Likewise, IMMOBEL sold 149 building plots on various sites including those in *Bredene*, *Chastre*, *Geel*, *Kettenis*, *Lontzen*, *Olné*, *Soumagne*, *Walhain* and *Waterloo*. This figure is up sharply compared to 2013 (101) as new projects have been put on the market.

Acquisitions

IMMOBEL acquired, in the form of a right of superficies, the *Parc Sainte-Anne* project in Auderghem as well as the *Georg Grard* project in Oostduinkerke for the development of 26 and 23 apartments respectively.

IMMOBEL acquired or took participating interests in land totalling 15.7 hectares to be divided into building plots.

Permits and work

In June 2014, *Universalis Park*, a 50% subsidiary of IMMOBEL, obtained planning permission for the construction of the roads of the first phase of housing (140 units) on the Plaine site (Boulevard du Triomphe in Ixelles).

In the *Bel-Air 1* project, provisional acceptance of 681 car parks was granted.

Work on the *Gateway* project started in April 2014.

Work on *The Black Pearl* project continued and was approved late 2014.

The permit application for Phase 2 of the *Lindepark* project was filed and granted in 2014.

The planning application for residential conversion of the *Chien Vert* project was filed in December 2014.

The permits for the *Parc Seny* project were issued in 2014. The major renovation work will start when they are finalized, as the permits is subject to appeal.

Planning permission for the *Georg Grard* project in Oostduinkerke has been granted. The work will begin early 2015.

Work has begun on the *Chastre* site for the construction of 16 apartments and on the *Clos Bourgeois* site in Berchem Ste Agathe for the construction of 78 apartments.

The plot development work in *Chastre*, *Geel*, *Lontzen*, *Olne*, *Soumagne* and *Thiméon* has been approved.

Subdivision permits and planning permits have been granted for the sites in *Braine-l'Alleud*, *Chastre*, *Seilles*, *Soumagne*, *Stembert* and *Waremme*. They include 60 plots for single family homes and 7 plots for 86 apartments.

Subdivision permit applications are pending for approximately 120 ha.

b) Grand Duchy of Luxembourg

Sales

IMMOBEL transferred its participation in the company that owns the *Galerie Kons* project in Luxembourg (14 600 m² of offices, 2 400 m² of commercial space, 3 500 m² of housing and 235 parking spaces) to AXA Belgium. The transfer is subject to delivery and acceptance of the building, which is planned for the second half of 2016. This sale represents an investment volume of around 150 MEUR.

Sales of apartments in the *Green Hill* project (50% participation) continue; 20 sales were made in 2014. Only one apartment remains to be sold out of a total of 174.

Leasing

The occupancy rate of the *West Side Village* building passed the 83% mark.

c) Poland

Sales

IMMOBEL took advantage of two opportunities to sell 2 plots of land after the permits had been obtained. Both are located in Warsaw (*Krakowska* and *Kierbedzia*).

These sales successfully concluded the Ruch operation, started in 2011, which consisted of the acquisition with a local partner (50-50) of 7 plots of land for development or resale with permits.

Acquisitions

IMMOBEL acquired a 25% participation (with the option to increase it to 50%) of the company developing the residential project *Osiedle Wilanow* in Warsaw (174 houses on 36 ha).

IMMOBEL has also signed an option to purchase a project of 10 000 m² of offices for development in Warsaw CBD.

Leasing

In September 2014, IMMOBEL signed the first pre-lease agreement for its *Cedet* project in Warsaw, involving 1 600 m² of retail space.

At the end of the year, the occupancy rate of the *Okrąglak* building in Poznan was 88%.

Permits and work

IMMOBEL obtained the zoning decision for the *CBD One* project in the centre of Warsaw, for the development of 18 000 m² of offices and retail space; having carried out studies on the project, IMMOBEL introduced an application for a town planning permit in December 2014;

On 17th June 2014, IMMOBEL obtained an enforceable planning permit for the redevelopment of the *Cedet* project in Warsaw, which consists of 22 000 m² of offices and commercial space.

FINANCE

During 2014, IMMOBEL obtained or renewed, either alone or with its partners, credit lines for around 393 MEUR (100% participation) relating to 11 projects. The Company also negotiated a renewal of its Corporate Credit lines, for a total of 85 MEUR, for a period of 3 years.

OWNERSHIP

On 22nd September 2014, Allfin Group Comm. VA, a company controlled by Mr. Marnix Galle, acquired a 29.85% shareholding, following the purchase of 1 230 398 shares held by Cresida Investment S.à rl, a 100% subsidiary of Eastbridge Group.

DIRECTORS' REPORT

COMMENTS ON THE ANNUAL ACCOUNTS

1. Key indicators

In accordance with the IFRS standards, the Company applies from 1 January 2014 the IFRS 11 standard "Partnerships". This standard amends strong reading financial statements of the Company without changing the net income and shareholders' equity.

The Board considers that the financial data before IFRS 11 give a better picture of the activities and financial statements.

The table below shows the figures relating to the activities of IMMOBEL Group IFRS 11 and IFRS 11 before.

CONSOLIDATED TURN-OVER PER SECTOR AND PER COUNTRY (MEUR)	IFRS 11				BEFORE IFRS 11			
	Offices	Residential	Landbanking	Total	Offices	Residential	Landbanking	Total
Year 2014 per activities sector whose:	1.79	16.95	12.87	31.61	116.74	43.43	12.87	173.05
Belgium	1.79	16.95	12.87	31.61	116.74	27.36	12.87	156.97
Grand-Duchy of Luxembourg	-	-	-	-	-	12.45	-	12.45
Poland	-	-	-	-	-	3.62	-	3.62
Year 2013 per activities sector whose:	-	12.74	15.11	27.85	8.96	29.78	15.11	53.85
Belgium	-	12.74	15.11	27.85	8.96	17.41	15.11	41.48
Grand-Duchy of Luxembourg	-	-	-	-	-	9.10	-	9.10
Poland	-	-	-	-	-	3.27	-	3.27

CONSOLIDATED OPERATIONNAL RESULT PER SECTOR AND PER COUNTRY (MEUR)	IFRS 11				BEFORE IFRS 11			
	Offices	Residential	Landbanking	Total	Offices	Residential	Landbanking	Total
Year 2014 per activities sector whose:	19.12	5.33	3.20	27.65	20.94	7.10	3.20	31.24
Belgium	20.47	2.24	3.20	25.91	21.49	3.20	3.20	27.89
Grand-Duchy of Luxembourg	0.15	1.55	-	1.70	0.59	2.00	-	2.59
Poland	-1.50	1.54	-	0.04	-1.14	1.90	-	0.76
Year 2013 per activities sector whose:	-2.20	4.89	5.30	7.99	-0.77	6.04	5.30	10.57
Belgium	-2.70	4.21	5.30	6.81	-1.95	4.67	5.30	8.02
Grand-Duchy of Luxembourg	1.32	0.88	-	2.20	1.82	1.32	-	3.14
Poland	-0.82	-0.20	-	-1.02	-0.64	0.05	-	-0.59

EVOLUTION OF THE CONSOLIDATED STOCK PER SECTOR AND COUNTRY (MEUR)	IFRS 11				BEFORE IFRS 11			
	Offices	Residential	Landbanking	Total	Offices	Residential	Landbanking	Total
Year 2014 per activities sector whose:	167.75	50.42	92.80	310.97	227.45	103.23	92.80	423.48
Belgium	74.46	50.42	92.80	217.68	104.11	102.08	92.80	298.99
Grand-Duchy of Luxembourg	35.00	-	-	35.00	55.83	1.15	-	56.98
Poland	58.29	-	-	58.29	67.51	-	-	57.51
Year 2013 per activities sector whose:	149.79	49.45	85.39	284.63	278.72	100.54	85.39	464.65
Belgium	57.33	49.45	85.39	192.17	158.20	93.12	85.39	336.71
Grand-Duchy of Luxembourg	36.21	-	-	36.21	55.22	5.68	-	60.90
Poland	56.25	-	-	56.25	65.30	1.74	-	67.04

2. Consolidated accounts

INCOME STATEMENT (MEUR WITH IFRS 11)	31-12-2014	31-12-2013
Operating income	27.65	7.99
Financial result	-7.00	-6.91
Result before tax	20.65	1.08
Taxes	-0.61	0.39
Income from ongoing business	20.04	1.47
Income for the year	20.04	1.47
IMMOBEL share of income	20.04	1.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR WITH IFRS 11)	31-12-2014	31-12-2013
Inventories	311.0	284.6
Investments in associates and available for sale	73.4	69.2
Trade receivables and other assets	34.7	33.1
Cash	25.4	16.5
TOTAL ASSETS	444.5	403.4
Shareholder equity	196.7	183.2
Provisions	3.9	2.1
Long-term financial debt	150.5	138.4
Short-term financial debt	67.7	54.7
Trade payables and other liabilities	25.7	25.0
TOTAL EQUITY & LIABILITIES	444.5	403.4

3. IMMOBEL SA company results

Income statement

The operating profit amounts -3.84 MEUR for the past financial year compared to 4.35 MEUR for the year closed at 31st December 2013.

The financial result amounts to -0.71 MEUR as opposed to -1.35 MEUR in 2013.

The exceptional result amounts to 21.98 MEUR compared to 0.51 MEUR in 2013. It is mainly influenced by the sale of the shares of the RAC1 company.

IMMOBEL's financial year ended with a net profit of 17.32 MEUR, compared to a net profit of 3.51 MEUR at 31st December 2013.

The Balance sheet

The Balance sheet total amounts to 421.66 MEUR compared to 365.45 MEUR for the financial year closed at 31st December 2013.

On 31st December 2014 equity came to 200.41 MEUR. It was 192.98 MEUR in 2013.

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year, amounts to 139.92 MEUR.

The Board of Directors proposes to the Ordinary General Meeting of 28th May 2015 to distribute a gross dividend in respect of the 2014 financial year of 2.40 EUR per share. Since an interim dividend of 1.60 EUR gross per share was paid on 4th September 2014, the final dividend will be of 0.80 EUR per share.

The profit will therefore be allocated as follows:

- Dividend for the year 9.89 MEUR
- Profit carried forward 130.03 MEUR

The dividend will be made available for payment on 1st June 2015 upon presentation of coupon n° 26.

MAIN RISKS AND UNCERTAINTIES

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

Market risk

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

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

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

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

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

Operational risk

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

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

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

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

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

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

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

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

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

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

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

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

Before acquiring a new project, IMMOBEL carries out feasibility studies with regard to urban planning, technology, the environ-

ment and finance, usually with the help of specialised consultants. Nevertheless these projects are always subject to a variety of risks, each of which could cause late delivery of a project and consequently increase the length of time before it can be sold, engender a budget overrun or cause the loss or decrease of expected income from a project or even, in some cases, its actual termination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IMMOBEL gets its financing from several first-rate Belgian banking partners with which it has maintained longstanding good relations and mutual trust. During 2014, IMMOBEL renewed or negotiated credit lines for 478 MEUR (100 % participation) either alone or with partners.

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

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

With the exception of bond issues of 2011 and 2013, which are at a fixed rate, IMMOBEL's financing is mainly provided on the basis of short-term interest rates (based on Euribor rates for 1 to 12 months). In the context of a global programme of risk management coverage, IMMOBEL has set up a "hedging" policy aimed to provide adequate cover against the risk of interest rates on its debt with financial instruments.

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

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

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

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

IMMOBEL is subject to regulatory risk.

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

Furthermore, the granting of a subdivision permit does not mean that it is immediately enforceable. An appeal against it is still possible.

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

IMMOBEL is exposed to counterparty risk.

IMMOBEL has contractual relations with multiple parties, such as partners, investors, tenants, contractors, financial institutions, architects. The inability of such counterparty to live up to their contractual obligations could have an impact on IMMOBEL's

operational and financial position. IMMOBEL pays great attention, through appropriate studies, to the choice of its counterparties.

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

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

II. IMPORTANT EVENTS THAT TOOK PLACE AFTER THE END OF THE YEAR

(art. 96 § 1, 2° and 119, 2° Companies Code)

The transfer to Befimmo of the leasehold on the land and both the current and future off-plan constructions from the *Gateway* project excepted, there were, to the Directors' knowledge, no important events after the closure of the financial year.

III. CIRCUMSTANCES LIKELY TO HAVE A SIGNIFICANT INFLUENCE ON THE DEVELOPMENT OF THE GROUP

(art. 96 § 1, 3° and 119, 3° Companies Code)

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

IV. ACTIVITIES IN TERMS OF RESEARCH & DEVELOPMENT (art. 96 § 1, 4° et art. 119, 4° C. Soc.)

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

V. USE OF FINANCIAL INSTRUMENTS

(art. 96 § 1, 8° and art. 119, 5° Companies Code)

The Board of Directors confirms that IMMOBEL used financial instruments intended to cover any rise in interest rates. The market value of these financial instruments was -0.08 MEUR at 31st December 2014.

VI. EVIDENCE OF THE INDEPENDENCE AND COMPETENCE OF AT LEAST ONE MEMBER OF THE AUDIT & FINANCE COMMITTEE (art. 96 § 1, 9° and 119, 6° Companies Code)

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

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

Mrs Hilde DE VALCK, permanent representative of DV CONSULTING, DE VALCK. H. Comm. V. and the present CFO of Allfin Group, also has the necessary expertise in accounting and audit.

VII. ADDITIONAL INFORMATION

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

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

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

- that during the past year the Board of Directors of the Company has decided not to increase the capital of IMMOBEL under the authorized capital (article 608 Companies Code);
- that neither IMMOBEL, nor any direct subsidiary, nor any other person acting in his own name but on behalf of IMMOBEL or a direct subsidiary has bought or sold shares in IMMOBEL (art. 624 Companies Code).

VIII. APPLICATION OF ARTICLE 524 OF THE COMPANIES CODE – “CORPORATE OPPORTUNITIES”

- The Board of Directors reports that it had initiated the procedure provided for in article 524. as part of the decision on the possible sale of land situated in Opole and Szczeccin, pledged by Eastbridge Group (as part of the permitting for the *Cedet* project, pursuant to Amendment N° 5) and block the net proceeds of the sale to an account in favour of IMMOBEL.

Following the sale of the participation by Eastbridge Group in September 2014, the proceedings initiated in August 2014, has become moot.

- The Board of Directors also reports that it stopped a separate procedure, complementary to that provided for in Article 523, applicable to Business Opportunities presented to or generated by IMMOBEL or one of its subsidiaries.

In 2014 the procedure was applied once, and did not raise any particular problem.

IX. CORPORATE GOVERNANCE STATEMENT (art. 96 § 2 Companies Code), INCLUDING THE REMUNERATION REPORT (art. 96 § 3 Companies Code) AND THE DESCRIPTION OF THE INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT (art. 119, 7° Companies Code)

The Corporate Governance Statement is part of this Director's report.

X. TAKEOVER BID

Pursuant to article 34 of the Royal Decree of 14th November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market, the Board of Directors of IMMOBEL states that the following information could have an incidence in case of takeover bid (being understood that the other elements are currently not applicable for IMMOBEL):

- 1° the capital stock is 60 302 318.47 EUR represented by 4 121 987 shares, without any mention of par value, each representing an equal share of the capital stock (art. 4 of the Articles of Association).
- 2° the Board of Directors is authorized to increase the Company's capital by a maximum of 50 000 000 EUR (art. 13 of the Articles of Association), bearing in mind that the exercise of this power is limited in the case of a takeover bid by article 607 of the Companies Code.
- 3° - the authorization to the Board of Directors (article 14 of the Articles of Association) for a term of 3 years from the date of publication in the Belgian Official Journal of the latter to acquire and dispose of the company shares when such acquisition or alienation is necessary to prevent a serious and imminent harm, expired in May 2014.
 - concerning the nomination and replacement of the Members of the Board of Directors, the Articles of Association specify that the Board of Directors should be composed of at least 5 Members, appointed by the Ordinary General Meeting at the proposal of the RAC for a maximum of 4 years
 - for the modification of the Articles of Association there are no regulations other than those established by the Companies Code.

XI. MANAGEMENT OF THE COMPANY – EXECUTIVE COMMITTEE

BOARD OF DIRECTORS

At the General Meeting to be held on 28th May 2015, you will have to vote on the final election of the following **Directors**:

- Mr. Piet VERCRUYSSSE to complete the term of Ms. Davina BRUCKNER, until the Annual General Meeting held in 2016;
- The company ZOU2 sprl, represented by Sophie LAMBRIGHTS as permanent representative, to complete the term of Mr. Maciej DROZD, until the Annual General Meeting to be held in 2017;
- Mr. Marnix GALLE to complete the term of Mr. Maciej DYJAS, until the Annual General Meeting held in 2018;
- The company DV CONSULTING, DE VALCK H. Comm.V, represented by Hilde DE VALCK as permanent representative, to complete the term of Marc GROSMAN, until the Annual General Meeting to be held in 2018;

- Ms. Sandra WILIKENS in order to complete the mandate of Mr Laurent WASTEELS, until the Annual General Meeting to be held in 2019; being mentioned that after her co-optation Mrs Sandra WILIKENS resigned as Director of the Company on 23rd February 2015;

- the company A³ MANAGEMENT bvba, represented by Marnix GALLE as permanent representative, to complete the term of Mr Marnix GALLE, until the Annual General Meeting to be held in 2018.

In addition, you will also be proposed to vote on the renewal of mandates of:

- Mr Wilfried VERSTRAETE and the company ARSEMA sprl, represented by Mr. Didier BELLENS as permanent representative, as Independent Directors, and
- the company GAETAN PIRET sprl, represented by Gaëtan PIRET as permanent representative, as Director,

for a period of 4 years expiring at the Ordinary General Meeting to be held in 2019.

EXECUTIVE COMMITTEE

It is also recalled that the functions performed by Sophie Lambrechts as a Member of the Executive Committee of IMMOBEL ended on 31st May 2014.

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

Agreed at the Meeting of the Board of Directors on 27th March 2015.

GAËTAN PIRET sprl
Managing Director

Count BUYSSSE
Chairman of the Board

CORPORATE GOVERNANCE

STATEMENT

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

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

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

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

DECISION-MAKING BODIES

THE BOARD OF DIRECTORS

Composition

The *curriculum vitae* of each Director in function on 31st December 2014 (or of its permanent representative) can be summarized as follows:



Paul Buysse — CMG CBE, 70, following an international career in London, where he was Executive Director of BTR Ltd and CEO of Vickers Ltd; he has been Chairman of the Board of Directors of Bekaert, a Bel20 company, for 14 years until May 2014. It was he who initiated the Buysse Code on Corporate Governance for companies that are not listed on the stock market. He is also Director or Chairman of other organizations.



Gaëtan Piret — 56, holds a Master's degree in Business Engineering from the ULB. He is PMD 1989 of the Harvard Business School, a Fellow Member of the *Royal Institution of Chartered Surveyors* (FRICS) and a Member of IPI. He joined the *Compagnie Immobilière de Belgique* in 1992 and has been Managing Director since 29 June 2007. In addition, he is, amongst other things, a Director of SITQ Les Tours SA (Caisse de Dépôt et Placement du Québec) and UPSI (Union Professionnelle du Secteur Immobilier).



Didier Bellens — 59, has a degree in Economics and Business Administration from the ULB (Solvay Business School). He is a Member of the International Committee of NYSE. He was previously the CEO of the RTL Group and Managing Director of GBL (Groupe Bruxelles Lambert), as well as Managing Director of Belgacom for 10 years.



Hilde De Valck — 51, holds a Master in Commercial and Financial Sciences (EHSAL) and is a Graduate of the "*International Management Program*" of the Vlerick Business School. Since 1991 she is member of the Institute of Chartered Accountants (IEC/IAB). After her studies she worked for ten years at VGD Auditors. Afterwards she became finance manager, then CFO of Group Staels, active in the textile and clothing industry. Since 2009 she is CFO of Allfin Group.

Marnix Galle — 51, obtained a Master's in Economics at Tulane University (New Orleans, USA) and began his career as a consultant at Cegos. Very quickly he developed a passion for property development and, deciding to specialise in the field, joined FICO (family portfolio). In 1994 he became Managing Director of All Build. In 2001, he created the development company Allfin, of which he is still the CEO, and embarked on large-scale projects in Belgium and Luxembourg, including office buildings, a shopping centre and residential complexes as well as mixed projects and urban renovation. Since its creation the Allfin group has developed over 220 000 m² to the value of 790 MEUR. A member of various associations (RICS, UPSI, etc.) and circles, Marnix Galle is soon to become Chairman of the Urban Land Institute in Belgium.



Sophie Lambrighs — 43, started her career within the construction industry, in Brussels and Paris with a degree in civil engineering and construction (ULB) and an *Executive Master in Management* (Solvay Business School). Currently she is CEO of the regulated real estate company Home Invest Belgium. Before joining Home Invest Belgium in June 2014, she was Consultant and Member of the Executive Committee of IMMOBEL. Precedent she was working within the real estate department of Axa Belgium, first as Project Manager and finally as Investment Manager. She was also a member of the Board of the REIT *Retail Estates*.



Marek Modecki — 56, holds a Master in Law from the University of Warsaw. He also studied International Law at the Max Planck Institute and Law at the University of Hamburg. He is currently Managing Partner at 21Concordia, an investment firm in Private Equity located in Warsaw, with offices in Paris and Milan. In 2006-2008 he worked as a Senior Banker for Concordia Espirito Santo Investment, a *joint venture* between Concordia and the Portuguese group Espirito Santo Group. He is currently a Member of the Supervisory Board of Pegas Nonwovens Ltd (Czech Republic). Since January 2015, he has additional Supervisory Board position at SMT SA, company listed on Warsaw Stock Exchange.



Piet Vercruyssen — 65, graduated in law (*magna cum laude*) at KU Leuven in 1973 after technical studies. Admitted to the Brussels Bar in 1973, he also was assistant at KU Leuven from 1976 till 1979. He is co-founder of the law firm Vercruyssen & Kadaner. He became Honorary Solicitor in 2003, and was a director of Allfin and Allfin Group between 2004 and 2010. He currently is Director of A³ Management, and Director of several non-listed holding companies.



Wilfried Verstraete — 57, studied Economics at the VUB (Brussels) and obtained a Master in Financial Management from VLEKHO in Brussels. He also completed the IEP programme at INSEAD. He is currently Chairman of the Board of Management of the Euler Hermes Group, a company of Allianz, which he joined in 2007 as CFO of Allianz Global Corporate & Specialty. He was Chairman of the Board of Management of the Dutch credit insurance company Atradius NV from May 2004 till October 2006. From 1996 till 2004 he was CFO successively of the Companies Mobistar, Wanadoo and Orange, all are part of the France Télécom Group.



Sandra Wiliikens — 47, has studied Law and obtained an additional master in tax law in 1990 (both at the VUB). After her studies, she started as a *Tax Consultant* with Price Waterhouse; in 1994 she became a *Tax Manager* with Banque Paribas (until 2000). Afterwards she joined BNP Paribas *Private Banking* (Belgian branch) as the head of Estate Planning (2000-2004). In 2004 she took up a position as *Advisor Wealth Structuring* with MeesPierson Belgium and since 2011 she has been *Director Wealth Management Belgium* at BNP Paribas Fortis.

COMPOSITION

NAME	FUNCTION	DATE FIRST APPOINTMENT	END MANDATE	PROFESSIONAL ADDRESS
Paul BUYSSE	Chairman of the Board (Independent)	13 Nov. 2007	AGM 2016	Rue de la Régence, 58, 1000 Brussels
Gaëtan PIRET ¹	Managing Director	10 May 1995	AGM 2015	Rue de la Régence, 58, 1000 Brussels
Didier BELLENS ²	Director (Independent)	29 August 2007	AGM 2015	c/o Arsema sprl, avenue Louis Vercauteren 25, 1160 Brussels
Davina BRUCKNER	Director	14 January 2014	19 Sept. 2014	c/o Eastbridge Group, c/o Global Asset Management Sp. z o.o., 104/122 Marszałkowska Street, PL-00-017 Warsaw (Poland)
Hilde DE VALCK ³	Director	25 Sept. 2014	AGM 2018	c/o AllFin Group Comm. VA, rue des Colonies 56, 1000 Brussels
Maciej DROZD	Director	8 Sept. 2010	19 Sept. 2014	c/o Eastbridge Group, c/o Global Asset Management Sp. z o.o., 104/122 rue Marszałkowska, PL-00-017 Varsovie (Pologne)
Maciej DYJAS	Director	8 Sept. 2010	19 Sept. 2014	c/o Eastbridge Group, c/o Global Asset Management Sp. z o.o., 104/122 Marszałkowska Street, PL-00-017 Warsaw (Poland)
Marnix GALLE	Director	25 Sept. 2014	AGM 2018	c/o AllFin Group Comm. VA, rue des Colonies 56, 1000 Brussels
Marc GROSMAN	Director	8 Sept. 2010	19 Sept. 2014	c/o Celio International SA South Center Titanium Place Marcel Broodthaers 8b2, 1060 Brussels
Sophie LAMBRIGHS ⁴	Director	25 Sept. 2014	AGM 2017	c/o Home Invest Belgium SA, Boulevard de la Woluwe 60, 1200 Brussels
Marek MODECKI	Director (Independent)	8 Sept. 2010	AGM 2015	c/o Concordia Sp. z o.o., Aleje Jerozolimskie 65/79, PL-00-697 Warsaw (Poland)
Piet VERCRUYSE	Director	25 Sept. 2014	AGM 2016	c/o AllFin Group Comm. VA, rue des Colonies 56, 1000 Brussels
Wilfried VERSTRAETE	Director (Independent)	29 August 2007	AGM 2015	c/o Euler Hermes SA 1 Place des Saisons, F-92048 Paris-la-Défense-Cedex (France)
Laurent WASTEELS	Director (Independent)	8 Sept. 2010	22 Sept. 2014	c/o Wasteels S.à r.l. 5 allée Guillaume Apollinaire MC-98000 Monaco
Sandra WILKENS	Director (Independent)	11 Dec. 2014	23 Febr. 2015	c/o BNP Paribas Fortis, Boulevard Louis Schmidt 2, 1040 Brussels

1. In carrying out the functions concerned in the present report, Mr Gaëtan PIRET acts as the permanent representative of the company GAETAN PIRET sprl.
2. In carrying out the functions concerned in the present report, Mr Didier BELLENS acts as the permanent representative of the company ARSEMA sprl.
3. In carrying out the functions concerned in the present report, Ms Hilde DE VALCK acts as the permanent representative of the company DV Consulting, De Valck H. Comm.V.
4. In carrying out the functions concerned in the present report, Ms Sophie LAMBRIGHS acts as the permanent representative of the company ZOU2 sprl

Activity report

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

In principle the Board meets at least three times a year (in March, August and December). Additional meetings may be organized at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in August and the annual accounts in March, as well as the budgets in December. In 2014, the Board met on twelve occasions.

The Board of Directors of IMMOBEL has focussed on gender diversity. The Board of Directors is currently already composed with two women, Hilde De Valck⁵ and Sophie Lambrighs⁶. Be reminded that the law won't apply to the Board until 1 January 2017 at the earliest or even later, in 2019.

THE COMMITTEES OF THE BOARD OF DIRECTORS

In addition to the composition of the Committees described below, the Chairman of the Board of Directors, Count Buysse, attends also all Meetings of mentioned Committees.

The Audit & Finance Committee

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

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

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

Composition on 31st December 2014:

Wilfried VERSTRAETE, Chairman,
Didier BELLENS and
Hilde DE VALCK⁷, Members.

In 2014, the AFC met four times at the request of its Chairman.

5. As permanent representative of the company DV Consulting, De Valck H. Comm. V.
6. As permanent representative of the company Zou2 sprl.
7. Since 25th September 2014, in replacement of Maciej DROZD.

The Remuneration & Appointments Committee

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

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

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

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

Composition on 31st December 2014:

Didier BELLENS, Chairman,
Marnix GALLE⁸, and
Marek MODECKI, Members.

The Investment & Asset Management Committee

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

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

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

Composition on 31st December 2014:

Gaëtan PIRET, Chairman,
Marnix GALLE⁸,
Sophie LAMBRIGHS⁹ and
Wilfried VERSTRAETE, Members.

In 2014, the IAMC met five times at the request of its Chairman.

Committee of Independent Directors

In August 2014, the Board of Directors has received a request for a possible amendment to guarantees previously granted by the Eastbridge Group as part of the procedure for obtaining permits for the *Cedet* project. The Eastbridge Group planned to dispose of land situated in Opole and Szczeccin, land that had been pledged as security for the performance of some of its obligations to IMMOBEL. The Eastbridge Group therefore proposed to replace these guarantees by a net blocking of these sales into an escrow account in the benefit of IMMOBEL.

Whereas the agreement that was asked about this guarantee substitution might justify the application of article 524 of the Belgian Companies Code, since this substitution would involve an amendment to the agreements concluded with a company controlled by the Eastbridge Group, the Board of Directors decided to enter a Committee of Independent Directors that consists of Messrs. Didier BELLENS, Marek MODECKI and Wilfried VERSTRAETE for a notice to be agreed with Mr Jean-François Cats' assistance, acting as independent expert within the meaning of that provision.

During the Meeting of 25th September 2014, the Board of Directors found that, in the meantime, the Eastbridge Group sold its stake in IMMOBEL to the Allfin Group and that the proceedings on the basis of Article 524 of the Belgian Companies Code were therefore moot.

8. Since 25th September 2014, in replacement of Davina BRUCKNER.

9. Since 25th September 2014, in replacement of Maciej DYJAS.

THE MANAGEMENT COMMITTEE

The main roles of the Management Committee are:

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

Composition on 31st December 2014:

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

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

In 2014, the Management Committee met five times at the request of its Chairman.

The curriculum vitae of the Members of the Management Committee (except for Gaëtan Piret, already listed above) can be summarized as follows:



Philippe Helleputte — 63, joined IMMOBEL in 1977 as legal Advisor, after having worked 2 years for Coopers & Lybrand. He is, since 1984, responsible of the landbanking activities of the Group, Managing Director of Lotinvest Development, Director of various subsidiaries of IMMOBEL Group and Member of the Executive Committee since 1987. He holds a Master in Law (UCL), is Member of the IPI and general counsel of the UPSI (*Union Professionnelle du Secteur Immobilier*).



Christian Karkan — 51, Member of IPI and Member of the *Royal Institution of Chartered Surveyors* (RICS), joined IMMOBEL as Head of Development in 2009. He started his career in 1986 when he joined Healey & Baker (now Cushman & Wakefield) as property agent specialised in offices, lettings and investments. From 1989 until 1993, he was in charge of real estate projects at Fibelaf. In 1995 he became an Associate of Cushman & Wakefield and *Equity Partner* in 2000 when he accepted the position of Head of the investment team. He studied Marketing at EPHEC (*Ecole Pratique des Hautes Etudes Commerciales*) and has a degree in Corporate Management.



Philippe Opsomer — 52, joined IMMOBEL as CFO. After a career start in the banking sector, he joined Nestlé Belgium in April 1989 where he spent 9 years (in the Finance, Audit, IT and Logistics departments). In November 1997, he joined Econocom in Belux, where he spent 10 years in senior management jobs, in Belux & France, in Finance, Operations and IT. He left Econocom in November 2007 (being at that time CFO, Products & Services Benelux). He holds a Master's degree in Business Engineering (*Solvay Business School* 1987).

THE EXECUTIVE COMMITTEE

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

Under the responsibility of the Managing Director, he:

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

Composition on 31st December 2014:

Gaëtan PIRET, Président,
Pierre DELHAISE¹,
Bartłomiej HOFMAN²,
Philippe HELLEPUTTE³,
Christian KARKAN⁴,
Jean-Louis MAZY⁵,
Joëlle MICHA⁶,
Paul MUYLDERMANS⁷ and
Philippe OPSOMER⁸, Members.

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

The curriculum vitae of the Members of the Executive Committee in function on 31st December 2014 (except the ones making part of the Management Committee, already listed above) can be summarized as follows:



Jean-Louis Mazy — 59, joined IMMOBEL in 2001 as internal Consultant and afterwards as Member of the Executive Committee. Prior to this, he was a Member of the Executive Committee of the real estate investment trust Cibix (1999-2001). He began his professional career as Inspector General of Finance (1979-1996) and was CFO of the P&V Group (from 1990 till 1997). He holds a Master's degree in Economics (ULB) and an *Advanced Management Program (Harvard Business School)*.



Joëlle Micha — 45, joined the Group in 2000 as Company Secretary of the real estate investment trust Cibix. Since 2007, she is *Head of Corporate Affairs and Compliance Officer* of IMMOBEL. Prior she worked as a Lawyer for Loeff Claeys Verbeke (currently Allen & Overy), as an authorised agent in a private bank (Bank Delen), and at the FSMA (formerly BFIC) in the Markets Supervision department. She holds a Master in Law (UCL), a Master in Taxation (HEC-Liège), she also obtained the "*Certified European Financial Analyst*" qualification (ABAF) and is Member of the IPI (Owner, Broker and Trustee). She is a Company Director in Belgium and the Grand Duchy of Luxembourg.

Pierre Delhaise — 64, joined IMMOBEL in 1984 as legal counsel after having worked for the office of Notary Marc Bernaerts in Brussels for 7 years, since the creation of the Institute. He is currently Head of Legal Services of IMMOBEL and a Member of the Association of the Company Lawyers. He holds a Master in Law (RUG), a Master in Notary Law (VUB) and a Master in European Law (ULB). He also holds a *Common law certificate* from St. Catherine's College (Cambridge).



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



Paul Muyltermans — 60, joined IMMOBEL in 2002 as *Head of Project Management*. He was previously Commercial Director at Valens (Eiffage group). He holds a degree in Civil Engineering (KUL) and a Postgraduate from the RUG. He is AMP 1997 from Insead and is Member of the *Royal Institution of Chartered Surveyors (MRICS)*.

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

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

The COSO methodology is organized around five elements:

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

THE INTERNAL CONTROL ENVIRONMENT

The element “internal control environment” focuses on the following components:

Precise definition of the company's objectives

IMMOBEL is listed on the Brussels Stock Exchange since 19th September 1863, has for over 150 years a major player in property development in Belgium. It also operating in the Grand Duchy of Luxembourg and in Poland. Its business covers the sectors of offices, residential and subdivision, a diversification of its portfolio.

Its vision of the market and its expertise allow it to design, promote and manage ambitious real estate projects, long-term value-creating, environmentally and incorporating major social issues.

A definition of the roles of the decision-making bodies

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

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

Risk culture

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

Application of ethical standards and integrity

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

Measures geared to ensuring the level of competence

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

RISK ANALYSIS

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

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

CONTROL ACTIVITIES

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

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

INFORMATION AND COMMUNICATION

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

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

For the large majority of entities in the IMMOBEL Group accounting is outsourced to a firm specialised in financial services. The accounts are kept in IMMOBEL's ERP, the integrated management software program Navision. The finance department of IMMOBEL is always in charge of the closure process and drafting the Annual Report, the Consolidated Financial Statements drawn up according to IFRS standards and the Annual Accounts. Communication with the personnel and the various employees of IMMOBEL is appropriate to the size of the business.

It is based mainly on work sessions, verbal communications from the management to the personnel as a whole, or internal e-mail notes signed mostly by the Managing Director.

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

SUPERVISION AND MONITORING

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

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

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

RULES AND PROCEDURES

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

During 2014, the Board of Directors decided at once, in the first instance, to initiate the procedure provided for in Article 524 BCC (cfr. 1.2.4. above) and then, in a second step, to interrupt it, since it found that, in the meantime, the Eastbridge Group sold its stake in IMMOBEL to Allfin Group and that the proceedings on the basis of Article 524 BCC were therefore moot.

End of 2014, it was also made procedural application of the “corporate opportunities” procedure.

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

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

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

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

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

When these people consider carrying out operations involving financial instruments issued by IMMOBEL, they must give the Compliance Officer prior notice in writing or by email of their intention to carry out this operation. Within 5 working days of reception of this prior notice the Compliance Officer will inform the persons concerned whether there is any reason to think that the operation under consideration constitutes insider trading. Should that be the case, it would be inadvisable to carry out the operation. These persons must notify the FSMA of any operations carried out on their own behalf and involving Company shares within five working days of the operation concerned being performed, this notification can be deferred, however, in conformity with the law, as long as

the total sum of the operations carried out during the calendar year in progress does not exceed the threshold of 5 000 EUR.

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

During the past financial year the job of *Compliance Officer* at IMMOBEL was carried out by Mrs Joëlle Micha.

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

LEGAL AND ARBITRATION PROCEDURES

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

INFORMATION ABOUT THE ISSUED CAPITAL

31 DECEMBER 2014	NUMBER	VOTING RIGHTS RELATED THERE TO
Ordinary shares	4 121 987	4 121 987

SHAREHOLDING STRUCTURE

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

SHAREHOLDERS	VOTING RIGHTS	% OF TOTAL SHARES
ALLFIN GROUP Comm. VA having its registered seat at 1000 Brussels, rue des Colonies 56	1 230 398	29.85%
CAPFI DELEN ASSET MANAGEMENT NV having its registered seat at 2020 Antwerp, Jan Van Rijswijklaan 178	208 516	5.06%

1. Mutual fund.

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

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

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

The authorization given to the Board of Directors by decision of the Extraordinary General Meeting of Shareholders of 13 April 2011 to purchase or dispose of shares in the company when this purchase or disposal is necessary to prevent any serious imminent harm, has expired in May 2014.

It is intended to have these authorizations renewed during next Extraordinary General Meeting of Shareholders.

During the second half of 2015, IMMOBEL will proceed with the sale, pursuant to section 11 of the Act of 14th December 2005, as amended by the Act of 21st December 2013, of bearer shares whose holders would not be known the day of the sale.

Currently, the maximum number of shares that should be sold amounts to 1 836.

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

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

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

The **terms of change of control** contained in credit agreements with financial institutions were approved by the General Meeting of 22nd May 2014, pursuant to section 556 of the Companies Act.

OTHER CONTRIBUTORS

STATUTORY AUDITOR

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

Accounts of IMMOBEL amounted to 93 900 EUR (excluding VAT). His fee for the revision of the statutory accounts of subsidiaries came to 114 100 EUR (excluding VAT).

CENTRAL PAYING AGENT

BNP Paribas Fortis Bank is the Central Paying Agent of IMMOBEL for an indefinite period. The remuneration of the commission amounts up to 0.20 % of the net amount (VAT excluded) of the coupon and of the income securities presented in a securities account.

REMUNERATION REPORT

PROCEDURE APPLIED DURING THE YEAR 2014 FOR THE CREATION OF THE REMUNERATION POLICY

FOR THE DIRECTORS

In 2014, the Company implemented the remuneration policy for the Directors described in point I.2.8 of the Corporate Governance Charter and in Appendix 2 of the regulation of the Board of Directors available on the Company's website (www.immobel.be).

- The Remuneration & Appointments Committee (hereafter "RAC") makes detailed proposals to the Board of Directors in respect of the remuneration of non-executive Directors. The General Meeting of Shareholders decides about the remuneration of its Directors upon proposal of the Board of Directors.
- The level and structure of the remuneration of the non-executive Directors are determined on the basis of their general and specific responsibilities and market practice (and more specifically in other listed companies). This remuneration includes a basic remuneration for Membership of the Board and an additional remuneration for the participation in the meetings or for each Chairmanship of a Committee or of the Board. Non-executive Directors receive no performance related remuneration, nor any benefits in kind, nor benefits linked to pension plans, nor an annual bonus, nor share options, nor participation in retirement plans. They are not entitled to any kind of compensation when their mandate comes to an end.

Remuneration of the non-executive Directors also takes into account the time they devote to their functions.

The executive Directors' mandates as Member of the Board may likewise be remunerated. In this case, the remuneration is taken into account in the global framework of remuneration paid to executive Directors for

the executive functions they hold within IMMOBEL, in accordance with the remuneration policy for Directors and for the Management Committee.

Except for the fact that it was decided, on a proposal of the RAC not to pay the remuneration allotted for the year 2014 to the representatives of the former reference shareholder (Eastbridge Group) and the reduction of the remuneration allotted to the Chairman of the Board (see below), no changes were made to the remuneration policy in 2014.

FOR THE MEMBERS OF THE MANAGEMENT COMMITTEE

In 2014, the Company implemented the remuneration policy for the Members of the Management Committee as described in point III.4 of the Corporate Governance Charter on the Company's Internet website (www.immobel.be).

The Board of Directors approves the appointment propositions of the Members of the Management Committee and decides on their remuneration, based on the recommendations of the RAC, following a proposal by the Managing Director. The Managing Director does not assist to the deliberations if these concern his remuneration.

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

A procedure exists for the evaluation of their performances: the Managing Director establishes a proposal of the remuneration to the RAC, which evaluates in its turn the performances of the Management Committee.

The final decision with regard to the variable remuneration to be paid out belongs to the Board of Directors (bearing in mind that the final decision will be taken upon evaluation of the performance in view of the objectives/performances criteria). The Board of Directors analyses the competitiveness of IMMOBEL's remuneration structure on the initiative of the RAC.

Remuneration of the Members of the Management Committee aims to:

- enable IMMOBEL to attract, motivate and retain first-rate, high-potential managers, bearing in mind the competitive environment in which it operates;
- encourage the achievement of ambitious performance targets by ensuring consistency between the interests of the managers and the Shareholders in the short, medium and long term;
- stimulate, recognize and compensate both significant individual contributions and strong collective performances.

No changes were made in 2014 to the remuneration policy of the Members of the Management Committee.

PROCEDURE APPLIED IN 2014 FOR DETERMINING INDIVIDUAL REMUNERATION FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

- The Board of Directors elects a Chairman from among its Members. The Chairman is designated on the basis of his knowledge, skills, experience and mediation strength. In particular, he must be respected and recognized by the financial world and public authorities (local, regional and federal), and as such have a network which will also command a respect of IMMOBEL on a geographical level.
- It is up to the Chairman, if necessary, with the support of the Committees set up by the Board of Directors, to assume the leading role in all initiatives aimed at ensuring the Board of Directors functions effectively in accordance with these Regulations.
- Since financial year 2011, the remuneration of the Chairman of the Board amounts to 200 000 EUR per year for its responsibilities as Chairman of the Board of IMMOBEL and 250 000 EUR in his capacity as Chairman of the Supervisory Board of IMMOBEL Poland.

Moreover, he also assists to all meetings of the several Committees of the Board of Directors, i.e. AFC, RAC and IAMC.

Furthermore, the Chairman of the Board has proposed to reduce his total compensation with effect from 1st July 2014 to 200 000 EUR per year, seen his responsibilities within IMMOBEL Poland are not remunerated any more since that date.

- It is for the Chairman of the Board of Directors to:
 - establish a close relationship with the Managing Director, providing support and advice, while fully respecting the executive responsibilities of the Managing Director;
 - ensure the optimal composition of the Board of Directors. He/she initiates and conducts the process that governs:
 - (i) the formulation of requirements in respect of independence, competency and qualifications of IMMOBEL's Directors;
 - (ii) the appointment or re-election of Directors and of the Members of the Committees set up by the Board of Directors;
 - (iii) the evaluation of the effectiveness of the Board of Directors as a whole;
 - monitor the quality and effectiveness of the activities of the Board of Directors:
 - (i) by managing the calendar of meetings of the Board of Directors. The Chairman defines, in consultation with the Managing Director, the calendar of meetings of the Board of Directors and its Committees;
 - (ii) by preparing, chairing and leading meetings of the Board of Directors. The Chairman is consulted on all proposals to be submitted to the Board of Directors;
 - (iii) by continuously supervising and monitoring the quality of interaction and dialogue at the level of the Board of Directors. The Chairman ensures that the Board of Directors is kept fully informed of essential aspects of IMMOBEL's strategy, activities and financial situation.
 - chair and conduct the General Shareholders' Meetings and ensures that they run smoothly.

REMUNERATION REPORT

FOR THE OTHER NON-EXECUTIVE DIRECTORS

- At the meeting of 27 August 2008, the Board of Directors decided that since 2008 the remuneration of the Directors (with the exception of the one of the Chairman of the Board) would be determined as follows: attribution of fixed gross annual fee of 12 500 EUR per Director and per Membership of a Committee (except for representatives of the reference Shareholder). These fees are doubled for the Chairmanship of a Committee.
- A mandate as non-executive Director does not include any entitlement to variable remuneration linked to the results or to any other performance criteria. It does not include entitlement to rights to stock options, nor to any corporate pension.
- The Company reimburses the Directors' travel and accommodation expenses for attendance at the meetings and the exercise of their functions in the Board of Directors and its Committees. The Chairman of the Board of Directors is the only non-executive Director to have a permanent infrastructure (office and secretariat) at his disposal. The other non-executive Directors receive logistical support from the General Secretariat in function of their requirements.

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

FOR MEMBERS OF THE MANAGEMENT COMMITTEE

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

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

The individual sums of remuneration given directly or indirectly to (non-executive) Directors in 2014 are shown in the table below. All of the amounts shown are gross, i.e. before the deduction of tax.

	ATTENDANCES					BASIC REMUNERATION (EUR)
	BOD	AFC	RAC	IAMC	CID	
Paul Buysse	8/8	4/4 (invited)	5/5 (invited)	4/4 (invited)	2/2 (invited)	325 000 ¹
GAETAN PIRET sprl ²	8/8	4/4 (invited)	5/5 (invited)	4/4	2/2 (invited)	See next page
ARSEMA sprl ³	8/8	4/4	5/5	-	2/2	50 000
Davina Bruckner ⁴	4/5	-	-	2/3	-	0
Maciej Drozd ⁴	5/5	3/3	-	-	-	0
DV CONSULTING, DE VALCK H. Comm. V. ^{5,6}	3/3	1/1	-	1/1 (invited)	-	3 356
Maciej Dyjas ⁴	4/5	-	-	2/3	-	0
Marnix Galle ⁶	3/3	-	1/1	2/2	-	3 356
Marc Grosman ⁴	3/5	-	-	3/3	-	0
Marek Modecki	5/8	-	5/5	-	2/2	25 000
Piet Vercruyse ⁶	3/3	-	-	-	-	3 356
Wilfried Verstraete	7/8	3/4	-	4/5	2/2	50 000
Laurent Wasteels ⁷	3/5	-	3/4	-	-	18 151
Sandra Willkens ⁸	-	-	-	-	-	719
ZOU2 ⁹ sprl ⁶	3/3	-	-	1/2	-	3 356
Total gross remuneration						482 294

1. This amount pays the benefits in Belgium for the full year 2014, 200 000 EUR, as well as benefits in Poland until 30th June 2014. The Membership in the Supervisory Board of IMMOBEL Poland being exerted for free from the 1st July 2014.

2. Represented by its permanent representative, Mr Gaëtan PIRET.

3. Represented by its permanent representative, Mr Didier BELLENS.

4. Resigning on 19th September 2014.

5. Represented by its permanent representative, Ms Hilde DE VALCK.

6. Director since 25th September 2014.

7. Resigning on 22nd September 2014.

8. Director since 11th December 2014.

9. Represented by its permanent representative, Ms Sophie LAMBRIGHTS.

REMUNERATION OF THE MANAGING DIRECTOR AND THE OTHER MEMBERS OF THE MANAGEMENT COMMITTEE RELATED TO FINANCIAL YEAR 2014

THE PRINCIPLES OF REMUNERATION AND THE LINK BETWEEN REMUNERATION AND PERFORMANCE

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

- a variable quantitative remuneration exclusively based on the level of Return on Equity;
- a variable qualitative remuneration determined in function of the responsibilities, the mission and the targets achieved during the reviewed financial year, on an individual basis by each of the Members of the Management Committee.

The variable qualitative remuneration is based on two types of criteria:

- the optimal realization of the projects as well as the management and control of the risks. These elements are analyzed in perspective with for instance the permits, leases, sales, financings, etc;
- the personal implication, motivation and implementation of decision towards the appropriate development of the projects and the Company.

THE RELATIVE IMPORTANCE OF THE VARIOUS COMPONENTS OF REMUNERATION

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

Based on the global performance of the Company during 2014 and on the realization of the individual targets of the Members of the Management Committee between 1 January and 31 December 2014, the variable part of the global remuneration (qualitative and quantitative) paid for 2014, represented 53.30% of its basic remuneration for the Managing Director and 44.70% for the other Members.

Pursuant to the Law, and for financial year 2014 (variable due in 2015), in case the variable remuneration of a Member of the Management Committee exceeds 1/4 of his total remuneration, it should be deferred in time; as such, only half of the total variable remuneration is attributed in 2014 and the 3rd and 4th quarter of the variable for 2014 will be attributed, insofar the targets linked

to this variable remuneration were attained, respectively over a period of two years (2014-2015) and over a period of three years (2014-2015-2016). For this deferral, the quantitative criterion that has been taken in account is the accrued Return on Equity for the 2 or 3 years concerned.

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

	MANAGING DIRECTOR CHAIRMAN OF THE MANAGEMENT COMMITTEE	MEMBERS ¹⁰ OF THE MANAGEMENT COMMITTEE
Basic remuneration	511 095.68 EUR	876 985.80 EUR
Variable remuneration	272 362.00 EUR	391 660.80 EUR
Individual pension commitment	None	52 824.81 EUR
Company car	24 000.00 EUR	22 975.02 EUR
Other benefits	None	None

10. Philippe Helleputte, Christian Karkan and Philippe Opsomer.

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

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

PERFORMANCE EVALUATION

Under the leadership of its Chairman, the Board of Directors regularly examines and evaluates its own performance and that of its Committees, as well as the efficacy of IMMOBEL's governance structure, including the number, role and responsibilities of the various Committees set up by the Board of Directors. In 2014, the Chairman of the Board of Directors has initiated an evaluation procedure. Given the change of ownership occurred in September 2014 and the restructuring of the Board of Directors, it was decided to postpone the continuation of this exercise.

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

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

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

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

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

INFORMATION REGARDING REMUNERATION POLICY FOR THE FINANCIAL YEARS TO COME

As in 2014, the remuneration policy will be reviewed during 2015 for the coming years.

THE MOST IMPORTANT TERMS OF THEIR CONTRACTUAL RELATIONSHIP WITH IMMOBEL AND/OR A RELATED COMPANY, INCLUDING THE TERMS CONCERNING REMUNERATION IN CASE OF EARLY DEPARTURE

ENGAGEMENT

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

DEPARTURE

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

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

Gaëtan PIRET	24 months
Philippe HELLEPUTTE	18 months
Christian KARKAN	18 months
Philippe OPSOMER	12 months

RIGHT OF RECOVERY

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

ARSEMA sprl
Chairman of the
Remuneration &
Nomination Committee
(represented by Didier Bellens)

Count BUYASSE
Chairman of the
Board of Directors

CONSOLIDATED ACCOUNTS

AND CONDENSED COMPANY ACCOUNTS

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CONSOLIDATED ACCOUNTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS OF EUR)

	NOTES	31-12-2014	31-12-2013 RESTATED
OPERATING INCOME		41 201	39 855
Turnover	3	31 606	27 846
Other operating income	4	9 595	12 009
OPERATING EXPENSES		-38 409	-32 667
Cost of sales	5	-22 154	-15 156
Personnel expenses	6	-6 488	-7 918
Amortisation, depreciation and impairment of assets (including reversals)	7	-2 289	-401
Change in the fair value of investment property	15	111	-60
Other operating expenses	8	-7 589	-9 132
JOINT VENTURES AND ASSOCIATES	9 - 16	24 854	805
Gain (loss) on sales of joint ventures and associates		23 817	-
Share in the net result of joint ventures and associates		1 037	805
OPERATING RESULT		27 646	7 993
Interest income		2 385	1 743
Interest expense		-9 106	-8 285
Other financial income		318	60
Other financial expenses		-594	-431
FINANCIAL RESULT	10	-6 997	-6 913
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		20 649	1 080
Income taxes	11	-609	390
RESULT FROM CONTINUING OPERATIONS		20 040	1 470
RESULT OF THE YEAR		20 040	1 470
Share of non-controlling interests		-1	-1
SHARE OF IMMOBEL		20 041	1 471
RESULT OF THE YEAR		20 040	1 470
Other comprehensive income - items subject to subsequent recycling in the income statement		-367	-99
Currency translation		-120	-99
Currency translation - recycling in the income statement		-247	-
Other comprehensive income - items that are not subject to subsequent recycling in the income statement		456	-208
Actuarial gains and losses (-) on defined benefit pension plans		456	-208
Deferred taxes		-	-
TOTAL OTHER COMPREHENSIVE INCOME		89	-307
COMPREHENSIVE INCOME OF THE YEAR		20 129	1 163
Share of non-controlling interests		-1	-1
SHARE OF IMMOBEL		20 130	1 164
NET RESULT PER SHARE (EUR) (DILUTED AND BASIC)	12	4.86	0.36
COMPREHENSIVE INCOME PER SHARE (EUR) (DILUTED AND BASIC)		4.88	0.28

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN THOUSANDS OF EUR)

ASSETS	NOTES	31-12-2014	31-12-2013 RESTATED	31-12-2012 RESTATED
NON-CURRENT ASSETS		77 493	73 805	61 896
Intangible assets	13	154	95	36
Property, plant and equipment	14	873	1 022	1 255
Investment property	15	2 714	2 603	2 663
Investments in joint ventures and associates	16	73 356	69 238	56 284
Financial assets available for sale		-	-	1 300
Deferred tax assets	17	145	595	106
Other non-current assets		251	252	252
CURRENT ASSETS		366 980	329 604	291 967
Inventories	18	310 971	284 632	249 184
Trade receivables	19	6 383	7 225	9 123
Tax receivables		74	389	371
Other current assets	20	24 082	20 872	13 112
Cash and cash equivalents	21	25 470	16 486	20 177
TOTAL ASSETS		444 473	403 409	353 863
EQUITY AND LIABILITIES				
	NOTES	31-12-2014	31-12-2013 RESTATED	31-12-2012 RESTATED
TOTAL EQUITY	22	196 711	183 177	187 731
EQUITY SHARE OF IMMOBEL		196 703	183 168	187 775
Share capital		60 302	60 302	60 302
Retained earnings		136 156	122 710	127 010
Reserves		245	156	463
NON-CONTROLLING INTERESTS		8	9	-44
NON-CURRENT LIABILITIES		152 446	139 325	96 801
Employee benefit obligations	23	429	916	685
Provisions	24	24	30	11
Financial debts	21	150 484	138 379	96 105
Trade payables	22	1 509	-	-
CURRENT LIABILITIES		95 316	80 907	69 331
Provisions	24	3 483	1 156	1 619
Financial debts	21	67 726	54 738	32 013
Trade payables	25	12 251	12 214	15 891
Tax liabilities		149	14	1 290
Derivative financial instruments	21	80	269	1 443
Other current liabilities	26	11 627	12 516	17 075
TOTAL EQUITY AND LIABILITIES		444 473	403 409	353 863

CONSOLIDATED STATEMENT OF CASH FLOW

(IN THOUSANDS OF EUR)

	NOTES	31-12-2014	31-12-2013 RESTATED
Operating income		41 201	39 855
Operating expenses		-38 409	-32 667
Amortisation, depreciation and impairment of assets	7	2 289	401
Change in the fair value of investment property	15	-111	60
Change in provisions	21	-132	-422
Disposal of joint ventures and associates	9	29 800	1 300
Repayment of capital and advances by joint ventures	16	9 310	1 221
Acquisitions, capital injections and loans to joint ventures and associates	16	-21 764	-13 490
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		22 184	-3 742
Change in working capital	27	-23 972	-49 442
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		-1 788	-53 184
Paid interests	10	-9 492	-6 644
Interest received		2 385	1 743
Paid / received taxes		292	-1 393
CASH FROM OPERATING ACTIVITIES		-8 603	-59 478
Acquisitions of intangible, tangible and other non-current assets		-205	-97
CASH FROM INVESTING ACTIVITIES		-205	-97
Increase in financial debts	21	38 175	74 730
Repayment of financial debts	21	-13 512	-12 704
Other financing cash flows		-276	-371
Gross dividend paid		-6 595	-5 771
CASH FROM FINANCING ACTIVITIES		17 792	55 884
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		8 984	-3 691
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		16 486	20 177
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		25 470	16 486

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IN THOUSANDS OF EUR)

	CAPITAL	RETAINED EARNINGS	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROLLING INTERESTS	TOTAL EQUITY
2013							
BALANCE AS AT 01-01-2013	60 302	127 010	409	54	187 775	-44	187 731
Restatement IFRS 11 Joint Arrangements	-	-	-	-	-	-	-
RESTATED BALANCE AS AT 01-01-2013	60 302	127 010	409	54	187 775	-44	187 731
Total comprehensive income for the year		1 471	-99	-208	1 164	-1	1 163
Dividends paid		-5 771			-5 771		-5 771
Other changes						54	54
CHANGES IN THE YEAR		-4 300	-99	-208	-4 607	53	-4 554
BALANCE AS AT 31-12-2013	60 302	122 710	310	-154	183 168	9	183 177
2014							
BALANCE AS AT 01-01-2014	60 302	122 710	310	-154	183 168	9	183 177
Restatement IFRS 11 Joint Arrangements	-	-	-	-	-	-	-
RESTATED BALANCE AS AT 01-01-2014	60 302	122 710	310	-154	183 168	9	183 177
Total comprehensive income for the year		20 041	-367	456	20 130	-1	20 129
Dividends paid ¹		-6 595			-6 595		-6 595
CHANGES IN THE YEAR		13 446	-367	456	13 535	-1	13 534
BALANCE AS AT 31-12-2014	60 302	136 156	-57	302	196 703	8	196 711

1. Gross interim unit dividend od 1.60 EUR paid in September 2014.

ACCOUNTING PRINCIPLES AND METHODS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. The Board of Directors settled the consolidated financial statements and approved their publication on 27th March 2015.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2014

- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)

The application of IFRS 11 *Joint Arrangements* on 1st January 2014 resulted to review the classification of interests in joint ventures, due to the application of the equity method instead of the proportionate consolidation, resulting in a significant change in the presentation of the financial statements.

The impact of this application on the financial statements is mentioned in point 1 of the notes to the consolidated financial statements.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2014

- IFRS 9 *Financial Instruments and subsequent amendments* (applicable for annual periods beginning on or after 1 January 2018 but not yet endorsed in the EU)

- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 19 *Employee Benefits - Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 *Separate Financial Statements - Equity Method* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 17 June 2014)

The impact of these new standards is under investigation by the Group, at least for IFRS15. We do expect changes in the revenue recognition compared to IFRIC15, eg by more easily recognizing revenue according to the percentage of completion.

3. PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements are presented in thousands of EUR.

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

4. CONSOLIDATION RULES

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

SUBSIDIARIES

Subsidiaries are companies controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

INTERESTS IN JOINT VENTURES

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

Since 1st January 2014, joint ventures, which were previously consolidated using the proportional method, are included in the consolidated financial statements using the equity method.

INTERESTS IN ASSOCIATES

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

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

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

DIFFERENT REPORTING DATES

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

BUSINESS COMBINATIONS AND GOODWILL

Goodwill

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

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

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

Negative goodwill

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

5. FOREIGN CURRENCIES

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN ENTITIES

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

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

TRANSACTIONS IN FOREIGN CURRENCIES IN GROUP COMPANIES

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

6. INTANGIBLE ASSETS

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

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

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

7. TANGIBLE ASSETS

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

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

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

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

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

8. INVESTMENT PROPERTY

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

9. LEASES

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

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

FINANCE LEASE

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

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

OPERATING LEASE

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

10. FINANCIAL INSTRUMENTS

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

TRADE RECEIVABLES

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

CASH AND CASH EQUIVALENTS

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

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

CASH FLOWS

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

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

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

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

SHAREHOLDERS' EQUITY

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

BANK BORROWINGS AND OVERDRAFTS

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

TRADE PAYABLES

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

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

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

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

11. INVENTORIES

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

The acquisition cost of purchased goods includes acquisition cost and incidental expenses. For finished goods and work in progress, the costprice takes into account direct expenses and a portion of production overhead without including administrative and financial expenses.

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

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

12. PROVISIONS

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

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

WARRANTIES

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

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contingent assets are not recognized in the financial statements.

13. POST-EMPLOYMENT BENEFITS

The current post employment benefit plan of the Group is a defined benefit plan. For such a plan, the cost of corresponding commitments is determined using the Projected Unit Credit Method, with present values being calculated at year end.

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

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

14. GRANTS RELATED TO ASSETS OR INVESTMENT SUBSIDIES

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

15. REVENUE

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

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

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

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

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

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

16. EXPENSES IMPAIRMENT IN VALUE OF ASSETS

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

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

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

The recoverable amount of other assets or cash-generating unit is its fair value less selling costs or its use value, whichever is higher. The latter is the present value of expected future cash flows from the asset or the respective cash generating unit. In order to determine the value in use, the future cash flows are discounted using a pre-tax discount rate which reflects both the current market rate and the specific risks of the asset.

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

17. BORROWING COSTS

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

18. TAXES

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

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

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

Deferred tax liabilities are recognised for all taxable timing differences.

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

19. DISCONTINUED OPERATIONS

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

20. MAIN SOURCES OF UNCERTAINTIES RELATED TO THE ESTIMATIONS AND MAIN JUDGEMENTS

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

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

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

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

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

The projects in inventory and construction contracts are subject to feasibility studies used in determining the net realisable value and any required write down, and if applicable for the release of margin and the computation of the rate of completion. At each closing date, the expenses to be incurred are estimated.

21. TEMPORARY JOINT VENTURES

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

22. SEGMENT REPORTING

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

1. CHANGE IN ACCOUNTING METHOD DUE TO THE APPLICATION OF THE STANDARD IFRS 11 JOINT ARRANGEMENTS

The Group applies from 1 January 2014 the new IFRS 11 “*Joint Arrangements*”, which cancels and replaces the IAS 31 “*Interests in Joint Ventures*” for aspects of accounting for entities under joint control.

IFRS 11 eliminates jointly controlled assets and henceforth the only distinction between joint operations and joint ventures. It also removes the method of proportionate consolidation.

A joint venture (JV) is a joint arrangement whereby the parties that have joint control have rights to the net assets of the agreement. Joint ventures are accounted for using the equity method.

A common activity (joint operation) is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. Each partner must account for its proportionate share of assets, liabilities, income and expenses based on its interest in the joint activity. Temporary JV’s incorporated within the Group’s activities are classified as joint activities.

IFRS 11 being applied retrospectively, the comparative consolidated statements of financial position 2012 and 2013 as well as the consolidated statement of comprehensive income at December 31, 2013 have been restated.

This reclassification consists in isolating the contribution of the joint ventures on a specific line in the statements of comprehensive income and financial position, without impact on the result of the period and shareholders’ equity.

The impact on the past consolidated financial statements is presented below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31-12-2013 PUBLISHED	IMPACT IFRS 11	31-12-2013 RESTATED
OPERATING INCOME	65 114	-25 259	39 855
Turnover	53 847	-26 001	27 846
Other operating income	11 267	742	12 009
OPERATING EXPENSES	-54 543	21 876	-32 667
Cost of sales	-35 152	19 996	-15 156
Personnel expenses	-7 982	64	-7 918
Amortisation, depreciation and impairment of assets	-435	34	-401
Change in the fair value of investment property	-60	-	-60
Other operating expenses	-10 914	1 782	-9 132
SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	0	805	805
OPERATING RESULT	10 571	-2 578	7 993
Interest income	293	1 450	1 743
Interest expense	-9 193	908	-8 285
Other financial income and expenses	-370	-1	-371
FINANCIAL RESULT	-9 270	2 357	-6 913
Share in the net result of investments in associates	189	-189	-
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	1 490	-410	1 080
Income taxes	-20	410	390
RESULT FROM CONTINUING OPERATIONS	1 470	-	1 470
RESULT OF THE YEAR	1 470	-	1 470
Share of non-controlling interests	-1	-	-1
SHARE OF IMMOBEL	1 471	-	1 471

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-12-2012 PUBLISHED	IMPACT IFRS 11	31-12-2012 RESTATED	31-12-2013 PUBLISHED	IMPACT IFRS 11	31-12-2013 RESTATED
NON CURRENT ASSETS	7 693	54 203	61 896	6 517	67 288	73 805
Investments in joint ventures and associates	1 069	55 215	56 284	1 097	68 141	69 238
Other non-current assets	6 624	-1 012	5 612	5 420	-853	4 567
CURRENT ASSETS	409 874	-117 907	291 967	520 447	-190 843	329 604
Inventories	359 924	-110 740	249 184	464 655	-180 023	284 632
Trade receivables and other current assets	23 032	-426	22 606	24 398	4 088	28 486
Cash and cash equivalents	26 918	-6 741	20 177	31 394	-14 908	16 486
TOTAL ASSETS	417 567	-63 704	353 863	526 964	-123 555	403 409
TOTAL EQUITY	187 731	0	187 731	183 177	0	183 177
NON-CURRENT LIABILITIES	136 224	-39 423	96 801	152 396	-13 071	139 325
Financial debts	135 528	-39 423	96 105	151 450	-13 071	138 379
Other non-current liabilities	696	0	696	946	0	946
CURRENT LIABILITIES	93 612	-24 281	69 331	191 391	-110 484	80 907
Financial debts	51 788	-19 775	32 013	148 757	-94 019	54 738
Trade payables and other current liabilities	41 824	-4 506	37 318	42 634	-16 465	26 169
TOTAL EQUITY AND LIABILITIES	417 567	-63 704	353 863	526 964	-123 555	403 409

STATEMENT OF CASH FLOW	31-12-2013 PUBLISHED	IMPACT IFRS 11	31-12-2013 RESTATED
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26 918	-6 741	20 177
Cash from operating activities	-101 156	41 678	-59 844
Cash from investing activities	1 196	-1 293	-97
Cash from financing activities	104 436	-48 552	56 250
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS	4 476	-8 167	-3 691
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31 394	-14 908	16 486

2. OPERATING SEGMENT - FINANCIAL INFORMATION BY BUSINESS SEGMENT

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

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

There are no transactions between the different sectors. The Group’s activity is carried out in Belgium, Grand Duchy of Luxemburg and Poland. The breakdown of sales by country depends on the country where the activity is executed.

In accordance with IFRS, the Company applied since 1st January 2014, IFRS 11, which amends the strong readings of the financial statements of the Company but does not change the net income and shareholders’ equity.

The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

The “Internal” financial statements are those used by the Board and Management to monitor the financial performance of the Group.

SUMMARY OF THE INTERNAL CONSOLIDATED FINANCIAL STATEMENTS (BEFORE APPLICATION OF IFRS 11)

INCOME STATEMENT (INTERNAL)	31-12-2014	31-12-2013
OPERATING INCOME	183 083	65 114
Turnover	173 045	53 847
Other operating income	10 038	11 267
OPERATING EXPENSES	-151 838	-54 543
Cost of sales	-129 980	-35 152
Personnel expenses	-6 488	-7 982
Amortisation, depreciation and impairment of assets (including reversals)	-2 293	-435
Change in the fair value of investment property	111	-60
Other operating expenses	-13 188	-10 914
OPERATING RESULT	31 245	10 571
Interest income	489	293
Interest expense	-9 731	-9 193
Other financial income and expenses	-379	-370
FINANCIAL RESULT	-9 621	-9 270
Share in the net result of investments in associates	-225	189
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	21 399	1 490
Income taxes	-1 359	-20
RESULT FROM CONTINUING OPERATIONS	20 040	1 470
RESULT OF THE YEAR	20 040	1 470
Share of non-controlling interests	-1	-1
SHARE OF IMMOBEL	20 041	1 471

INCOME STATEMENT (INTERNAL)	TURNOVER		OPERATING RESULT	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
OFFICES				
Belgium	116 740	8 958	21 498	-1 953
Grand-Duchy of Luxembourg	-	-	586	1 822
Poland	-	-	-1 141	-638
SUBTOTAL OFFICES	116 740	8 958	20 943	-769
RESIDENTIAL				
Belgium	27 360	17 410	3 190	4 666
Grand-Duchy of Luxembourg	12 451	9 098	2 007	1 318
Poland	3 623	3 275	1 901	52
SUBTOTAL RESIDENTIAL	43 434	29 783	7 098	6 036
LANDBANKING				
Belgium	12 871	15 106	3 204	5 304
SUBTOTAL LANDBANKING	12 871	15 106	3 204	5 304
TOTAL CONSOLIDATED	173 045	53 847	31 245	10 571
Belgium	156 971	41 474	27 892	8 017
Grand-Duchy of Luxembourg	12 451	9 098	2 593	3 140
Poland	3 623	3 275	760	-586
			31-12-2014	31-12-2013
Financial result			-9 621	-9 270
Share in the result of investments in associates			-225	189
Income taxes			-1 359	-20
RESULT FROM CONTINUING OPERATIONS			20 040	1 470
NET RESULT			20 040	1 470

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (INTERNAL)	31-12-2014	31-12-2013
NON-CURRENT ASSETS	5 032	6 517
Investments in joint ventures and associates	806	1 097
Other non-current assets	4 226	5 420
CURRENT ASSETS	492 191	520 447
Inventories	423 479	464 655
Trade receivables and other current assets	36 726	24 398
Cash and cash equivalents	31 986	31 394
TOTAL ASSETS	497 223	526 964
TOTAL EQUITY	196 711	183 177
NON-CURRENT LIABILITIES	166 846	152 396
Financial debts	164 488	151 450
Other non-current liabilities	2 358	946
CURRENT LIABILITIES	133 666	191 391
Financial debts	99 393	148 757
Trade payables and other current liabilities	34 273	42 634
TOTAL EQUITY AND LIABILITIES	497 223	526 964

FINANCIAL POSITION ITEMS (INTERNAL)	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2014				
Segment assets	248 148	117 232	98 493	463 873
Unallocated items ¹				33 350
TOTAL ASSETS				497 223
Segment liabilities	13 295	17 482	4 846	35 623
Unallocated items ¹				264 889
TOTAL LIABILITIES				300 512
2013				
Segment assets	292 013	109 037	91 334	492 384
Unallocated items ¹				34 580
TOTAL ASSETS				526 964
Segment liabilities	20 233	19 276	5 896	45 405
Unallocated items ¹				298 382
TOTAL LIABILITIES				343 787
	BELGIUM	GRAND-DUCHY OF LUXEMBURG	POLAND	TOTAL
Segment assets 31-12-2014	330 694	63 946	69 233	463 873
Segment assets 31-12-2013	357 127	65 576	69 681	492 384
Non-current segment assets 31-12-2014	3 940	225	643	4 808
Non-current segment assets 31-12-2013	4 845	225	3	5 073

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

INVENTORIES

Allocation of inventories by segment is as follows:

INTERNAL	31-12-2014	31-12-2013
Offices	227 454	278 720
Residential Development	103 226	100 541
Land Development	92 799	85 394
TOTAL INVENTORIES	423 479	464 655

Allocation of inventories by geographical area is as follows:

INTERNAL	31-12-2014	31-12-2013
Belgium	298 986	336 718
Grand-Duchy of Luxemburg	56 979	60 901
Poland	67 514	67 036
TOTAL INVENTORIES	423 479	464 655

The book value of inventories evolve as follows:

INTERNAL	31-12-2014	31-12-2013
INVENTORIES AS AT 1 JANUARY	464 655	359 924
Purchases of the year	4 931	37 356
Developments of the year	77 504	92 919
Disposals of the year	-123 774	-27 210
Borrowing costs	1 592	1 680
Write-offs recorded	-1 429	-14
MOVEMENTS DURING THE YEAR	-41 176	104 731
INVENTORIES AS AT 31 DECEMBER	423 479	464 655

Break down of the movements of the year per segment:

INTERNAL	PURCHASES	DEVELOPMENTS	DISPOSALS	BORROWING COSTS	NET WRITE-OFFS	NET
Offices		31 522	-82 344	982	-1 426	-51 266
Residential Development		37 033	-34 955	610	-3	2 685
Land Development	4 931	8 949	-6 475			7 405
TOTAL	4 931	77 504	-123 774	1 592	-1 429	-41 176

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

INTERNAL	PURCHASES	DEVELOPMENTS	DISPOSALS	BORROWING COSTS	NET WRITE-OFFS	NET
Belgium	4 931	68 370	-112 202	1 339	-170	-37 732
Grand-Duchy of Luxemburg		7 108	-10 024	253	-1 259	-3 922
Poland		2 026	-1 548			478
TOTAL	4 931	77 504	-123 774	1 592	-1 429	-41 176

CASH FLOW ITEMS (INTERNAL)	OFFICES	RESIDENTIAL DEVELOPMENT	LAND DEVELOPMENT	CONSOLIDATED
2014				
Operating result	20 943	7 098	3 204	31 245
Amortisation, depreciation and impairment	1 578	643	72	2 293
Change in the fair value of investment property	-111	-	-	-111
Change in provisions	2 286	-21	-8	2 257
Acquisitions and disposals of associates	-	-518	-	-518
Change in working capital	35 787	-8 854	-7 723	19 210
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	60 483	-1 652	-4 455	54 376
CASH FROM INVESTING ACTIVITIES	-102	-40	-68	-210
2013				
Operating result	-769	6 036	5 304	10 571
Amortisation, depreciation and impairment	320	61	54	435
Change in the fair value of investment property	60	-	-	60
Change in provisions	137	-592	7	-448
Acquisitions and disposals of associates	1 300	-	-	1 300
Change in working capital	-85 726	-4 400	-10 441	-100 567
OPERATING CASH FLOW BEFORE PAID INTERESTS AND PAID INCOME TAXES	-84 678	1 105	-5 076	-88 649
CASH FROM INVESTING ACTIVITIES	-62	-23	-19	-104

3. TURNOVER

Turnover is allocated as follows per segment:

	31-12-2014	31-12-2013 RESTATED
Offices	1 785	-
Residential Development ¹	16 950	12 740
Land Development ²	12 871	15 106
TOTAL TURNOVER	31 606	27 846

The total turnover mentioned above has been realised in Belgium.

The product of the sale of the participation interests of 40% in the company RAC1 is mentioned under note 9 "Gain on sales of joint ventures and associates".

4. OTHER OPERATING INCOME

Other operating income is allocated by segment as follows:

	31-12-2014	31-12-2013 RESTATED
Offices	4 735	7 692
Residential Development	4 483	3 940
Land Development	377	377
TOTAL OTHER OPERATING INCOME	9 595	12 009

This heading includes rental income (7 144 KEUR compared to 6 543 KEUR in 2013) on properties available for sale or awaiting for development, recoveries of taxes and withholdings, re invoicing of expenses and other miscellaneous reimbursements.

The Residential Development also includes grants received in the framework of the sale of the hotel project *Place des Martyrs* in Brussels.

1. The promotions *Charmerai* in Brussels (Uccle), *Duinenzicht* in Bredene, *Clos Bourgeois* in Brussels, *Lindepark* in Tervueren contribute in particular to the "Residential Development" turnover. This also comprises the product of the sale of the hotel project *Place des Martyrs* in Brussels.

2. During 2014, land sales constituted 149 transactions, amongst others in the land development projects of *Bredene*, *Chastre*, *Geel*, *Olne*, *Waterloo*, *Kettenis*, *Lontzen*, *Walhain* and *Soumagne*.

8. OTHER OPERATING EXPENSES

Break down as follows:

	31-12-2014	31-12-2013 RESTATED
Services and other goods	-6 651	-8 199
Other expenses	-1 039	-1 378
Provisions	101	445
OTHER OPERATING EXPENSES	-7 589	-9 132

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

	31-12-2014	31-12-2013 RESTATED
Rent and service charges, including mainly rent and service charges for the registered office	-646	-702
Third party payment, including in particular the fees paid to third parties and related to the turnover	-4 241	-5 553
Other services and other goods, including company supplies, advertising, maintenance and repair expense of properties available for sale or awaiting for development	-1 764	-1 944
TOTAL SERVICES AND OTHER GOODS	-6 651	-8 199

Operating **lease** obligations:

	31-12-2014	31-12-2013 RESTATED
Total amount of payments recognised under expenses for the year	-421	-422
Total minimum payments to be made:		
- within one year	-384	-417
- after one year but within 5 years	-803	-1 257
- more than 5 years	-	-

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

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

	31-12-2014	31-12-2013 RESTATED
Audit fees at consolidation level	-208	-185
Fees for extraordinary services and special missions accomplished within the Group ¹ :	-41	-98
- Tax consulting missions	-25	-
- Other missions outside the audit mission	-16	-98

The **other expenses** of -1 039 KEUR mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

Main components of variations in provisions:

	31-12-2014	31-12-2013 RESTATED
Provisions related to the sales	95	463
Other provisions	6	-18
TOTAL VARIATIONS IN PROVISIONS	101	445
Increase	-20	-179
Use	6	6
Reversal	115	618

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

9. JOINT VENTURES AND ASSOCIATES

The gain on sales of joint ventures and associates is related to the sale of the participation interests of 40% in the company RAC1, owner of the first phase of the *Bel-Air* project.

The share in the net result of joint ventures and associates break down as follows:

	31-12-2014	31-12-2013 RESTATED
Operating result	4 658	3 587
Financial result	-2 861	-2 366
Income taxes	-760	-416
RESULT OF THE PERIOD	1 037	805

Further information related to joint ventures and associates are described in note 16.

10. FINANCIAL RESULT

The financial result breaks down as follows:

	31-12-2014	31-12-2013 RESTATED
Cost of gross financial debt at amortised cost	-9 821	-9 578
Activated interests on projects in development	527	119
Fair value changes on financial instruments	189	1 174
Interest income	2 385	1 743
Other financial charges & income	-276	-371
FINANCIAL RESULT	-6 997	-6 913
Cost of gross financial debt at amortised costs	-9 821	-9 578
Amortization of loan expenses	430	366
Interest related to 2012 / 2013 paid in 2013 / 2014	-2 708	-140
Interest related to 2014 / 2013 payable in 2015 / 2014	2 607	2 708
PAID INTERESTS (STATEMENT OF CASH FLOW)	-9 492	-6 644

The amounts relating to fair value changes are from financial instruments acquired for hedging purposes, but which were not designated as hedging for hedge accounting under IAS 39. These instruments are detailed in note 21.

The increase in paid interests is mainly linked to the bond issue in March 2013 for an amount of 60 MEUR at a rate of 5.5%.

11. INCOME TAXES

Income taxes are as follows:

	31-12-2014	31-12-2013 RESTATED
Current income taxes for the current year	-200	-35
Current income taxes for the previous financial years	42	-64
Deferred taxes	-450	490
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-609	390
Current taxes	-158	-99
Change in tax receivables	315	-18
Change in tax liabilities	135	-1 276
Paid income taxes (statement of cash flow)	292	-1 393

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

	31-12-2014	31-12-2013 RESTATED
Result before taxes	20 649	1 080
Share in the net result of joint ventures and associates	-1 037	-805
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	19 612	275
THEORETICAL INCOME TAXE CHARGE AT 33.99%	-6 666	-93
Tax impact:		
- non-taxable income (disposal of shares)	8 095	-
- non-deductible expenses	-514	-215
- use of taxes losses and notional interests deduction carried forward on which no DTA was recognised in previous years	1 198	1 558
- losses on which no DTA is recognised	-2 659	-949
- recognition during the year of DTA on tax losses generated in prior years	-	-151
Income taxes for the previous financial years	-63	-62
TAX CHARGE	-609	390
EFFECTIVE TAX RATE OF THE YEAR	3.1%	NA

12. EARNINGS PER SHARE

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

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

	31-12-2014	31-12-2013 RESTATED
Average number of shares considered for basic earnings and diluted earnings	4 121 987	4 121 987
Net result from continuing operations	20 040	1 470
Group's share in the net result for the year	20 041	1 471
Net per share (in EUR):		
- Result of the continuing operations	4.86	0.36
- Group's share in the net result of the year	4.86	0.36

13. INTANGIBLE ASSETS

Intangible assets evolve as follows:

	31-12-2014	31-12-2013 RESTATED
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	270	195
Acquisitions	87	75
ACQUISITION COST AT THE END OF THE YEAR	357	270
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-175	-159
Amortisation	-28	-16
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	-203	-175
NET CARRYING AMOUNT AS AT 31 DECEMBER	154	95

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment evolve as follows:

	31-12-2014	31-12-2013 RESTATED
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	2 033	2 012
Acquisitions	137	21
Disposals	-21	-
ACQUISITION COST AT THE END OF THE YEAR	2 149	2 033
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-1 011	-757
Depreciations	-265	-254
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-1 276	-1 011
NET CARRYING AMOUNT AS AT 31 DECEMBER	873	1 022

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

15. INVESTMENT PROPERTY

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

Investment property evolve as follows:

	31-12-2014	31-12-2013 RESTATED
FAIR VALUE ON 1 JANUARY	2 603	2 663
Change in the fair value recognized in the statement of comprehensive income	111	-60
FAIR VALUE ON 31 DECEMBER	2 714	2 603

This account contains a land under leasehold of an office building with a long lease expiring October 31, 2025.

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

Key assumptions used to determine fair value:

	31-12-2014	31-12-2013 RESTATED
Rental price (EUR) per m ² of residential	115	115
Discount rate	6.75%	6.75%

16. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The contributions of joint ventures and associates in the statement of financial position and the statement of comprehensive income is as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-12-2014	31-12-2013 RESTATED
Investments in associates	1 540	1 804
Investments in joint ventures	71 816	67 434
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	73 356	69 238

The book value of investments in joint ventures and associates evolve as follows:

	31-12-2014	31-12-2013 RESTATED
VALUE AS AT 1 JANUARY	69 238	56 284
Share in result	1 037	805
Acquisitions, capital injections and loans to joint ventures and associates	21 764	13 490
Disposals of joint ventures and associates	-8 773	-
Repayment of capital and advances by joint ventures and associates	-9 310	-1 221
Impairment loss on investments in joint ventures and associates	-565	-120
Currency translation	-35	-
CHANGES FOR THE YEAR	4 118	12 954
VALUE AS AT 31 DECEMBER	73 356	69 238

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31-12-2014	31-12-2013 RESTATED
Share in the net result of joint ventures	1 261	616
Share in the net result of associates	-224	189
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1 037	805

The table below shows the contribution of joint ventures and associates in the statement of financial position and the statement of comprehensive income.

NAMES	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME	
	2014	2013	2014	2013	2014	2013
Bella Vita	50.0%	50.0%	6 334	5 385	918	1 269
CBD International	50.0%	50.0%	-300	48	-347	-177
Château de Beggen	50.0%	50.0%	2 796	8 755	1 074	284
Espace Trianon	50.0%	50.0%	2 469	2 367	102	-57
Fanster Entreprise	50.0%	50.0%	-197	-510	305	46
Foncière du Parc	50.0%	50.0%	880	879	0	23
Gateway	50.0%	50.0%	11 212	2 783	-253	-40
Ilot Ecluse	50.0%	50.0%	194	198	-4	-3
Intergénérationnel de Waterloo	50.0%	50.0%	23	24	-1	-1
Pef Kons Investment	33.3%	33.3%	9 035	8 426	-508	-97
RAC1	-	40.0%	0	10 689	-	365
RAC2	40.0%	40.0%	8 477	1 758	-672	-143
RAC3	40.0%	40.0%	2 453	2 410	-20	85
RAC4	40.0%	40.0%	12 424	11 856	-63	39
Société Espace Léopold	50.0%	50.0%	2 364	2 428	-64	-126
Temider Entreprise	50.0%	50.0%	1 279	-169	1 471	-175
Universalis Park	50.0%	50.0%	12 238	9 960	-664	-674
Vilpro	50.0%	50.0%	134	145	-11	-2
TOTAL JOINT VENTURES			71 816	67 434	1 261	616
DHR Clos du Château	33.3%	33.3%	135	132	3	161
Espace Midi	20.0%	20.0%	779	1 310	5	11
Graspa Development	25.0%	-	626	-	-233	-
Promotion Léopold	-	35.5%	-	361	-	17
TOTAL ASSOCIATES			1 540	1 804	-224	189
TOTAL JOINT VENTURES AND ASSOCIATES			73 356	69 238	1 037	805

The table below presents condensed financial information of joint ventures and associates of the Group. The amounts reported are the amounts determined in accordance with IFRS, before elimination of intercompanies.

AS AT 31 DECEMBER 2014	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP	BOOK VALUE OF THE INVESTMENTS
	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY			
Bella Vita	19 744	1 836	39 494	31 741	7 753	3 877	2 457	6 334
CBD International	-	-695	18 986	19 586	-600	-300	-	-300
Château de Beggen	24 902	2 147	11 547	8 924	2 623	1 311	1 485	2 796
Espace Trianon	-	204	6 090	1 151	4 939	2 469	-	2 469
Fanster Enterprise	7 247	609	265	660	-395	-197	-	-197
Foncière du Parc	123	1	1 765	5	1 760	880	-	880
Gateway	-	-505	12 623	12 608	15	7	11 205	11 212
Ilot Ecluse	-	-9	397	9	388	194	-	194
Intergénérationnel de Waterloo	-	-2	47	2	45	23	-	23
Pef Kons Investment	-	-1 523	62 914	61 540	1 374	458	8 577	9 035
RAC2	-	-1 681	35 397	34 549	848	339	8 138	8 477
RAC3	960	-51	14 148	9 452	4 696	1 878	575	2 453
RAC4	232	-158	31 354	3 979	27 375	10 950	1 474	12 424
Société Espace Léopold	-	-128	4 802	74	4 728	2 364	-	2 364
Temider Enterprise	-	2 943	2 972	413	2 559	1 279	-	1 279
Universalis Park	-	-1 328	60 375	65 622	-5 247	-2 624	14 862	12 238
Vilpro	-	-23	1 084	817	267	134	-	134
TOTAL JOINT VENTURES	53 208	1 637	304 260	251 132	53 128	23 043	48 773	71 816
DHR Clos du Château	575	10	3 210	2 804	406	135	-	135
Espace Midi	33	26	3 883	3 659	224	45	734	779
Graspa Development	-	-933	24 038	21 534	2 504	626	-	626
TOTAL ASSOCIATES	608	-897	31 131	27 998	3 133	806	734	1 540
TOTAL JOINT VENTURES AND ASSOCIATES	53 816	740	335 391	279 130	56 261	23 849	49 507	73 356

Main components of assets and liabilities:

Inventories	288 524
Cash and cash equivalents	13 723
Receivables and other assets	33 144
Non-current financial debts	40 851
Current financial debts	76 435
Shareholder's loans	138 486
Other liabilities	23 358
TOTAL	335 391
	279 130

During financial year 2014 the company Château de Beggen has proceeded to a capital reimbursement of 4 969 KEUR.

In case of financial debts towards credit institutions, the shareholder's loans reimbursements (reimbursement of cash to the mother company) are subordinated to the reimbursements towards credit institutions.

Book value of assets pledged for debt securities	257 406
Amount of debts guaranteed by above securities	117 286

For the main debts towards credit institutions mentioned above, the company IMMOBEL SA has engaged itself to provide the necessary financial means in order to bring the differents projects to a good end ("cash deficiency" and "cost overrun" engagements).

AS AT 31 DECEMBER 2013	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP	BOOK VALUE OF THE INVESTMENTS
	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY			
Bella Vita	8 531	2 538	23 838	17 921	5 917	2 959	2 427	5 385
CBD International	-	-354	18 273	18 178	95	48	-	48
Château de Beggen	17 485	568	24 136	18 691	5 445	2 722	6 033	8 755
Espace Trianon	171	-114	5 823	1 089	4 734	2 367	-	2 367
Fanster Enterprise	6 552	92	10 614	11 635	-1 021	-510	-	-510
Foncière du Parc	399	47	1 762	3	1 759	879	-	879
Gateway	-	-80	3 673	3 153	520	260	2 523	2 783
Ilot Ecluse	-	-5	404	7	397	198	-	198
Intergénérationnel de Waterloo	-	-2	49	2	47	24	-	24
Pef Kons Investment	-	-291	58 633	55 735	2 898	966	7 460	8 426
RAC1	21 945	913	221 445	200 415	21 030	8 412	2 277	10 689
RAC2	-	-358	24 304	21 776	2 528	1 011	747	1 758
RAC3	-	213	7 865	3 118	4 747	1 899	511	2 410
RAC4	-	98	31 086	3 553	27 533	11 013	842	11 856
Société Espace Léopold	-	-253	5 051	195	4 856	2 428	-	2 428
Temider Enterprise	-	-351	4 367	4 706	-339	-169	-	-169
Universalis Park	-	-1 349	59 697	63 616	-3 919	-1 959	11 920	9 960
Vilpro	-	-5	1 153	863	290	145	-	145
TOTAL JOINT VENTURES	55 083	1 307	502 173	424 654	77 519	32 692	34 742	67 434
DHR Clos du Château	2 566	484	2 401	2 005	396	132	-	132
Espace Midi	247	56	6 834	3 812	3 022	604	706	1 310
Graspa Development	-	-	-	-	-	-	-	-
Promotion Léopold	-	47	1 675	658	1 017	361	-	361
TOTAL ASSOCIATES	2 813	587	10 910	6 475	4 435	1 097	706	1 804
TOTAL JOINT VENTURES AND ASSOCIATES	57 896	1 894	513 083	431 129	81 954	33 790	35 448	69 238

Main components of assets and liabilities:

Inventories	434 551
Cash and cash equivalents	35 577
Receivables and other assets	42 955
Non-current financial debts	36 922
Current financial debts	225 658
Shareholder's loans	108 255
Other liabilities	60 294
TOTAL	513 083
Book value of assets pledged for debt securities	394 432
Amount of debts guaranteed by above securities	262 580

17. DEFERRED TAX ASSETS

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

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

	31-12-2014	31-12-2013 RESTATED
Tax losses	145	490
Other tax latencies	-	105
TOTAL	145	595

	31-12-2014	31-12-2013 RESTATED
VALUE AS AT 1 JANUARY	595	105
Deferred tax recognised in the consolidated statement of comprehensive income	-450	490
VALUE AS AT 31 DECEMBER	145	595

	31-12-2014	31-12-2013 RESTATED
TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	57 746	51 153
Expiring at the end of 2014	-	213
Expiring at the end of 2015	1 308	450
Expiring at the end of 2016	2 045	2 492
Expiring at the end of 2017	1 141	1 294
Expiring at the end of 2018	2 197	2 675
Expiring at the end of 2019	8 927	-
Not time-limited	42 128	44 029

18. INVENTORIES

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

Allocation of inventories by segment is as follows:

	31-12-2014	31-12-2013 RESTATED
Offices	167 751	149 790
Residential Development	50 421	49 448
Land Development	92 799	85 394
TOTAL INVENTORIES	310 971	284 632

Allocation of inventories by geographical area is as follows:

	31-12-2014	31-12-2013 RESTATED
Belgium	217 679	192 177
Grand-Duchy of Luxemburg	35 000	36 205
Poland	58 292	56 250
TOTAL INVENTORIES	310 971	284 632

Break down of the movements of the year per segment:

	31-12-2014	31-12-2013 RESTATED
INVENTORIES AS AT 1 JANUARY	284 632	249 184
Purchases of the year	4 931	9 981
Developments of the year	44 803	39 676
Disposals of the year	-22 496	-14 317
Borrowing costs	527	119
Write-offs recorded	-1 426	-11
MOVEMENTS DURING THE YEAR	26 339	35 448
INVENTORIES AS AT 31 DECEMBER	310 971	284 632

Break down of the movements of the year per segment:

	PURCHASES	DEVELOPMENTS	DISPOSALS	BORROWING COSTS	NET WRITE-OFFS	NET
Offices	-	20 629	-1 769	527	-1 426	17 961
Residential Development	-	15 225	-14 252	-	-	973
Land Development	4 931	8 949	-6 475	-	-	7 405
TOTAL	4 931	44 803	-22 496	527	-1 426	26 339

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

	PURCHASES	DEVELOPMENTS	DISPOSALS	BORROWING COSTS	NET WRITE-OFFS	NET
Belgium	4 931	42 707	-22 496	527	-167	25 502
Grand-Duchy of Luxemburg	-	54	-	-	-1 259	-1 205
Poland	-	2 042	-	-	-	2 042
TOTAL	4 931	44 803	-22 496	527	-1 426	26 339

MARKET RISKS AND UNCERTAINTIES

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

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

19. TRADE RECEIVABLES

Trade receivables refer to the following segments:

	31-12-2014	31-12-2013 RESTATED
Offices	1 706	2 906
Residential Development	1 030	1 472
Land Development	3 647	2 847
TOTAL TRADE RECEIVABLES	6 383	7 225

The analysis of the delay of payment at the end of 2014 arises as follows:

	31-12-2014	31-12-2013 RESTATED
Due < 3 months	1 387	1 377
Due > 3 months < 6 months	110	32
Due > 6 months < 12 months	194	347
Due > 1 year	20	770

CREDIT RISK

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

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

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

At 31 December 2014 there was no concentration of credit risk with a sole third party. The maximum risk amounts to the book value of the receivables.

The recorded impairments of trade receivables is as follows:

	31-12-2014	31-12-2013 RESTATED
BALANCE AT 1 JANUARY	208	222
Additions	5	-
Reclassifications	-	-14
MOVEMENTS OF THE YEAR	5	-14
BALANCE AT 31 DECEMBER	213	208

20. OTHER CURRENT ASSETS

The components of this line item are:

	31-12-2014	31-12-2013 RESTATED
Other receivables	20 705	17 642
of which: advances to joint ventures, associates and on projects in participation	11 652	12 711
taxes (other than income taxes) and VAT receivable	1 034	1 438
receivable on sale (escrow account)	5 212	-
grants and allowances receivable	1 617	2 255
other	1 190	1 238
Deferred charges and accrued income	3 377	3 230
of which: on projects in development	2 560	2 756
other	817	474
TOTAL OTHER CURRENT ASSETS	24 082	20 872

and are related to the following segments:

	31-12-2014	31-12-2013 RESTATED
Offices	16 828	11 790
Residential Development	5 590	6 405
Land Development	1 664	2 677
TOTAL OTHER CURRENT ASSETS	24 082	20 872

21. INFORMATION RELATED TO THE NET FINANCIAL DEBT

The Group's net financial debt is the balance between the cash and cash equivalents and the financial debts (current and non current). It amounts to -192 740 KEUR as at 31 December 2014 compared to -176 631 KEUR as at 31 December 2013.

	31-12-2014	31-12-2013 RESTATED
Cash and cash equivalents (+)	25 470	16 486
Non current financial debts (-)	150 484	138 379
Current financial debts (-)	67 726	54 738
NET FINANCIAL DEBT	-192 740	-176 631

The Group's gearing ratio (net financial debt / equity) is 98% as at 31 December 2014 compared to 96% at the end of 2013.

CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to 25 740 KEUR compared to 16 486 KEUR at the end of 2013, representing an increase of 8 984 KEUR.

The available cash are as follows:

	31-12-2014	31-12-2013 RESTATED
Term deposits with an initial duration of maximum 3 months	-	-
Cash at bank and in hand	25 470	16 486
AVAILABLE CASH AND CASH EQUIVALENTS	25 470	16 486

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

FINANCIAL DEBTS

Financial debts increase with 25 093 KEUR, from 193 117 KEUR at 31 December 2014 to 218 210 KEUR at 31 December 2014.

The components of financial debts are as follows:

	31-12-2014	31-12-2013 RESTATED
Bond issue maturity 21-12-2016 at 7% - nominal amount 40 MEUR	39 683	39 523
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR	59 126	58 856
Credit institutions	51 675	40 000
NON CURRENT FINANCIAL DEBTS	150 484	138 379
Credit institutions	65 119	52 131
Bonds - not yet due interest	2 607	2 607
CURRENT FINANCIAL DEBTS	67 726	54 738
TOTAL FINANCIAL DEBTS	218 210	193 117
Amount of debts guaranteed by securities	116 794	92 131
Book value of Group's assets pledged for debt securities	301 192	277 851

Financial debts evolve as follows:

	31-12-2014	31-12-2013 RESTATED
FINANCIAL DEBTS AS AT 1 JANUARY	193 117	128 118
Contracted debts	38 175	74 730
Repaid debts	-13 512	-12 704
Bons - paid interest	-2 607	-
Bonds - not yet due interest	2 607	2 607
Amortization of deferred debt issue expenses	430	366
Charges for the year	25 093	64 999
FINANCIAL DEBTS AS AT 31 DECEMBER	218 210	193 117

All the financial debts are denominated in EUR.

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

IMMOBEL disposes at December 31, 2014 of 60 MEUR credit facility (corporate credit signed in May 2011 and renewed in June 2014), of which 45 MEUR used at end of December 2014, due in June 2017. Moreover, IMMOBEL disposes at December 31, 2014 of confirmed bank credit lines for 170 MEUR of which 72 MEUR used at end of December 2014. These credit lines (project financing credits) are specific for certain projects in development.

At December 31, 2014, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to 301 MEUR.

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

DUE IN	2015	2016	2017	2018	TOTAL
Bonds	-	40 000	-	60 000	100 000 ¹
Corporate credit	-	-	45 000	-	45 000
Project Financing Credits	67 726	-	6 675	-	74 401
TOTAL AMOUNT OF DEBTS	67 726	40 000	51 675	60 000	219 401

INTEREST RATE RISK

On the basis of the situation as per 31 December 2014, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of 1 168 KEUR.

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

At 31 December 2014, the derivative financial instruments have been concluded to hedge future risks and are the following:

	PERIOD	INSTRUMENTS	STRIKE	NOTIONAL AMOUNTS
	07/2012 - 07/2015	IRS bought	0.75%	26 000
	07/2014 - 07/2017	CAP bought	2.00%	16 000
	07/2014 - 07/2017	CAP bought	2.00%	10 000
	07/2014 - 07/2017	CAP bought	2.00%	10 000
TOTAL				62 000

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

	31-12-2014	31-12-2013 RESTATED
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Hedging instruments:		
- Bought CAP Options	8	100
- Bought IRS Options	-88	-369
TOTAL	-80	-269

	31-12-2014	31-12-2013 RESTATED
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	-269	-1 443
Changes during the period:		
- Change in the fair value recognised in the consolidated income statement	189	1 174
SITUATION AT 31 DECEMBER	-80	-269

No instrument has been documented as hedge accounting at 31 December 2014.

1. The amount on the balance sheet, 98 809 KEUR, includes 1 191 KEUR charges to be amortized until maturity in 2016 and 2018.

INFORMATION ON FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of financial instruments is determined as follows:

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

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

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

	LEVEL OF THE FAIR VALUE	CARRYING AMOUNT 31-12-2014	AMOUNTS RECOGNIZED IN BALANCE SHEET IN ACCORDANCE WITH IAS39		FAIR VALUE 31-12-2014
			AMORTIZED COST	FAIR VALUE TROUGH PROFIT OR LOSS	
ASSETS					
Cash and cash equivalents	Level 1	25 470	25 470		25 470
Other non-current assets	Level 2	251	251		251
Trade receivables	Level 2	6 383	6 383		6 383
Other operating receivables	Level 2	24 082	24 082		24 082
TOTAL		56 186	56 186		56 186
LIABILITIES					
Interest-bearing debt	Levels 1 and 2	215 603	215 603		216 794
Trade payables	Level 2	13 760	13 760		13 760
Other operating payables	Level 2	14 234	14 234		14 234
Derivative financial instruments	Level 2	80		80	80
TOTAL		243 677	243 597	80	244 868

LIQUIDITY RISK

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

FINANCIAL COMMITMENTS

The Group is, for the majority of the mentioned financial debts, subject to a number of financial commitments. These commitments are taking into account the equity, the net financial debt and its relation with the equity and the inventories. At 31 December 2014, as for the previous years, the Group was in conformity with all these financial commitments.

RISK OF FLUCTUATION IN FOREIGN CURRENCIES

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

22. EQUITY

The equity amounts to 196 711 KEUR compared to 183 177 KEUR as at 31 December 2013, representing an increase of 13 534 KEUR. The explanation of the change in equity is given in the consolidated statement of changes in equity.

RISK MANAGEMENT RELATED TO THE CAPITAL

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

23. PENSIONS AND SIMILAR OBLIGATIONS

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

	31-12-2014	31-12-2013 RESTATED
STATEMENT OF FINANCIAL POSITION		
Present value of the defined benefit obligations	3 952	3 420
Fair value of plan assets at the end of the period	-3 523	-2 504
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATION	429	916
STATEMENT OF COMPREHENSIVE INCOME		
Current service cost	-91	-102
Interest cost on the defined benefit obligation	-85	-47
Interest income on plan assets	64	34
Administration costs	-11	-8
DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	-123	-123
Actuarial (gains) / losses on defined benefit obligation arising from		
- changes in financial assumptions	-433	145
- return on plan assets (excluding interest income) ¹	806	759
- experience adjustments	83	-1 112
REMEASUREMENTS OF NET DEFINED BENEFIT LIABILITY RECOGNISED IN OTHER COMPREHENSIVE INCOME	456	-208
DEFINED BENEFIT COSTS	333	-331
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY		
Current service cost	91	102
Interest cost	85	47
Contributions from plan participants	25	23
Actuarial (gains) losses	350	967
Benefits paid	-19	-80
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	3 952	3 420
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY		
Interest income	64	34
Contributions from employer	154	100
Contributions from plan participants	25	23
Benefits paid	-19	-80
Return on plan assets (excluding interest income) ¹	806	759
Administration costs	-11	-8
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	3 523	2 504
CONTRIBUTION OF THE EMPLOYER EXPECTED FOR 2015/2014	131	91

1. The return on plan assets (excluding interest income) for the year 2014 is explained, on the one hand, by the valuation of the fair value of plan assets based on the present value of the discounted capital insurance group and, on the other hand, by the decrease in the discount rate below the technical interest rate guaranteed by the insurance company.

ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS

Discount rate		0.80%	2.50%
Future salary increases		3.50%	3.50%
Inflation rate		2.00%	2.00%
Mortality Table used		MR/FR -3	MR/FR -3

SENSITIVITY ANALYSIS OF THE DBO 31-12-2014

Discount rate	0.80%	1.30%	0.30%
Amount of the DBO	3 952	3 796	4 120

SENSITIVITY ANALYSIS OF THE DBO 31-12-2013

Discount rate	2.50%	3.00%	2.00%
Amount of the DBO	3 420	3 285	3 565

EMPLOYER CONTRIBUTIONS IN THE DEFINED CONTRIBUTION PLAN (DBC)

12 11

The pension plans are funded through a group insurance. The underlying assets of the insurance contracts are primarily invested in bonds. The actuarial loss recognized in the statement of other comprehensive income equals 456 KEUR.

The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals 302 KEUR.

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

	2014	2013	2012	2011
Present value of defined benefit obligations	3 952	3 420	2 361	2 200
Fair value of plan assets at the end of the period	3 523	2 504	1 676	1 901
Deficit of financed plans	429	916	685	299
Experience adjustments on:				
- plan assets	-350	-968	77	223
- plan liabilities	806	760	-50	-50

24. PROVISIONS

The components of provisions are as follows:

			31-12-2014	31-12-2013 RESTATED
Provisions related to the sales			3 477	1 151
Other provisions			30	35
TOTAL PROVISIONS			3 507	1 186
	RELATED TO THE SALES	OTHER		
PROVISIONS AS AT 1 JANUARY	1 151	35	1 186	1 631
Increase	2 442	-	2 442	179
Use	-	-6	-6	-6
Reversal	-115	-	-115	-618
CHANGES FOR THE YEAR	2 327	-6	2 321	-445
PROVISIONS AS AT 31 DECEMBER	3 478	29	3 507	1 186
From which current provisions	3 478	5	3 483	1 156
Changes of the provisions for the year			2 321	
- Use and reversal - note 8 Other operating expenses			-101	
- Increase - linked to the gain on sale of joint ventures (note 9)			-2 422	

Allocation of this position by segment is as follows:

	31-12-2014	31-12-2013 RESTATED
Offices	3 392	1 091
Residential Development	20	-
Land Development	95	95
TOTAL	3 507	1 186
Changes of the provisions for the year	-101	-445
Changes of the provisions linked to employee benefit obligations	-31	23
CHANGES OF THE PROVISIONS (CONSOLIDATED STATEMENT OF CASH FLOW)	-132	-422

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

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

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

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

25. TRADE PAYABLES

This account is allocated by segment as follows:

	31-12-2014	31-12-2013 RESTATED
Offices	4 325	5 116
Residential Development	5 490	3 023
Land Development	2 436	4 075
TOTAL TRADE PAYABLES	12 251	12 214

26. OTHER CURRENT LIABILITIES

The components of this account are:

	31-12-2014	31-12-2013 RESTATED
Personnel debts	537	522
Taxes (other than income taxes) and VAT payable	445	91
Advance on sales (mainly related to residential projects)	1 553	2 388
Advances from joint ventures and associates	5 317	3 879
Accrued charges and deferred income	544	785
Operating grants	1 810	3 459
Other	1 421	1 392
TOTAL OTHER CURRENT LIABILITIES	11 627	12 516

Other current liabilities are related to the following segments:

	31-12-2014	31-12-2013 RESTATED
Offices	4 833	4 170
Residential Development	6 088	7 239
Land Development	706	1 107
TOTAL OTHER CURRENT LIABILITIES	11 627	12 516

Trade receivables and payables and other receivables and payables:

	31-12-2014	31-12-2013 RESTATED
Trade receivables	6 383	7 225
Other current assets	24 082	20 872
TOTAL OF TRADE RECEIVABLES AND OTHER CURRENT ASSETS	30 465	28 097
Trade payables	12 251	12 214
Other current liabilities	11 627	12 516
TOTAL OF TRADE PAYABLES AND OTHER CURRENT LIABILITIES	23 878	24 730
NET SITUATION OF RECEIVABLES AND PAYABLES	6 587	3 367

27. CHANGE IN WORKING CAPITAL

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

	31-12-2014	31-12-2013 RESTATED
Inventories, including acquisition and sales of entities that are not considered as business combinations	-27 239	-35 340
Trade receivables & Other current assets	2 839	-5 862
Trade payables & Other current liabilities	428	-8 240
CHANGE IN WORKING CAPITAL	-23 972	-49 442

28. MAIN CONTINGENT ASSETS AND LIABILITIES

	31-12-2014	31-12-2013 RESTATED
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	33 988	37 519
- other assets	111	111
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	34 099	37 630
These guarantees consist of:		
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	13 097	13 126
- guarantees "Law Breyne" (guarantees given in connection with the sale of houses or apartments under construction)	10 261	16 281
- guarantees "Good end of execution" (guarantees given in connection with the execution of works)	8 115	5 597
- guarantees "Payment" and "Other" (successful completion of payment, rental...)	2 626	2 626
TOTAL	34 099	37 630
Mortgage power - Amount of inscription	138 012	66 012
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	301 192	277 851
BOOK VALUE OF PLEDGED GROUP'S ASSETS	301 192	277 851
Amount of debts guaranteed by above securities		
- Non current debts	51 675	40 000
- Current debts	65 119	52 131
TOTAL	116 794	92 131
Commitments for the acquisition of inventories	20 785	13 141
Commitments for the disposal of inventories	6 547	133 377
The commitments from which the value of acquisition or disposal can not be defined, because depending from future events (permit to obtain, number of m ² to construct...), are not included.		

29. INFORMATION ON RELATED PARTIES

RELATIONSHIPS WITH SHAREHOLDERS - MAIN SHAREHOLDERS

	31-12-2014	31-12-2013 RESTATED
Allfin Group Comm. VA	29.85%	-
Cresida Investment S.à.r.l.	-	29.85%
Capfi Delen Asset Management n.v.	5.06%	5.06%
Other	65.09%	65.09%
Number of representative capital shares	4 121 987	4 121 987

RELATIONSHIPS WITH SENIOR EXECUTIVES

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

	31-12-2014	31-12-2013 RESTATED
Salaries	4 119	3 907
Post-employment benefits	125	99
Other Benefits	8	6
TOTAL	4 252	4 012

RELATIONSHIPS WITH JOINT VENTURES AND ASSOCIATES

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

	31-12-2014	31-12-2013 RESTATED
Investments in joint ventures and associates - shareholder's loans (note 16)	49 507	35 448
Other current assets	10 742	10 572
Interest income	2 290	1 598

See note 16 for further information on joint ventures and associates.

30. EVENTS SUBSEQUENT TO REPORTING DATE

Except the sale to Befimmo of the leasehold on the land and both the current and future off-plan constructions of the project *Gateway*, no significant event that may have an impact on the financial statements occurred from the reporting date on 31st December 2014 up to 27th March 2015 when the financial statements were approved by the Board of Directors.

31. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Companies forming part of the Group as at 31 December 2014:

SUBSIDIARIES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST ¹
Cedet	-	Warsaw	100.00
Cedet Development	-	Warsaw	100.00
Compagnie Immobilière de Participations Financières (CIPAF)	0454 107 082	Brussels	100.00
Compagnie Immobilière de Wallonie (CIW)	0401 541 990	Brussels	100.00
Compagnie Immobilière Luxembourgeoise	-	Luxemburg	100.00
Entreprise et Gestion Immobilières (Egimo)	0403 360 741	Brussels	100.00
Espace Nivelles	0472 279 241	Brussels	100.00
Foncière Jennifer	0464 582 884	Brussels	100.00
Foncière Montoyer	0826 862 642	Brussels	100.00
Garden Point	-	Warsaw	100.00
Green Dog	0897 498 339	Brussels	100.00
IMMOBEL Poland	-	Warsaw	100.00
IMMOBEL Poland SPV 10	-	Warsaw	100.00
IMMOBEL Poland SPV 11H	-	Warsaw	100.00
IMMOBEL Poland SPV 12	-	Warsaw	100.00
Immobiëlen Vennootschap van Vlaanderen	0403 342 826	Brussels	100.00
Immo-Puyhoek	0847 201 958	Brussels	100.00
Les Jardins du Nord	0444 857 737	Brussels	96.20
Lotinvest Development	0417 100 196	Brussels	100.00
OD 214	-	Warsaw	100.00
Okraġlak Development	-	Warsaw	100.00
Quomago	0425 480 206	Brussels	100.00
SPI Parc Seny	0478 120 522	Brussels	100.00
The Green Corner	0443 551 997	Brussels	100.00
Torres Investment	-	Warsaw	100.00
Veldimmo	0430 622 986	Brussels	100.00
WestSide	-	Luxemburg	100.00

1. The % interest corresponds with the voting rights.

JOINT VENTURES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST ¹
Bella Vita	891 019 738	Brussels	50.00
CBD International	-	Warsaw	50.00
Château de Beggen	-	Luxemburg	50.00
Espace Trianon	451 883 417	Embourg	50.00
Fanster Entreprise	-	Warsaw	50.00
Foncière du Parc	434 168 544	Brussels	50.00
Gateway	502 968 664	Brussels	50.00
Ilot Ecluse	442 544 592	Gilly	50.00
Intergénérationnel de Waterloo	891 182 460	Brussels	50.50
Pef Kons Investment	-	Luxemburg	33.33
RAC2	820 585 959	Antwerp	40.00
RAC3	820 588 830	Antwerp	40.00
RAC4	820 593 481	Antwerp	40.00
Société Espace Léopold	436 890 977	Brussels	50.00
Temider Entreprise	-	Warsaw	50.00
Universalis Park	892 775 438	Brussels	50.00
Vilpro	438 858 295	Brussels	50.00

ASSOCIATES

NAME	COMPANY NUMBER	REGISTERED OFFICE	% INTEREST ¹
DHR Clos du Château	0895 524 784	Brussels	33.33
Espace Midi	0402 594 342	Brussels	20.00
Graspa Development	-	Warsaw	25.00

SCOPE OF CONSOLIDATION - NUMBER OF ENTITIES

	31-12-2014	31-12-2013 RESTATED
Subsidiaries - Global method of consolidation	27	23
Joint ventures - Equity method	17	18
Associates - Equity method	3	3
TOTAL	47	44

During the year 2014, following changes in the consolidation perimeter occurred:

Incoming companies

- Graspa Development - acquisition of 25% of shares of the company
- Incorporation of the following new companies 100% owned by the Group:
 - IMMOBEL Poland SPV 10
 - IMMOBEL Poland SPV 11H
 - IMMOBEL Poland SPV 12
 - OD 214

These 5 new companies have their operational headquarters in Poland.

Outgoing companies

- Sale of the participation interests of 40% in the Company RAC1
- Sale of the participation interests of 35.5% in the Company Promotion Léopold

1. The % interest corresponds with the voting rights.

STATEMENT FROM THE RESPONSIBLE PERSONS

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

- the Consolidated Financial Statements of NV IMMOBEL SA and its subsidiaries as of 31st December 2014 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies of the IMMOBEL Group as well as the subsidiaries included in the consolidation; and
- the Director’s Report on the financial year ended at 31st December 2014 gives a fair overview of the development, the results and of the position of the IMMOBEL Group as well as the subsidiaries included in the consolidation, as well as a description of the principal risks and uncertainties faced by the IMMOBEL Group.

On behalf of the Board of Directors:



GAËTAN PIRET sprl
Chief Executive Officer



Count Buisse CMG CBE
Chairman of the Board of Directors

STATUTORY AUDITOR'S REPORT

TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the consolidated financial statements of IMMOBEL SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 444,473 (000) EUR and the consolidated statement of comprehensive income shows a consolidated profit (group share) for the year then ended of 20,041 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

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

Statutory auditor's responsibility

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

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

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

Unqualified opinion

In our opinion, the consolidated financial statements of IMMOBEL SA give a true and fair view of the group's net equity and financial position as of 31 December 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

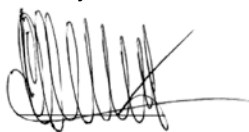
The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

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

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

Diegem, 30 March 2015

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Laurent Boxus

Deloitte.

STATUTORY CONDENSED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

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

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

They are available on request from:

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

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

STATEMENT OF FINANCIAL POSITION

	31-12-2014	31-12-2013
ASSETS		
FIXED ASSETS	110 862	104 842
Start-up costs	1 191	1 621
Intangible fixed assets	154	95
Tangible fixed assets	1 139	1 334
Financial fixed assets	108 378	101 792
CURRENT ASSETS	310 797	260 604
Amounts receivable after one year	100	100
Stocks and contracts in progress	115 871	106 625
Amounts receivable within one year	172 148	144 715
Cash balance	20 227	8 423
Deferred charges and accrued income	2 451	741
TOTAL ASSETS	421 659	365 446
LIABILITIES		
SHAREHOLDERS' EQUITY	200 410	192 981
Capital	60 302	60 302
Reserves	10 076	10 076
Accumulated profits	130 032	122 603
PROVISIONS AND DEFERRED TAXES	2 942	640
Provisions for liabilities and charges	2 942	640
DEBTS	218 307	171 825
Amounts payable after one year	153 184	142 515
Amounts payable within one year	57 908	26 611
Accrued charges and deferred income	7 215	2 699
TOTAL LIABILITIES	421 659	365 446

STATEMENT OF COMPREHENSIVE INCOME

	31-12-2014	31-12-2013
Operating income	9 393	17 370
Operating charges	-13 229	-13 017
OPERATING RESULT	-3 836	4 353
Financial income	8 433	7 146
Financial charges	-9 142	-8 494
FINANCIAL RESULT	-709	-1 348
OPERATING PROFIT BEFORE TAXES	-4 545	3 005
Extraordinary income	34 389	2 710
Extraordinary charges	-12 409	-2 199
EXTRAORDINARY RESULT	21 980	511
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	17 435	3 516
Taxes	-113	-2
PROFIT OF THE FINANCIAL YEAR	17 322	3 514
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	17 322	3 514

APPROPRIATION ACCOUNT

	31-12-2014	31-12-2013
PROFIT TO BE APPROPRIATED	139 925	122 603
Profit for the financial year available for appropriation	17 322	3 514
Profit carried forward	122 603	119 089
RESULT TO BE CARRIED FORWARD	130 032	122 603
Profit to be carried forward	130 032	122 603
PROFIT AVAILABLE FOR DISTRIBUTION	9 893	0
Dividends	9 893	0

SUMMARY OF ACCOUNTING POLICIES

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

The main depreciation rates are the following:

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

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

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

Stocks are recorded at their purchase price or contribution value, including, in addition to the purchase price, the ancillary costs, duties and taxes relating to them. The infrastructure costs are recorded at

their cost price. Realisation of stocks is recorded at the weighted average price. **Work in progress** is valued at cost price. Profits are, in principle, recorded on the basis of the percentage of completion of the work. Write-downs are applied as appropriate, according to the selling price or the market value.

The **sales** and the **purchases** of properties are recorded at the signature of the notarial act in so far as the eventual conditions precedents are lifted and a clause of deferred property transfer is foreseen in the compromise under private signature

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

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

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

Amounts Payable are recorded at their nominal value.

GENERAL INFORMATION

COMPANY NAME

IMMOBEL

REGISTERED OFFICE

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

FORM OF THE COMPANY

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

TERM

Indefinite

CROSSING STATUTORY THRESHOLDS

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

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

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

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

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

WEBSITE

www.immobel.be

FINANCIAL CALENDAR

Publication of annual accounts 2014:	27 March 2015
Ordinary General Meeting 2015:	28 May 2015
Publication of 2015 half-year results:	24 September 2015
Publication of 2015 annual accounts:	24 March 2016
Ordinary General Meeting 2016:	26 May 2016

FINANCIAL SERVICES

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

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IMMOBEL
1863 - 2013
150 years

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