



IMMOBEL  
since 1863

## Immobel SA

*(incorporated in the Kingdom of Belgium with limited liability)*

**€30,000,000**

**7 per cent. Bonds due**

**21 December 2016**

**Issue Price 100 per cent.**

The €30,000,000 7 per cent. bonds due 21 December 2016 (the “**Bonds**”) will be issued by Immobel SA (the “**Issuer**”). Interest on the Bonds is payable annually in arrear on 21 December in each year subject to adjustment as described in the “Terms and Conditions of the Bonds – Interest” and “Terms and Conditions of the Bonds – Redemption”. Payments on the Bonds will be made without deduction for or on account of taxes of the Kingdom of Belgium to the extent described under “Terms and Conditions of the Bonds — Taxation”.

The Bonds mature on 21 December 2016. The Bonds are subject to redemption in whole, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Kingdom of Belgium. Subject to the approval by the Issuer’s shareholders of the relevant provision of the Terms and Conditions of the Bonds, upon a Change of Control (as defined in the Terms and Conditions of the Bonds) of the Issuer, the Bonds shall, at the option of the holders of the Bonds, be redeemed at the Put Redemption Amount (as defined in the Terms and Conditions of the Bonds). See “Terms and Conditions of the Bonds — Redemption and Purchase – Redemption at the Option of the Bondholders upon a Change of Control”

The Bonds will constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 7.1 of the Terms and Conditions of the Bonds, at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

This Prospectus has been prepared for the purpose of the listing of the Bonds on NYSE Euronext Brussels. It has been approved on 15 December 2011 by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the “**FSMA**”) in its capacity as competent authority under Article 23 of the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (the “**Prospectus Law**”). Application has also been made for the Bonds to be admitted to trading on NYSE Euronext Brussels. References in this Prospectus to the Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to trading on NYSE Euronext Brussels, which is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. The denomination of the Bonds shall be € 50,000.

The Bonds will be issued in dematerialised form under articles 468 *et. seq.* of the Belgian Company Code (*Wetboek van Vennootschappen / Code des Sociétés*) (the “**Belgian Company Code**”) and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**Clearing System**”). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

**LEAD MANAGER AND BOOKRUNNER**

**BNP PARIBAS FORTIS**

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the “**Prospectus Directive**”) and the Prospectus Law and for the purpose of giving information with regard to Immobel SA and the €30,000,000 7 per cent. Bonds due 21 December 2016 which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer (the “**Responsible Person**”) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “**Documents Incorporated by Reference**”).

**This Prospectus has been prepared for the purpose of the listing of the Bonds on NYSE Euronext Brussels and does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager (as defined in “Subscription and Sale” below) to subscribe or purchase, any of the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.** The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions.

For a description of further restrictions on sales of Bonds and distribution of this Prospectus, see “Subscription and Sale” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Lead Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. If at any time during the relevant period for the purpose of Article 34 of the Prospectus Law there arises or is noted a significant new factor, material mistake or inaccuracy relating to the information included in this prospectus, the Issuer will prepare and submit to the FSMA for its approval a supplementary prospectus containing details of the new factor, mistake or inaccuracy so as to comply with the requirements of Article 34 of the Prospectus Law.

To the fullest extent permitted by law, the Lead Manager accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Bonds. The Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act).

Unless otherwise specified or the context requires, references to “euro”, “Euro” and “€” refer to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on the Functioning of the European Union.

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

*The Issuer believes that the factors described below represent all risks considered relevant, on the date of publication of this Prospectus, when considering investing in the Bonds. Besides the risks listed below, additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial may arise. The latter may place the Issuer in a situation where he may be unable to pay interest, principal or other amounts on or in connection with the Bonds. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Factors that may affect the ability of the Issuer and its subsidiaries ("Immobel"), to fulfil their obligations under the Bonds**

*Before investing in the Bonds, prospective investors should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks materialises, the Issuer's business, results of operations, financial condition and prospects could be materially adversely affected. In that event, the value of the Bonds could decline and an investor might lose part or all of the investor's investment due to an inability of the Issuer to fulfil its obligations under the Bonds. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant, on the date of publication of this prospectus, for the Issuer's business, the Issuer may face additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial. The latter may also have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, and could negatively affect the value of the Bonds and/or the ability of the Issuer to fulfil its obligations under the Bonds.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and should reach their own views before making an investment decision with respect to any Bonds. Furthermore, before making an investment decision with respect to any Bonds, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Bonds and consider such an investment decision in light of the prospective investor's own circumstances.*

### **1. Risks related to the Issuer's business**

#### **(a) Market risk**

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

The Issuer is exposed to the local, regional, national and international economic conditions and other events and occurrences that affect the markets in which the Issuer'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 (mainly in Brussels, the Walloon Region and Poland).

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

As the Issuer's results and financial position are to a great extent driven by disposals of real estate projects and the capability of the Issuer to conclude leases on its projects, changes in the market environment can have an important impact on the Issuer. In particular, according to the latest information given to the market, the activity in the offices market in Brussels is since many months very weak.

**(b) Operational risk**

***The Issuer may not be able to dispose of some or all of its real estate projects***

The Issuer's revenues are determined by disposals of real estate projects. Hence, the results of the Issuer 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 that given year. Furthermore, it cannot be guaranteed that the Issuer will find a buyer for the transfer of its assets or that the transfer price of the assets will reach a given level. The Issuer's inability to conclude sales can give rise to significant fluctuations of the results of the Issuer. For instance, based on the information as of today, it could be that the operating result for Q1 2012 could be negative without such event necessarily impacting the yearly result.

***The Issuer may pursue an inappropriate property development strategy***

When considering property development investments, the Issuer 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 be incorrect, rendering the Issuer's strategy inappropriate with consequent negative effects for the Issuer's business, results of operations, financial condition and prospects.

***The Issuer may face a higher risk due to the expansion of its operations into Poland***

The Issuer acquired in 2011 nine offices / residential / retail projects under development or to be developed in Poland, confirming its strategy to further expand into the Polish market. Although the Issuer has completed 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 limited knowledge of the market and regulatory situation and requirements in this new market.

It should be noted that an important part of the proceeds of the envisaged bond issue could be attributed to the development of this market.

***The Issuer's development projects may experience delays and other difficulties***

Before acquiring any project, the Issuer carries out studies into its feasibility in terms of urbanization, technology, the environment and finance, usually with the help of specialised consultants. These projects are however always subject to various risks, each of which could cause delay to delivery of a project and therefore increase the time until a project can be sold, increase the costs of a project compared to the budget, cause the loss or decrease of expected income of a project or, in some cases, even cause the termination of a project.

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) refusal by the planning authorities in the countries in which the Issuer 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, the Issuer 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.

Furthermore the Issuer has certain projects whereby an asset under development is pre-leased or pre-sold to a third party and whereby the Issuer might face important liability if and when such projects are not completed within the pre-agreed timeline.

***The Issuer may be liable for environmental issues regarding its property development portfolio***

The Issuer'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 the Issuer to obtain certain permits or licenses, which it may not be able to obtain in a timely manner or at all. The Issuer may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property it currently owns or owned in the past. As a property developer, the Issuer may also incur fines or other penalties for any deficiencies in environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value.

***The Issuer 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 the Issuer's ability to successfully execute its business strategies. The Issuer 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 the Issuer operates. The Issuer 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 the Issuer's business, results of operations, financial condition and prospects.

***The Issuer is subject to the risk of litigation, including potential warranty claims relating to leasing, developing and selling of real estate.***

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

In particular, the Issuer 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 the Issuer but could have, or should have, been discovered. In addition, the Issuer may be exposed to substantial undisclosed or unascertained liabilities embedded in properties that were incurred or that arose prior to the completion of the Issuer's acquisition of such properties. These liabilities could include, but are not limited to, liabilities to state entities, to existing tenants, to creditors or to other persons involved with the properties

prior to the acquisition, tax liabilities and indemnification claims by parties claiming to be entitled to be indemnified by the former owners of the properties.

Although the Issuer typically seeks to obtain contractual protection against such claims and liabilities from the seller of a property to it, there can be no assurance that such contractual protection has always been or will always be successfully obtained, or that it would be enforceable or effective if obtained under contract. Such potential liabilities, if realised, could have a material adverse effect on the returns realised on the development of such property by the Issuer. Any claims for recourse the Issuer may have against parties from which the Issuer has purchased such a property may fail because of the expiration of the statute of limitations, lack of proof that the previous seller knew or should have known of the defect, the insolvency of the previous seller or for other reasons.

The Issuer may also be subject to claims by purchasers of its properties as a result of representations and warranties about those properties given by the Issuer at the time of disposal. The Issuer's representations and warranties could pertain to, among other things, title to the property and liabilities for the payment of tax. The Issuer may become party to claims, disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result. In addition, following the disposal of any property, the Issuer may be obliged under contract or by law to retain certain liabilities or potential liabilities that exist in respect of such assets. The costs of any such claims, disputes or litigation, to the extent they materialise, would reduce the Issuer's cash flow and could have a material adverse effect on its business, results of operations, financial condition and prospects.

***The Issuer is exposed to a liquidity and financing risk***

The Issuer is exposed to a liquidity and financing risk 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. For instance, in line with its current financing policy, several credit lines will have to be renewed in 2012.

According to its current financing policy, the Issuer does not initiate the development of a project if the financing for it is not assured for its estimate duration, by external as well as internal sources.

***The Issuer is exposed to interest rate risk which could materially impact its financial results***

Given its current and future indebtedness, the Issuer 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. The Issuer's financing is assured on the basis of short-term interest rates (based on Euribor rates for 1 to 12 months). In the context of a global program of risk management coverage, the Issuer has set up a "hedging" policy aimed to provide adequate cover against the risk of interest rates on its debt with financial instruments

***The Issuer is exposed to a currency exchange risk which could materially impact its results and financial position***

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

The foreign currency transaction risk arises when the Issuer or subsidiaries of the Issuer enter into a transaction where the settlement of the transaction occurs in a currency other than the functional currency of the Issuer or the subsidiary (a foreign currency transaction). Exchange differences (gains and losses) arising on the settlement of monetary items or on translation monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements will have to be recognised in profit or loss in the period in which they arise.

The foreign currency translation risk arises at the translation of the foreign operations of the Issuer into Euro. The assets and liabilities of these foreign operations have to be translated at the closing rate at the date of

reporting, the income statement of these of foreign operations have to be translated at an average rate of the period. All resulting exchange differences (gains and losses) have to be recognised in a separate component of equity, “currency translation differences”.

***The Issuer is subject to regulatory risk***

Any development is subject to planning, construction and environmental permission being granted. A delay in retrieving such permissions, or the non-granting of such permissions could impact the activities of the Issuer.

Furthermore, the Issuer must respect several urbanisation rules. It could arise that the authorities or the administrations, reviews and/or changes these rules. These changes could have a material impact on the activities of the Issuer.

***The Issuer is exposed to counterparty risk***

The Issuer 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 a significant impact on the Issuer’s operational and financial position. The Issuer 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 the Issuer***

The Issuer is active in Belgium, Luxemburg and Poland. Changes in the legislation in relation to direct and indirect taxation rules could impact the Issuer’s financial position.

**Factors which are material for the purpose of assessing the market risks associated with the Bonds**

**Risks related to the Bonds**

*The Bonds may not be a suitable investment for all investors*

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal and interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

*There is currently no active trading market for the Bonds*

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial



offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's results of operations. Although application has been made for the Bonds to be listed on the NYSE Euronext Brussels, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

#### *Modifications and waivers*

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

#### *The Change of Control Put*

Each Bondholder, at its own initiative, will have the right to require the Issuer to redeem all or any part of such holder's Bonds at the Put Redemption Amount (as defined in the "Terms and Conditions" below), upon the occurrence of a Change of Control (as defined in the "Terms and Conditions" below) of the Issuer. If the procedure described in the Terms and Conditions has validly been followed, the Issuer may not refuse to redeem the Bonds.

In the event that such Change of Control Put right is exercised by holders of at least 85 per cent of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given notice in the form and within the timeframe described in the Terms and Conditions, redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified in the Terms and Conditions.

However, Bondholders should be aware that, in the event that (i) holders of 85 per cent or more of the aggregate principal amount of the Bonds exercise their option under Condition 4(c)(i), but the Issuer does not elect to redeem the remaining outstanding Bonds, or (ii) holders of a significant proportion, but less than 85 per cent of the aggregate principal amount, of the Bonds exercise their option under Condition 4(c)(i), Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

Potential investors should also be aware that the Change of Control Put can only be exercised provided that prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*). The Issuer has undertaken pursuant to Condition 4(c)(iii) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the special meeting of shareholders of the Issuer to be held, simultaneously with the ordinary meeting of shareholders, on 24 May 2012 and to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing or if the shareholders do not approve the Change of Control Put, holders will not be entitled to exercise the option set out in Condition 4(c)(i). There can be no assurance that such approval will be granted at such meeting.

### *Change of law*

The Terms and Conditions of the Bonds are based on Belgian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of this Prospectus.

### *EU Savings Directive*

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), member states of the European Economic Union (the "**EU Member States**" and each a "**EU Member State**") are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Investors should note that on 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of the proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above. If a payment were to be made or collected through a paying agent established in a state which at that time applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent (as defined below) nor any other person would be obliged to pay additional amounts to the Holders or to otherwise compensate Holders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

### **Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's

Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

#### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it; (2) the Bonds can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

### **Potential Conflicts of Interest**

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

The Agent and the Lead Manager might have conflicts of interests which could have an adverse effect to the interests of the Bondholders.

Potential investors should be aware that the Lead Manager is agent and lender under the Facility Agreement (as defined in Condition 7.5 (*Definitions*) of the Terms and Conditions of the Bonds) and that the Issuer is involved in a general business relation or/and in specific transactions with the Agent or/and of the Lead Manager and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent and the Lead Manager may hold from time to time debt securities, shares or/and other financial instruments of the Issuer.

### **Risks related to taxation**

#### *Belgian Withholding Tax*

The new Belgian coalition government has announced that, as part of the budget measures, the personal income tax rate (and the withholding tax) for interest will be increased to 21% (from currently 15%). Individuals who receive income from capital (interest and dividends) in an amount exceeding EUR 20,000 on a yearly basis will be subject to an additional tax of 4% on the income exceeding EUR 20,000 (other than dividend income taxed at 25%, liquidation bonuses and the exempt part of interest on savings accounts). Moreover, the rate of the Belgian stock exchange tax would be increased to 0,09% (from currently 0.07%) and the cap of the stock exchange tax would be increased to EUR 650 (from currently EUR 500) per transaction and per party. These announced measures remain subject to change.

If the Issuer, the NBB, the Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such

withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the circumstances defined in Condition 6 (*Taxation*) of the Terms and Conditions of the Bonds.

#### *Taxation*

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

#### **Reliance on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer**

The Bonds will be issued in dematerialised form under articles 468 *et seq.* of the Belgian Company Code, as amended from time to time, and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the Clearing System. Access to the Clearing System is available through its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers, and Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between the Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

Neither the Issuer nor the Agent will have any responsibility for the proper performance by the Clearing System or the Clearing System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the Clearing System.

#### **The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the X/N Clearing System**

The Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders and that the payment obligations of the Issuer under the Bonds will be discharged by payment to the Agent in respect of each amount so paid. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency proceedings at any time when it held any such amounts, Bondholders would not have any further claim against the Issuer in respect of such

amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws.

**The Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further their interests.**

Fortis Bank NV/SA will act as the Issuer's Calculation Agent. In its capacity as Calculation Agent, it will act in accordance with the Conditions in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Calculation Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Bonds or (ii) any determination made by the Calculation Agent in relation to the Bonds, in each case in the absence of bad faith or willful default. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Calculation Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Calculation Agent on a timely basis.

**The Bonds are structurally subordinated to the secured obligations of the Issuer**

The Bonds are structurally subordinated to the secured obligations of the Issuer (and in particular to the secured indebtedness created pursuant to the Facility Agreement (as defined in the Terms and Conditions of the Bonds). The Bonds constitute direct, general, unconditional and (subject to Condition 7.1 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and futures unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are of general application. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer's other secured indebtedness (and in particular to the secured indebtedness created pursuant to the Facility Agreement) to the extent of the value of the collateral securing such indebtedness.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with (i) the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2010, together in each case with the audit report thereon, (ii) the half-yearly financial report of the issuer for the period ended 30 June 2011 subject to limited review by the statutory auditor, and (iii) the press releases listed hereunder, which have been previously published or are published simultaneously with this Prospectus. These documents, which have been filed with the FSMA, shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Deloitte (statutory auditor of the issuer (having its registered office at Berkenlaan 8b, 1831 Diegem, Belgium) and a member of the “*Institut des Réviseurs d’Entreprises / Instituut der Bedrijfsrevisoren*” has audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer for the year ended 31 December 2009 and 31 December 2010.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Issuer ([www.immobel.be](http://www.immobel.be)).

The table below sets out the relevant page references for (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2010, as set out in the Issuer’s Annual Report and (ii) the half-yearly financial report of the issuer for the period ended 30 June 2011 subject to limited review by the statutory auditor. Any information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only.

### **Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2010**

#### **Immobel Annual Report 2010**

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### **Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2009**

#### **Immobel Annual Report 2009**

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### **Half-yearly financial report for the period ended 30 June 2011, subject to limited review by the statutory auditor.**

#### Immobel Half-Yearly Financial Report 2011

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#### **Press Releases:**

- 10 November 2011: Griffin and Immobel acquired 7 plots to develop 150,000 Sqm of Offices, retail and residential space.
- 19 October 2011: Intermediate statement
- 9 June 2011: Sale of "South Crystal" building in Brussels
- 26 May 2011: Dividend Announcement
- 20 May 2011: Immobel sells a retail project, located in Wavre, to the Decathlon group.

## TERMS AND CONDITIONS OF THE BONDS

The following, save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds.

The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 14 December 2011. The Bonds are issued subject to and with the benefit of a domiciliary and paying agency agreement to be entered into between the Issuer and BNP Paribas Securities Services, acting through its Brussels branch, acting as domiciliary and paying agent (the “**Agent**”), which expression shall include any successor Agent under the Agency Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at 2, Boulevard Louis Schmidt, 1040 Brussels. The Bondholders are bound by and deemed to have notice of all provisions of the Agency Agreement applicable to them.

References herein to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 **Form, Denomination and Title**

The Bonds are in dematerialised form in accordance with Article 468 of the Belgian Code of Companies. The Bonds will be represented by book entry in the records of the clearing system operated by the NBB or any successor thereto (the “**NBB System**”). The Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “**NBB System Regulations**”). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into definitive bonds in bearer or registered form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply mutatis mutandis to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an “**Alternative Clearing System**”).

The Bonds are in principal amounts of €50,000 each (the “**Specified Denomination**”).

### 2 **Status**

The Bonds constitute direct, unconditional and (subject to Condition 7.1 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 7.1 (*Negative Pledge*), at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.



### 3 Interest

The Bonds bear interest from and including 21 December 2011 at the rate of 7 per cent. per annum (subject as provided in Condition 4(c) (*Redemption at the Option of Bondholders upon a Change of Control*)), payable annually in arrear on 21 December in each year (each an “**Interest Payment Date**”). Each Bond will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of the day on which all sums due in respect of such Bond up to that day are paid by the Issuer to the Agent for the benefit of the Bondholders.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 21 December 2011 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “Interest Period”.

Interest in respect of any Bond shall be calculated per Specified Denomination. The amount of interest payable per Specified Denomination for any period shall be equal to the product of 7 per cent (subject as provided in Condition 4(c) (*Redemption at the Option of Bondholders upon a Change of Control*)), the Specified Denomination and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

### 4 Redemption and Purchase

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 21 December 2016 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 4(b) (*Redemption for taxation reasons*).
- (b) **Redemption for taxation reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable in accordance with Condition 11 (*Notices*)) at their principal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 15 December 2011, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 4(b), the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as

a result of such change or amendment. The Issuer shall publish such certificate on its website (currently [www.immobel.be](http://www.immobel.be)) as long as any Bond remains outstanding.

The Issuer shall redeem the Bonds after the expiry of the notice referred to in Condition 4(b) above.

(c) **Redemption at the Option of Bondholders Upon a Change of Control**

(i) *Exercise of Put Option*

In the event that a Change of Control occurs then each Bondholder, at its own initiative, will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at the Put Redemption Amount (as defined below). The Issuer may not refuse to redeem the Bonds, subject to compliance with the procedure described hereunder. If holders of the Bonds exercise such right in respect of at least 85 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, then the Issuer may redeem all outstanding Bonds as set out here below.

To exercise such right, the relevant Bondholder must, during the Change of Control Put Exercise Period, deposit a duly completed put option notice (a “**Change of Control Put Exercise Notice**”), substantially in the form as set out in the Prospectus, with the bank or other financial intermediary through which the Bondholder holds Bonds (the “**Intermediary**”), requesting that the Intermediary (i) deliver the Change of Control Put Exercise Notice to the Agent, (ii) liaise with the Agent to organise the early redemption of such Bonds pursuant to this Condition 4(c) and (iii) transfer the relevant Bond(s) to the account of the Agent. Upon receipt of such Change of Control Put Exercise Notice, the Agent shall deliver a duly completed receipt for such Change of Control Put Exercise Notice (a “**Put Exercise Receipt**”) to the depositing Bondholder and provide a copy of the Change of Control Put Exercise Notice to the Issuer. The Agent will inform the Issuer of the total amount of Bonds subject to Change of Control Put Exercise Notices no later than the fifth TARGET Business Day following the end of the Change of Control Put Exercise Period. The Issuer will not be liable for any inaction or late action of an Intermediary or the Agent and any fees charged by the Intermediary and/or the Agent in relation to the deposit of the Put Option Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholders.

The “**Change of Control Put Date**” shall be the 14th TARGET Business Day after the last day of the Change of Control Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

*Bondholders should note that the exercise by any of them of the option set out in Condition 4(c)(i) will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of*

*Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (greffe du tribunal de commerce/griffie van de rechtbank van koophandel). The Issuer has undertaken pursuant to Condition 4(c)(iii) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of Shareholders of the Issuer scheduled to be held on 24 May 2012 and to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in Condition 4(c)(i). There can be no assurance that such approval will be granted at such meeting.*

If, as a result of this Condition 4(c)(i), holders of the Bonds submit Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 11 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition 4(c):

“**Calculation Agent**” means Fortis Bank NV/SA or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 11 (*Notices*);

“**Put Redemption Amount**” means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to nearest cent (half of one cent being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date.

“**Redemption Rate**” means  $\text{MIN}(101 \text{ per cent.}; \text{Re-offer Price in per cent.} \times \text{Exp}(T \times 0.74720148386 \text{ per cent.} ))$ , rounded down to the 9th decimal.

“**Re-offer Price**” means 99.25 per cent.

“**T**” means the time, expressed in decimals of a year, elapsed from (and including) the Closing Date until (and including) the relevant redemption date.

For the avoidance of any doubt, “Exp” means the exponential function meaning the function  $e^x$ , where  $e$  is the number (approximately 2.78) such that the function  $e^x$  equals its own derivative.

*The Put Redemption Amount reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the “Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier” (Royal decree of 26 May 1994 on the deduction of withholding tax) (the Royal Decree). The Royal Decree indeed requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds redeemed early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity, by more than 0.75 points.*

(ii) *Change of Control Notice*

Within 10 TARGET Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 11 (*Notices*) (a “**Change of Control Notice**”). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 4(c)(i).

The Change of Control Notice shall also specify:

- (a) the nature of the Change of Control;
- (b) the last day of the Change of Control Put Exercise Period;
- (c) the Change of Control Put Date; and
- (d) the Put Redemption Amount.

(iii) *If the Change of Control Resolutions are not passed*

If by not later than 30 June 2012 (the “**Long Stop Date**”):

- (a) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or
- (b) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels;

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum.

The Issuer shall use all reasonable endeavours to procure that the Change of Control Resolutions are approved by a resolution of the Shareholders of the Issuer at its next general meeting, and in connection therewith to propose the Change of Control Resolutions at the next general meeting of the Shareholders of the Issuer scheduled to be held on 24 May 2012, and (ii) undertakes to, immediately following approval of such resolutions, file a copy thereof with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*).

For the purposes of this Condition 4(c):

a “**Change of Control**” shall occur if an offer is made by any person (other than an Excepted Person (as defined in Condition 7.5 (*Definitions*))) to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it has either the direct or indirect ownership of more than 50 per cent. of the voting rights in the Issuer, whereby the date on which the Change of Control shall be

deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Public Takeover Bids);

“**Change of Control Put Exercise Period**” means the period commencing on the date of a Change of Control and ending 120 calendar days following the Change of Control, or, if later, 120 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 4(c)(ii);

“**Change of Control Resolutions**” means one or more resolutions duly passed, approved or adopted at a general meeting of Shareholders of the Issuer approving the provisions of Condition 4(c)(i);

“**Ordinary Shares**” means fully paid up ordinary shares in the capital of the Issuer currently with no-par value;

“**Shareholders**” means the holders of Ordinary Shares;

“**TARGET Business Day**” means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“**TARGET System**” means the TARGET2 system.

- (d) **Purchase:** Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.
- (e) **Cancellation:** All Bonds which are redeemed will be cancelled and may not be re-issued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary, or cancelled.

## 5 Payments

- (a) **Method of Payment:** Without prejudice to Article 474 of the Belgian Code of Companies, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the NBB System in accordance with the NBB System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the Agent in respect of each amount so paid. Each payment in respect of the Bonds pursuant to this Condition 5(a) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.
- (b) **Payments subject to laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payments on TARGET Business Days:** If any date for payment in respect of the Bonds is not a TARGET Business Day, the holder shall not be entitled to payment until the next following

TARGET Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding TARGET Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

## 6 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond :

- (a) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Bond or
- (b) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or
- (c) **Non-Eligible Investor:** to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- (d) **Conversion into registered securities:** to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB System.

## 7 Covenants

### 7.1 Negative pledge

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that no Member of the Group will, create or permit to subsist any Security over any of its assets or business to secure any Relevant Indebtedness without at the same time or prior thereto according to the Bonds the same such Security as is created or subsisting or such other Security as either (i) shall not be materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution of the Bondholders.

### 7.2 Restricted Actions

The Issuer shall not, and shall ensure that no Member of the Group will, undertake any of the following restricted actions as set out in Conditions 7.2.1 to 7.2.2 below (“**Restricted Actions**”):

**7.2.1** Dividends

declare, make or pay any dividend or other distribution (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital), other than a Permitted Dividend, except to the extent that such distribution or payment is made to the Issuer or to a Member of the Group (in proportion to the shareholding held by the Issuer or by such Member of the Group);

**7.2.2** Share Repurchase

repurchase any of the Issuer’s shares, other than a Permitted Share Repurchase.

**7.3** Compliance with Financial Ratio Tests at any time

The Issuer shall ensure, at the Issue Date and at each Semestral Date thereafter as long as any Bond remains outstanding, compliance with the Financial Ratio Tests.

**7.4** Publication of Financial Ratio Tests in respect of each Semestral Date

The Issuer shall publish on its website (currently [www.immobel.be](http://www.immobel.be)), in respect of each Semestral Date, no later than on respectively 15 April of the following calendar year (in respect of any Semestral Date that is 31 December) and 30 September of the same calendar year (in respect of any Semestral Date that is 30 June), a certificate signed by one director and the chief financial officer of the Issuer and countersigned by the Issuer’s auditor after due verification, confirming or infirming that the Financial Ratio Tests in respect of the applicable Semestral Date have been complied with and setting out, in reasonable detail, computations showing such compliance or non-compliance. All such certificates will remain published on the Issuer’s website as long as any Bond remains outstanding.

**7.5** Definitions

In this Condition 7:

“**Accounting Principles**” means generally accepted accounting principles in the jurisdiction of incorporation of the relevant Member of the Group and, in relation to consolidated financial statements of the Issuer, IFRS;

“**Control**” of the Issuer means either the direct or indirect ownership of more than 50 per cent of the voting rights in the Issuer;

“**Consolidated Equity**” means, on the last day of the Relevant Period, the aggregate of the following items in the liabilities and shareholders’ equity section (“*passif*”) of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the year ending on 31 December 2010:

I. Capital (“*Capital*”),

II. Share premium account (“*Prime d’émission*”),

III. Consolidated reserves (“*Réserves consolidées*”),

VI. Translation differences (“*Ecart de conversion*”), and

VIII. Non-controlling interests (“*Intérêts de tiers*”);

less the following items in the assets section:

- I. Establishment costs (“*Frais d’établissement*”),
- II. Intangible assets (“*Immobilisations incorporelles*”), and
- III. Consolidation differences (“*Ecart de consolidation*”)

“**Consolidated Equity/Total Assets Ratio**” means, on the last day of the Relevant Period, the ratio of Consolidated Equity to Total Assets;

“**Excepted Person**” means any of (i) Cresida Investment Sàrl, (ii) JER Audrey, (iii) Fidea NV, (iv) KBC Assurances NV and (v) CapFi Delen Asset Management NV, each of them acting alone or in concert with any other person controlling it or controlled by it (in the meaning of the Law of 1 April 2007 on Public Takeover Bids) .

“**Facility Agreement**” means the EUR 85,000,000 facility agreement (“*Convention de Crédit*”) for Compagnie Immobilière de Belgique SA dated 25 May 2011 arranged by Fortis Bank NV/SA and ING Bank NV, as amended, restated or refinanced from time to time;

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with the applicable Accounting Principles, be treated as a finance or capital lease;

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (i) moneys borrowed, including under the Facility Agreement;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and which is treated as a borrowing under the Accounting Principles;
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (viii) shares which are expressed to be redeemable and which are classified as borrowings under the Accounting Principles;
- (ix) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above;

“**Financial Ratio Tests**” means

- (i) the Consolidated Equity shall be at least EUR 160 million; and



(ii) the Consolidated Equity/Total Assets Ratio shall not be less than 0.3 to 1;

“**Financial Year**” means the annual accounting period of the Group ending on 31 December in each year;

“**Group**” means the Issuer and its Subsidiaries for the time being;

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

“**Issue Date**” means 21 December 2011;

“**Permitted Dividend**” means any dividend distributions (in any Financial Year) in an amount not exceeding 50 per cent. of the total consolidated profit of the Issuer in respect of the previous Financial Year;

“**Permitted Share Repurchase**” means the repurchase by the Issuer of an aggregate number of own shares representing not more than 1 per cent. of the share capital of the Issuer at any time (such number being currently 41,220 shares, based on the actual number of shares of the Issuer) until the Maturity Date;

“**Relevant Indebtedness**” means any Financial Indebtedness which is in the form of or represented by any bond, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

“**Relevant Period**” means the period of two consecutive six-month periods ending on a given Semestral Date;

“**Semestral Date**” means 30 June and 31 December of each Financial Year;

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“**Subsidiary**” (dochtervennootschap/filiale) of a company shall have the meaning set forth in Article 6 of the Belgian Companies Code and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; and

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Total Assets**” means, on the last day of the Relevant Period, the total assets of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the year ending on 31 December 2010.

## 8 Events of Default

If any one or more of the following events (each an “**Event of Default**”) shall occur, the holder of any Bond may give written notice to the Issuer at its registered office with a copy to the Agent that such Bond is immediately due and repayable, at its principal amount together with accrued interest (if any) to the date of payment, without further formality, unless such event shall have been remedied prior to the receipt of such notice by the Agent:

- (i) default is made in the payment when due of any amount due in respect of the Bonds, and such default shall not have been remedied within seven days thereafter; or

- (ii) default is made in the performance of, or compliance with, any obligation of the Issuer in respect of the Bonds and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default shall not have been remedied within 30 calendar days after receipt by the Issuer of written notice from any Bondholder of such default requiring the default to be remedied; or
- (iii) any other present or future Financial Indebtedness of the Issuer or any Member of the Group (i) becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (however described) or (ii) is not paid when due or within any originally applicable grace period or (iii) any Member of the Group fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness, provided that in each case the aggregate amount of the relevant Financial Indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceed €10,000,000 or its equivalent in any other currency; or
- (iv) any security interest such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Member of the Group becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that in each case the aggregate amount of indebtedness in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds €10,000,000 or its equivalent in any other currency. This paragraph (iv) shall not apply to any such step which is being contested by the Issuer or the relevant Member of the Group in good faith; or
- (v) a distress, attachment, execution or other similar legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer or any Member of the Group having an aggregate value of €10,000,000 (or its equivalent) and is not discharged or stayed within 50 calendar days. This paragraph (v) shall not apply to any such process which is being contested by the Issuer or the relevant Member of the Group in good faith; or
- (vi) the Issuer or a Member of the Group is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness, provided that the aggregate amount of the indebtedness concerned by any such situation equals or exceeds €10,000,000 or its equivalent in any other currency; a moratorium is declared in respect of any indebtedness of any Member of the Group, provided that the aggregate amount of the indebtedness concerned by such moratorium equals or exceeds €10,000,000 or its equivalent in any other currency; or
- (vii) the appointment of a liquidator (other than in a Solvent Reorganisation), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Member of the Group provided that, in respect of a Member of the Group other than the Issuer, such appointment has, or reasonably will have, an adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds ;
- (viii) the Issuer or any Member of the Group is declared bankrupt, provided that, in respect of a Member of the Group other than the Issuer, such bankruptcy has, or reasonably will have, an adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds ;
- (ix) a judicial reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Member of the Group (other than as part of a Solvent Reorganisation) is

declared open, provided that, in respect of a Member of the Group other than the Issuer, such reorganisation has, or reasonably will have, an adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds;

- (x) a composition, compromise, assignment or arrangement is entered into by the Issuer or any Member of the Group with any of their creditors, provided that the aggregate amount of the indebtedness concerned by such composition, compromise, assignment or arrangement equals or exceeds €10,000,000 or its equivalent in any other currency ; or
- (xi) the Issuer or a Member of the Group (a) sells, assigns or otherwise disposes to an entity that is not the Issuer or a Member of the Group more than 60% of the consolidated assets as set out from time to time in the latest audited consolidated annual financial statement of the Issuer, except if at least 80% of the net proceeds of such disposal are reinvested by the Issuer or such Member of the Group in assets in line with the business model of the Group, as it may be adapted from time to time, or are used to repay existing Financial Indebtedness, or the Issuer (b) ceases to carry on all or substantially all of its business other than (for (a) and (b)) on terms approved by the general meeting of Bondholders;

In these Terms and Conditions,

“**Solvent Reorganisation**” means an amalgamation, demerger, merger, consolidation, liquidation or corporate reconstruction on a solvent basis of a Member of the Group (and not involving the Issuer).

“**Member of the Group**” means any company or corporation controlled by the Issuer according to Article 5 and ff. of the Belgian Code of Companies.

## 9 Prescription

Claims against the Issuer for payment in respect of principal and interest on the Bonds shall be prescribed and become void unless made within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date in respect of such payment.

“**Relevant Date**” means, in respect of any Bond, whichever is the later of: (i) the date on which payment in respect of it first becomes due; and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 11 (*Notices*) that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

## 10 Meetings of Bondholders, Modification and Waiver

- (a) **Meetings of Bondholders:** The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions (for the avoidance of doubt any such modification shall always be subject to the consent of the Issuer). Any such modification may be made if sanctioned by an Extraordinary Resolution.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 et seq. of the Belgian Company Code with respect to Bondholders' meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian

Company Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Code and to modify or waive any provision of these Conditions, provided however that any proposal (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution (each a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition .(Notices) 14

In these Conditions:

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with these Conditions and the Belgian Company Code by a majority of at least 75 per cent. of the votes cast.

- (b) **Modification and Waiver:** The Agency Agreement, any agreement supplemental to the Agency Agreement and these Conditions may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.
- (c) **Meetings of shareholders and right to information:** the Bondholders shall be entitled to attend all general meetings of the shareholders of the Issuer, in accordance with article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

## 11 Notices

Notices to the Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System participants and (ii) if published on its website (currently [www.immobel.com](http://www.immobel.com)). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Clearing System and (ii) publication on its website.

The Issuer shall further ensure that all notices are duly published in a manner which complies with the rules and regulations of NYSE Euronext Brussels and on any stock exchange or other relevant authority on which the Bonds are listed. Any such notice shall be deemed to have been given on the date of such

publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge – Belgisch Staatsblad*) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

## **12 Further issues**

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

## **13 Governing law**

- (a) **Governing Law:** The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.
- (b) **Jurisdiction:** The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Bonds (“**Proceedings**”) may be brought in such courts.

## CLEARING

- 1 The Bonds will be accepted for clearance through the Clearing System under the ISIN number BE0002182484 and Common Code 072179480 with respect to the Bonds, and will accordingly be subject to the NBB System Regulations.
- 2 The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB.
- 3 Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds.
- 4 Clearing System participants include certain banks, stockbrokers, and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.
- 5 Transfers of interests in the Bonds will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.
- 6 BNP Paribas Securities Services, a French bank acting through its branch at boulevard Louis Schmidt 2, 1040 Brussels, Belgium, RPM Brussels 471.778.603 (the “**Domiciliary Agent**”) will perform the obligations of domiciliary agent included in a clearing services agreement to be entered into on or about 21 December 2011 in relation to the Bonds between the Issuer, the NBB and the Domiciliary Agent (the “**Clearing Services Agreement**”).
- 7 The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System participants of their obligations under their respective rules and operating procedures.

## DESCRIPTION OF THE ISSUER

### 1. General information about the Issuer

For over 145 years Immobel has been a major player in property development in Belgium. It is also active in the Grand-Duchy of Luxemburg and is in the process of developing a new growth pole by investing in projects in Poland. Its business covers the office, residential and landbanking sectors (and retail in function of opportunities), assuring the diversification of its portfolio of projects.

#### Corporate details

The Issuer is also named “Compagnie Immobilière de Belgique” and is a limited liability Issuer incorporated in Belgium.

The Issuer was incorporated in Brussels on 9 July 1863 and duly authorized by a Royal Decree of 23 July 1863. The duration of the Issuer is indefinite. Its registration number is 0405.966.675 (Brussels Register of Legal Entities).

Its registered office is situated at Rue de la Régence 58, B-1000 Brussels.

#### Corporate purpose

The Issuer’s corporate purpose, as stated at Article 2 of its Articles of Association, is as follows:

- 1) The purchase, sale, exchange, trading, brokering, renting – actively or passively –, building, operation, development, division, management of all kinds of real estate properties.
- 2) The execution of all types of infrastructure and equipment works, with a view to their plot and development.
- 3) The execution of all types of renovation and transformation works on built properties, as well as the management of properties.
- 4) The lending of real estate properties.
- 5) The design, management and sponsoring, for the account of the Issuer, the State, the regions, the cities and any third parties, of all works related to the construction industry.
- 6) Finally, all activities, which character or main purpose would be to increase the value of properties, for its own account or in association with or for the account of third parties, through, *inter alia*, the construction of properties to be divided into apartments or else, their interior design, both real estate and furniture and, after completion, their management and operation.

The transactions listed in points 1 to 6 above may be executed in Belgium and abroad. The Issuer may act in these operations, both for its own account, in association as well as for third parties. The issuer may be interested by assignment, contribution, merger, participation, subscription or purchase of shares, bonds or other securities, or in any other manner in any other issuer or business whose purpose would be similar or related to its own, acquire and sell any shares and securities. It can proceed to, in general, all industrial, securities, real estate, commercial, financial, agricultural, forestry or other operations related, directly or indirectly, to its purpose.

## Selected Financial Information

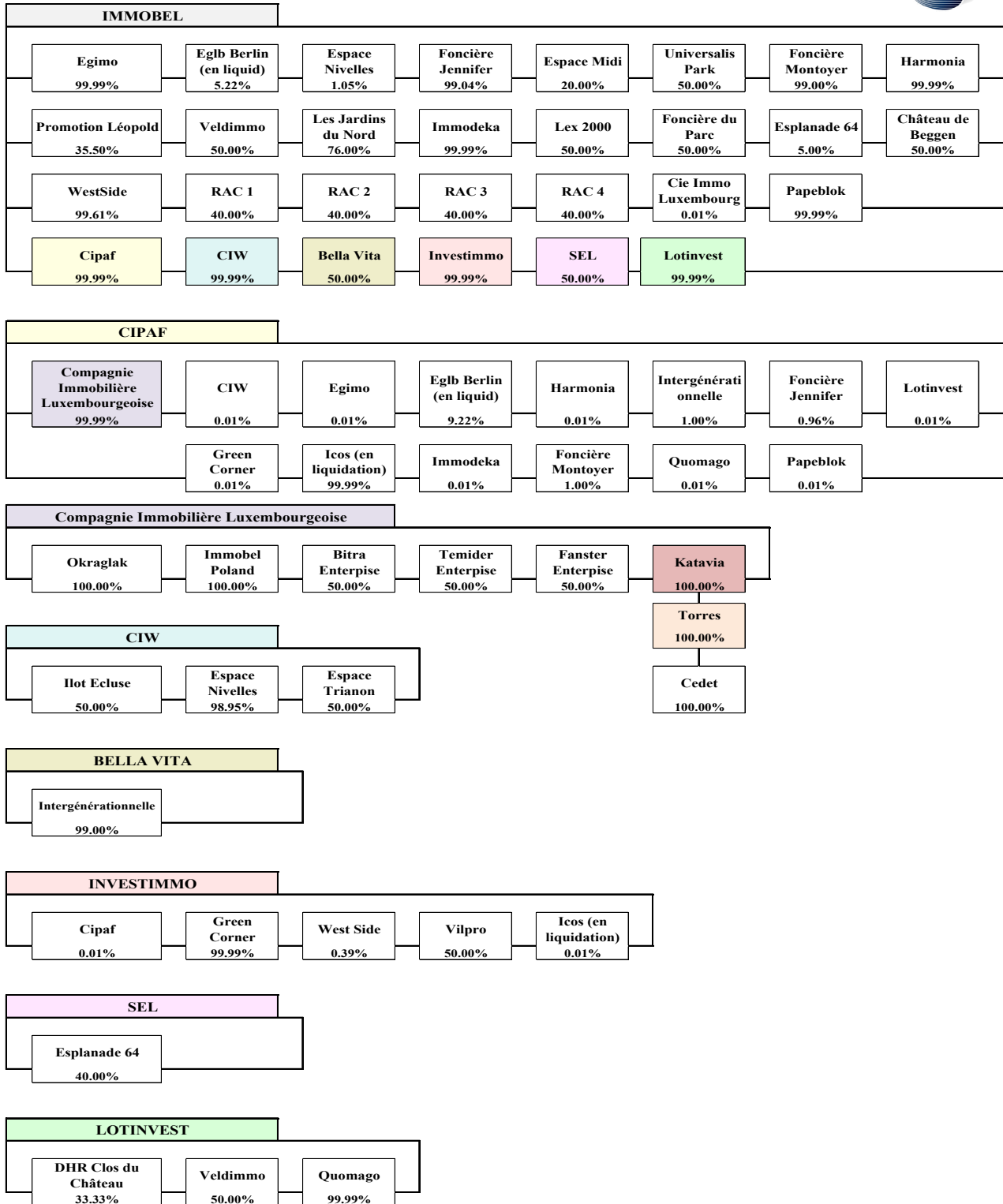
In K EUR

P&L	30-06-2011	31-12-2010	30-06-2010	31-12-2009
<b>REVENUES</b>	<b>39 177</b>	<b>85 616</b>	<b>50 841</b>	<b>112 952</b>
Turnover	38 307	81 850	48 212	106 681
Other operating income	870	3 766	2 629	6 271
<b>EBITDA</b>	<b>11 251</b>	<b>13 566</b>	<b>10 554</b>	<b>21 507</b>
Ratio EBITDA on Revenue	29%	16%	21%	19%
Result from discontinued operations	<b>0</b>	<b>0</b>	<b>0</b>	<b>898</b>
Amortisation	- 212	- 349	91	-2 076
Change in the fair value	0	309	0	- 806
<b>EBIT</b>	<b>11 039</b>	<b>13 217</b>	<b>10 645</b>	<b>19 431</b>
Interest expenses	-2 393	-4 771	-1 865	-5 028
Income taxes	191	- 670	- 93	- 687
<b>NET RESULT</b>	<b>9 704</b>	<b>10 526</b>	<b>9 332</b>	<b>15 607</b>
CASH FLOW	30-06-2011	31-12-2010	30-06-2010	31-12-2009
Net CF from operating activities	-11,292	-2,275	-15,619	38,330
Net CF from investing activities	-32,599	-3,379	-3,410	7,609
Net CF from financing activities	27,300	-27,843	-23,317	3,342
Net CF from discontinued activities				
<b>Total</b>	<b>-16,591</b>	<b>-33,497</b>	<b>-42,346</b>	<b>49,281</b>
BALANCE SHEET	30-06-2011	31-12-2010	30-06-2010	31-12-2009
Cash	17,648	34,239	25,390	67,736
Inventory	296,266	240,769	253,216	260,250
Financial Assets	4,030	7,522	5,811	9,264
<b>Total Assets &amp; Total Liabilities</b>	<b>342,109</b>	<b>303,508</b>	<b>303,813</b>	<b>358,485</b>
Equity	176,711	172,152	170,763	168,679
Financial Debt	130,632	88,180	92,906	103,775
Long Term	88,125	65,640	45,112	58,835
Short Term	42,507	22,540	47,794	44,940
RATIOS	30-06-2011	31-12-2010	30-06-2010	31-12-2009
Gearing ratio: Equity / Total Assets	52%	57%	56%	47%
Net Financial Debt on Equity	64%	31%	40%	21%
Net Financial Debt on Inventory	38%	22%	27%	14%



# Organizational Structure of the Issuer

## ORGANIZATION IMMOBEL GROUP - 09/12/2011



## Share capital

As of 31 December 2010, the Issuer's issued capital amounted to EUR 60,302,107.83 and was represented by 4,121,934 Shares.

All shares are ordinary shares and represent an equal portion of the Issuer's issued capital.

All shares are fully paid and freely tradable, with equal voting rights and without nominal value.

## Major shareholders

It results from the transparency declarations received by the Issuer as of 6 December 2011, that the Issuer's main known shareholders were as follows:

Shareholders	Voting rights	% of total shares
CRESIDA INVESTMENT S.à r.l. Registered office at rue Ermesinde 67, L-1469 Luxembourg.	1 030 484	25.00 %
JER AUDREY S.à r.l. Registered office at rue Notre Dame 15, L-2240 Luxembourg.	228 081	5.53 %
CAPFI DELEN ASSET MANAGEMENT NV <sup>1</sup> Registered office at Jan Van Rijswijcklaan 178, 2020 Antwerp.	208 516	5.06 %
KBC ASSURANCES NV <sup>2</sup> Registered office at Prof. Roger Van Overstraetenplein 2, 3000 Leuven.	71 275	1.73 %
FIDEA NV <sup>3</sup> Registered office at Van Eycklei 14, 2018 Antwerp.	142 413	3.46 %

Pursuant to Article 5(3) of the Belgian Company Code, the Issuer is presumed to be under a *de facto* control of Cresida Investment SARL since the latter exercised voting rights representing the majority of the voting rights exercised at the two last general meetings of shareholders. Nevertheless, the Issuer would like to point out the following elements:

- The Issuer's Board of directors is composed of ten directors, among which six are independent directors within the meaning of Article 526 *ter* of the Belgian Company Code and three directors are appointed upon proposal of Cresida Investment SARL.
- As mentioned above, all Shares represent an equal portion of the Issuer's issued capital and give rise to equal voting rights. Thus, the voting rights of the Issuer's major shareholders, as listed above, are proportionate to the number Shares they respectively own in the Issuer.
- The Issuer applies, whenever the circumstances so require, the procedures relating to the conflicts of interests provided for in Articles 523 and 524 of the Belgian Company Code. For instance, those procedures were applied one time in 2010 and one time in 2011.

To the extent known to the Issuer, there exist no arrangements, the operation of which may result in a change of control of the Issuer at a subsequent date. Cresida Investment Sarl holds a call option over 199.914 shares

representing 4,85 % of the Issuer's issued capital exercisable by 30 September 2013 at the latest, the exercise period being 1<sup>st</sup> September 2013 until 30 September 2013.

## **Management and governance**

### **General**

This Chapter provides an overview of the rules and principles according to which the corporate governance of the Issuer is structured in accordance with Belgian company law and the articles of association of the Issuer. The overview is based on the articles of association of the Issuer and the corporate governance charter of the Issuer. The Corporate Governance Charter describes in detail the structure of the Issuer's corporate governance and its policies and procedures in matters of governance. This Charter can be consulted on the Issuer's internet site: [www.immobel.be](http://www.immobel.be)

The Issuer adheres to the principles of Corporate Governance contained in the Belgian Corporate Governance Code published on 12th March 2009 (hereafter "**Code 2009**"), which is available on the GUBERNA website: [www.guberna.be](http://www.guberna.be).

The Issuer believes that its Corporate Governance Charter reflects both the spirit and the rules of the Code 2009.

### **Board of directors**

#### **Composition**

##### Appointment of Directors

The Board of Directors must have a minimum of five members, although the actual numbers of Directors may vary in accordance with the Issuer's need. It contains a majority of non-executive Directors and, at least, one executive Director.

The Directors are appointed by the shareholders' meeting, upon proposal of the Board of Directors. The Board of Directors submits its proposals on the appointment of Directors to the Shareholders' Meeting, supported by a recommendation from the Remuneration & Appointments Committee.

When proposing candidates to the Shareholders' Meetings, the Board of Directors applies the following principles:

- a majority of the Directors must be non-executive of whom at least 3 must be independent, in the opinion of the Board of Directors, based on the criteria of independence drawn up by the Board of Directors;
- each Director is proposed on the basis of personal knowledge and/or experience, such that the board of directors has at its disposal all the competencies and qualifications it needs in order to assume its collective responsibilities;
- each Director must have the availability needed to carry out his/her obligations.

##### Chairmanship

The Board of Directors elects a Chairman and a Vice-Chairman from among its members. The Chairman is designated on the basis of his knowledge, skills, experience and mediation strength. In particular, he must be respected and recognised by the financial world and public authorities (local, regional and federal), and as such have a network which will also command a respect of the Issuer on a geographical level.

##### Actual composition

The Issuer's Board of Directors is currently composed of the following 10 members:

<b>Name</b>	<b>Function</b>	<b>Date of first appointment</b>	<b>End of term</b>	<b>Professional address</b>
Baron BUYSSE	Chairman of the Board	13 <sup>th</sup> November 2007	2012	c/o Beckaert SA, “Diamant Building”, Bd. Auguste Reyers 80, 1030 Bruxelles
Gaetan PIRET <sup>1</sup>	Managing Director	10 <sup>th</sup> May 1995	2015	Rue de la Régence, 58, 1000 Bruxelles
Didier BELLENS <sup>2</sup>	Director	29 <sup>th</sup> August 2007	2015	c/o Belgacom SA, Bd. du Roi Albert II 27, 1030 Bruxelles
Maciej DROZD	Director	08 <sup>th</sup> September 2010	2013	c/o Eastbridge Group Sp. zo.o., 104/122 Marszalkowska Street, PL-00-017 Warsaw (Poland)
Maciej DYJAS	Director	08 <sup>th</sup> September 2010	2014	c/o Eastbridge Group Sp. zo.o., 104/122 Marszalkowska Street, PL-00-017 Warsaw (Poland)
Marc GROSMAN	Director	08 <sup>th</sup> September 2010	2014	c/o Celio International SA, “South Center Titanium”, Place Marcel Broodthaers 8b2, 1060 Bruxelles
Luc LUYTEN	Director	19 <sup>th</sup> November 2007	2015	c/o Bain & Company Belgium Inc., “Blue Tower”, avenue Louise 326 (24 <sup>th</sup> floor), 1050 Bruxelles

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<sup>1</sup> Acting as permanent representative of Gaëtan Piret sprl

<sup>2</sup> Acting as permanent representative of Arsema sprl

Marek MODECKI	Director	08 <sup>th</sup> September 2010	2015	c/o Concordia Sp. z o.o., Aleje Jerzolimskie 65/79, PL-00-697 Warsaw (Poland)
Wilfried VERSTRAETE	Director	29 <sup>th</sup> August 2007	2015	c/o Euler Hermes SA, 1 rue Euler, F- 75008 Paris (France)
Laurent WASTEELS	Director	08 <sup>th</sup> September 2010	2015	c/o Wasteels S.à.r.l., 5 allée Guillaume Apollinaire, MC- 98000 Monaco

The curriculum vitae of each directors (or their permanent representatives) may be summarized as follows:

**Baron BUYASSE**, cmg cbe, 66. Following an international career in London, where he was an Executive Director of *BTR Plc* and Chief Executive Officer of *Vickers Plc*, he is currently Chairman of *Bekaert*, a Bel20 company. He initiated the Buisse Code on Corporate Governance for companies that are not listed on the stock market. He is the Chairman of the Board of Censors of the *National Bank of Belgium* and Director or Chairman of other organisations.

**Gaëtan PIRET**, 53 years old, holds a master in business engineering from the Université Libre de Bruxelles, is PMD 1989 from the Harvard Business School, and a Fellow Member of the Royal Institution of Chartered Surveyors (FRICS). He joined Immobil SA in 1992, and has been its Managing Director since 29th June 2007. Furthermore he is, amongst others, independent Director of SITQ Europe (Finances) SA (Société Immobilière TransQuébec – Groupe Caisse de Dépôt et Placement du Québec). Didier BELLENS, 55, has a degree in Economics and Business Administration from the ULB (Solvay Business School) and has been the Managing Director of *Belgacom* since March 2003. He is also a Director of *AXA Belgium* and 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)*.

**Maciej DROZD**, 45, obtained degrees from the Faculty of Philosophy and Sociology and the Faculty of Management of Warsaw University. He also has an MBA from the University of Illinois in Urbana-Champaign. He joined *Eastbridge* in 1995. Since June 2009, he has been a Member of the Board of Directors and the CFO of *Eastbridge Group* and a Member of the Supervisory Board of *EM&F Group*. Since 2002, he has been a Member of the Board of Directors and CFO of the Commercial Real Estate department of the Eastbridge Group, which has operated since 2007 as Centrum Development & Investments SA (CDI). Previously he worked as CFO in various companies in Poland.

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

**Marc GROS**MAN, 56, supplemented his Master at the ISG business school with an MBA from *Harvard Business School* in 1982. Since 1978, he has been the cofounder and CEO of *Celio*, the number 1 in Europe for men's ready-to-wear fashion, and, since 2006, majority shareholder of the women's ready-to-wear fashion label, *Jennyfer*. Together the two labels have 1,400 shops in 62 countries. M. Grosman is also Member of the Supervisory Board of *Eastbridge S.à r.l.* and Director of *Bata Shoes* and *Calvin Klein Industries NY*.

**Luc LUYTEN**, 57, got an MBA from the University of Chicago, as well as a Diploma in Civil Engineering and a Degree in Applied Economics from the University of Ghent and the Catholic University of Leuven respectively. He joined *Bain & Company* in London in 1986 and became a Partner in 1988. He is a Senior Partner of *Bain & Company* in the Benelux.

**Marek MODECKI**, 52, holds a Master in Law from the University of Warsaw. He also studied International Law at the *Max Planck* Institute and Law at the University of Hamburg. He is currently a partner at *Concordia* (since 1997), an investment firm located in Warsaw and Brussels specialised in M&A transactions and corporate finance in Poland and the European Union countries. Amongst other things, he led the negotiations for the sale of *Argos SA* to *Pernod Ricard*, the sale of *Warta Insurance* to *KBC*, and the acquisition of *Multivita* by *Coca-Cola Company*. In 2006-2008 he worked as a Senior Banker for *Concordia Espirito Santo Investment*, a joint venture between *Concordia* and the Portuguese group *Espirito Santo Group*. In the past, Mr Modecki was a Member of the Supervisory Board of *Argos SA*, *Clif SA*, *Atlantis SA*, *Metalexport SA*, *Prokom Software SA* and *Concordia Espirito Santo Investment Ltd*. He is currently a Member of the Supervisory Board of *Pegas Nonwovens Ltd* (Czech Republic) and *Polnord Ltd* (Poland).

**Wilfried VERSTRAETE**, 52, studied Economics at the VUB (Brussels) and obtained a Master in Financial Management from VLEKHO in Brussels. He also completed the IE programme at INSEAD. He is currently Chairman of the Group Executive Committee of *Euler Hermes* and a Member of the *Allianz Group*, which he joined in 2007 as CFO of the *Allianz Global Corporate & Specialty Group*. He was Chairman of the Dutch credit insurance company *Atradius NV* from May 2004 to October 2006. From 1996 to 2004 Wilfried Verstraete was CFO successively of *Mobistar*, *Wanadoo* and *Orange*, all of which are part of the *France Télécom Group*.

**Laurent WASTEELS**, 55, obtained a Master in Economic and Social Sciences (FNDP Namur) in 1981. He also followed the "Entrepreneurial Management" programme at the University of Boston. He is presently the Chairman of the Board of Directors of *Wasteels Trains de Nuit* (via an EIG with *Compagnie des Wagons-Lits* for the exploitation of night trains), a Director of the *Compagnie Européenne de Constructions Immobilières SA* and Manager of *Antibes Investissements S.à r.l.* He also holds two public mandates in Monaco: he is Economic and Social Advisor to the Government of the Principedom of Monaco and Honorary Consul of the Kingdom of Belgium in Monaco.

The Directors are not related to each other. To the Issuer's knowledge, there is no conflict of interests between the duties of the directors to the Issuer, on the one hand, and their private interests or other duties, on the other hand. In case where a director is in a position of a conflict of interests with regarding to a decision or an operation to which the Issuer is a party, Art. 523, together with Art. 524 of the Belgian Company Code as the case may be, is applied (see above "Major Shareholders" section).

## **Board's Committees**

### **Audit & Finance Committee**

The task of the Audit & Finance Committee is to assist the Board of Directors in its function of surveillance, particularly in the following areas of intervention:

- financial reporting and information intended for Shareholders and third parties;

- the quality of the system of internal controls and the risk management;
- relations with the statutory auditors;
- finance and capital structure

The Audit & Finance Committee is made up of at least three Directors who do not have executive responsibilities within the Issuer, 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 Audit & Finance Committee and its Chairman are appointed by the Board of Directors for a maximum duration of four years.

The Audit & Finance Committee is currently composed of Wilfried VERSTRAETE, Chairman, Didier BELLENS<sup>3</sup> and Maciej DROZD, Members.

### **Remuneration & Appointments Committee**

The task of the Remuneration & Appointments Committee consists of:

- preparing the Remuneration Report that the Board of Directors inserts in the Corporate Governance Statement;
- explaining this report during the Statutory Shareholders' Meeting;
- formulating proposals to the Board of Directors in relation to Remuneration, to Appointments and to other responsibilities.

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

The composition of the Remuneration & Appointments Committee is currently as follows: Didier BELLENS<sup>4</sup>, Chairman, Luc LUYTEN and Marek MODECKI, Members.

The Managing Director takes part at the meetings of the Remuneration & Appointments Committee with a advisory vote when this Committee treats about the remuneration of the other Executive Directors, the other Members of the Management Committee and the other Members of the Executive Committee.

The Members of the Remuneration & Appointments Committee and its Chairman are appointed by the Board of Directors for a maximum duration of four years.

### **Investment & Asset Management Committee**

The tasks of the Investment & Asset Management Committee is to assist the Board of Directors in the following areas:

- the strategic management of any asset of the Issuer in excess of 5 MEUR, especially for the purposes of identifying and defining strategic challenges and priorities as regards existing real estate investments, including capital expenditures, acquisitions, letting, project financing and asset disposals;
- identify and understand the strategic challenges and priorities as regards new real estate investments in excess of 5 MEUR;

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<sup>3</sup> Acting as permanent representative of Arsema sprl

<sup>4</sup> Acting as permanent representative of Arsema sprl

- formulate the objectives, policies and strategies of new real estate investments in excess of 5 MEUR, and in particular the investment parameters;
- identify potential new real estate projects and give an opinion to the Board thereon.

The Investment & Asset Management Committee is made up of at least three Directors, including the Managing Director.

The Members of the Investment & Asset Management Committee are appointed by the Board of Directors for a maximum duration of 4 years. The Managing Director is the Chairman of the Investment & Asset Management Committee.

Currently the Investment & Asset Management Committee comprises the following members: Gaëtan PIRET<sup>5</sup>, Chairman; Maciej DYJAS, Marc GROSMAN, and Wilfried VERSTRAETE, Members.

## **Management**

### **General**

The role of the Management Committee and of the Executive Committee consists in ensuring the implementation of decisions of the Board of Directors while respecting the values, strategies, policies, business plans and budgets drawn up by the Board of Directors.

The Management Committee is made up of the Managing Director and the Members of the Management Committee. The Executive Committee is made up of the Managing Director and the Members of the Executive Committee.

### **Managing Director**

The Board of Directors chooses the Managing Director from among its members, based on the recommendation of the Remuneration & Appointments Committee.

### **Management Committee**

The main responsibilities of the Management Committee are as follows:

- The Management Committee considers, defines and prepares, under the leadership of the Managing Director, proposals and strategic options that could contribute to the Issuer's development. This responsibility covers in particular strategic planning: analysis of strategies, activity plans and budgets submitted by the Issuer's departments; drawing up the business plan and budgets of the Issuer for proposal, discussion and approval by the Board of Directors.
- The Management Committee monitors the developments of the Issuer, analyzing the compliance of the feasibilities, the deadlines and the quality of the projects, making sure to maintain or improve quality standards of the Group.
- The Management Committee presents to the Board a complete, timely, reliable and accurate preparation of the Issuer's financial statements, in accordance with the applicable accounting standards and policies of the Issuer.
- The Management Committee prepares the company's required disclosure of the financial statements and another material, financial and non-financial, information.

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<sup>5</sup> Acting as permanent representative of Gaëtan Piret sprl



- The Management Committee proposes the financial strategy with the operational financial management to the Board of Directors.
- The Management Committee ensures the monitoring of the performance of the Issuer's departments in line with strategic objectives, business plans and budgets.
- The Management Committee draws up and implement the Issuer's policies that the Managing Director considers to fall within the competence of the Management Committee.

The Management Committee is responsible and accountable to the Board for the discharge of its responsibilities.

#### Composition

As of 6 December 2011, the Management Committee comprised of the following members:

Name	Function	Professional address
Gaëtan PIRET <sup>6</sup>	Chairman	Rue de la Régence 58, 1000 Bruxelles
Philippe HELLEPUTTE	Member	Rue de la Régence 58, 1000 Bruxelles
Christian KARKAN	Member	Rue de la Régence 58, 1000 Bruxelles
Philippe OPSOMER	Member	Rue de la Régence 58, 1000 Bruxelles

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

The curriculum vitae of the members of the Management Committee (except for the Managing Director - see *supra*) may be summarized as follows :

**Christian KARKAN:** 48 years old, studied marketing at EPHEC (Ecole Pratique des Hautes Etudes Commerciales) and also has a degree in corporate management. He started his real estate career in 1986 when he joined Healey & Baker (now Cushman & Wakefield) as property agent specialized in offices, lettings and investments. He was in charge of real estate projects at Fibelaf from 1989 until 1993. He became an associate of Cushman & Wakefield in 1995 and equity partner in 2000 when he accepted the position of head of the investment team. He joined Immobilier as head of development in January 2009. He is member of IPI (Institut Professionnel des Immobiliers) and has real estate experience in various European countries.

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<sup>6</sup> Acting as permanent representative of Gaëtan Piret sprl

**Philippe HELLEPUTTE:** 59 years old, holds a Master in law from the Université de Louvain, is member of the IPI and director of the UPSI-BVS. He joined Immobel in 1977 as legal advisor, after having worked 2 years for Cooper & Lybrand. He is in charge, since 1984, of the Landbanking activities, CEO of Lotinvest, director of various subsidiaries of Immobel group and member of the Executive Committee since 1987.

**Philippe OPSOMER:** 49 years old, is graduated from the Solvay Business School in 1987; he has a wide experience in Finance and Administration. After a career start in the banking sector, he joined in April 1989 Nestlé in Belgium where he spent 9 years (in the Finance & Audit & IT and Logistics departments). In November 1997 he joined Econocom in Belux, Group in which he spent 10 years in senior management functions, in Belux & France, in Finance, Operations and IT responsibilities. He left Econocom in November 2007 (being at that time CFO, Products and Services Benelux) and joined Immobel as CFO.

### **Executive Committee.**

The main responsibilities of the Executive Committee are as follows:

- The Executive Committee puts internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other risks), without prejudice to the Board's monitoring role, based on the framework approved by the Board.
- The Executive Committee considers, defines and prepares, under the leadership of the Managing Director, proposals and strategic options that could contribute to the Issuer's development.
- The Executive Committee draws up proposals relating to policies to be submitted for the approval of the Board of Directors, and implement these policies; these policies include amongst others risk management (policy relating to the development at risk of real estate projects).
- Under the leadership of the Managing Director, the Executive Committee :
  - gives leadership, advice and support to the Issuer's various subsidiaries and departments, respecting the legal and regulatory framework in which each of such subsidiaries operates;
  - approves or decides to agree, reassess or cease any alliance, spin-off or merger, investment, acquisition and disposal, which does not fall under the responsibilities reserved for the Board of Directors;
  - ensures the monitoring compliance with laws and regulations in force, as well as policies and standards set by the Issuer;
  - manages and organises the support functions within the Issuer covering areas such as human resources, legal, tax, accounting and financial matters.

The Executive Committee is responsible and accountable to the Board for the discharge of its responsibilities.

### **Current composition**

Currently, the Executive Committee is comprised of the following members :

<b>Name</b>	<b>Function</b>	<b>Professional address</b>
Gaëtan PIRET <sup>7</sup>	Chairman	Rue de la Régence 58, 1000 Bruxelles

<sup>7</sup> Acting as permanent representative of Gaëtan Piret sprl

Pierre DELHAISE	Head of Legal Services and Secretary of the Executive Committee	Rue de la Régence 58, 1000 Bruxelles
Philippe HELLEPUTTE	Head of Landbanking	Rue de la Régence 58, 1000 Bruxelles
Christian KARKAN <sup>8</sup>	Head of Development	Rue de la Régence 58, 1000 Bruxelles
Jean-Louis MAZY <sup>9</sup>	Advisor	Rue de la Régence 58, 1000 Bruxelles
Joëlle MICHA <sup>10</sup>	Head of Corporate Affairs Secretary of the Board of Directors and its Committees and Compliance Officer	Rue de la Régence 58, 1000 Bruxelles
Paul MUYLDERMANS <sup>11</sup>	Head of Project Management	Rue de la Régence 58, 1000 Bruxelles
Philippe OPSOMER <sup>12</sup>	Head of Finance	Rue de la Régence 58, 1000 Bruxelles
Bartłomiej HOFMAN	Managing Director at IMMOBEL POLAND Sp. z o.o.	Bonifraterska 17, 00-203 Warsaw

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

The curriculum vitae of the members each of Executive Committee (except for such members who are also members of the Management Committee – see *supra*. may be summarized as follows :

**Joëlle MICHA:** 42 years old, holds a Master in law from the Université de Louvain-La-Neuve (UCL), a Master in taxation from HEC-Liège and she also obtained the “Certified European Financial Analyst” qualification, granted by the Belgian Association of Financial Analysts. After 4 years working as a lawyer in the Loeff Claeyss Verbeke law firm (currently Allen & Overy), she worked at the BFIC in the “Financial Information Monitoring and Markets Supervision” Departement, she joined the Group ImmoBel in 2000, as General Secretary of Cibix (Reit). She is currently Head of Corporate Affairs (since 2007) and Compliance Officers of ImmoBel and its subsidiaries.

**Pierre DELHAISE :** 61 years old, holds a Master in law from the RUG, a Master in notary law from the VUB, a Master in European law from ULB and a Common law certificate from St. Catherine’s College (Cambridge). He first joined the office of Notary M. Bernaerts in Brussels for 7 years. Since 1984, he joined

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<sup>8</sup> Acting as permanent representative of REALEYDE DEVELOPMENT sprl,

<sup>9</sup> Acting as permanent representative of JEAN-LOUIS MAZY sprl,

<sup>10</sup> Acting as permanent representative of JOMI sprl.

<sup>11</sup> Acting as permanent representative of PAUL MUYLDERMANS bvba.

<sup>12</sup> Acting as permanent representative of ASAP CONSULTING sprl.

Immobel, as internal company jurist. He is now Head of the Legal Services. He is member of the Association of the Company Lawyers.

**Jean-Louis MAZY:** 55 years old, holds a graduate in Economic Sciences (Harvard Business School - Advanced Management Program). He joined the Ministry of Finance as Deputy inspector general of Finance (1979-1996). After he joined the P&V Group as Chief Finance Officer (CFO) member of the Board of Management – Special adviser to the Chairman of the Board of Management (1990-1997). He was an Member of the Executive Committee of Cibix sca – sicafi (1999-2001). He joined Immobel in 2001 as internal consultant, and is now adviser and responsible for “Public Accounts” for Immobel Group.

**Paul MUYLDERMANS :** 57 years old, holds a degree in civil engineering from the Katholieke universiteit Leuven and a post graduate from the Rijksuniversiteit Gent, He is AMP 1997 from INSEAD and Member of the Royal Institution of Chartered Surveyors (MRICS). He joined Immobel SA in 2002 as Head of Project Management. He was previously commercial director at Valens (Eiffage group).

**Bartłomiej HOFMAN:** 36 years old, holds a Master degree from Warsaw University in International Relations and a post graduate degree in property valuation from Warsaw Technical University. Since 1999 he has worked in real estate consultancy teams of Knight Frank and DTZ specializing in the office sector. Prior joining Immobel, from 2005, he has worked for Austrian based investment fund - Europolis as the Managing Director in Poland being responsible for office and warehouse investments and developments in Poland. He joined Immobel Group in 2011 as Managing Director of the Polish office. He is member of the RICS.

#### **Statutory auditors**

Deloitte Bedrijfsrevisoren/Reviseurs d’Entreprises,  
Berkenlaan 8b, 1831 Diegem  
represented by Mr Laurent BOXUS

## 2. Business overview

### 2.1 History and development

**1863**

– **Set up of the Company in July 1863 by MM Bischoffsheim, de Brouckere and Malou, with the financial support of the Société Générale**

**1977**

1867 The Société Générale becomes the major shareholder, with, as primary objective, the development of lands in Brussels first, then in all the land.

**1977 - 2001** **Years of series of changes, with as a result a significant expansion of its spectrum of activities**

1977 Acquisition of Cy Jacques de Duve

1987 Merger with Consortium Immobilier ==> real estate portfolio with guaranteed recurring revenues

1988 Capital increase

Acquisition of Investimmoo ==> real estate development & promotion

1991 Acquisition of the De Waele Group ==> new portfolio of projects in Brussels

- 1998 Tractebel Group (Suez) becomes the reference shareholder  
Creation of sicafi Cibix, being the 3rd largest in Belgium, merged with Befimmo in 2001
- 2001 Turning point in Immobel's history with disinvestment & refocussing of activities**  
Debt reduction, assets sale, refocussing on core promotion and real estate development
- 2007 As from mid 2007, reorganization and new start**  
New reference shareholder (JER partners bought the participation of Suez-Tractebel)  
New Chairman, new Board, new Managing Director  
Complete reshuffling of the Company and the team
- 2010 As from Sept 2010, new development phase**  
With a new reference shareholder: Eastbridge Group (via its vehicle Cresida Investment sàrl) which bought in 09/2010 the participation of JER Partners

## 2.2 Business Description

### (a) Overview

Immobel is a Belgian real estate development company focusing on the development of commercial and residential real estate in Belgium, Luxembourg and Poland. The Issuer is also active in landbanking (lotissement/verkaveling) in Belgium.

The Issuer is listed on Euronext Brussels. As per November 22nd, 2011 Immobel's market capitalization amounted to approximately € 100 million.

At June 30, 2011, the value of its development portfolio represented € 235 million with a total area of 342.000m<sup>2</sup> in superstructure. The development portfolio consists of 10 office projects (representing 54% of the total inventory book value as of June 30, 2011), and 20 residential projects (representing 25% of the total inventory book value as of June 30, 2011). It holds also a portfolio of 307 ha (the Issuer's share) of land and 75 ha of lands under conditions precedent, in different stages of development as at June 30, 2011 (representing 21% of the total inventory book value as of June 30, 2011). This portfolio represents 63 projects in use, 88 in reserve and 26 under conditions precedent.

According to its current financing policy, the Issuer finance its acquisition primary via Equity or via the Facility Agreement, and it does not initiate the development of a project if the financing for it is not assured by external as well as internal sources.

### (b) Market description

The market overview describes the geographical and real estate market segments in which Immobel is present and provides an update on the current market circumstances.

#### (a) Belgium

General economic market conditions (source: Fortis Bank)

The confidence shock left its mark on economic activity in Q3. GDP failed to expand, whereas activity picked up in neighbouring countries. The Belgian economy is expected to expand at 2.0% over the year.

The Belgian unemployment rate has fallen to its lowest level for a decade and is expected to be at 7.0% at the end of 2011. Overall, economic fundamentals are better in Belgium than elsewhere in Europe. However, given the extent of fiscal tightening, Belgium's recent growth outperformance might be at risk in 2012.

(i) Office market

Immobel's Belgian office development portfolio is located entirely in Brussels except for the *Château-Rempart* project, located in Tournai, pre-let to the "Régie des Bâtiments/Regie der Gebouwen" and pre-sold to a private investor and the "Caisse d'Epargne Nord France Europe".

- The Brussels office market

The Issuer's office developments have historically been concentrated in Brussels, mainly in the Central Business District (CBD). The office market in Brussels is characterized in particular by the presence of the European Union and other national, regional and supranational institutions and organizations. This is a key point of attraction for large international investors. The Brussels office market, consisting of 14.1 million m<sup>2</sup> office space, represents by far the largest part of the Belgian office market.

The Brussels market consists of three main areas, each having their own market dynamics: the Central Business District (CBD), the Decentralized Area and the Periphery. The CBD itself can be broken down in the Pentagon (Brussels city centre), South District, North District, Leopold District and the Louise District.

Although office take-up in 2010 improved by 10% compared to 2009, take-up in the first half of 2011 weakened due to uncertain economic conditions and an upsurge in lease conditions renegotiations in 2009 and 2010. The 1H 2011 take-up volume attained 113,600 m<sup>2</sup> compared to 245,100 m<sup>2</sup> for the same period last year. However take-up for new high quality office space, allowing for increased energy and space efficiencies, remains high. The CBD (mainly in the Leopold district) is responsible for almost half of all office take-up. (Source: BNP Paribas Real Estate, CBRE)

The total vacancy rate slightly increased to 11.92% in the first half of 2011. Vacancy rates for offices of less than five years old have continued to drop as a result of a limited development pipeline for the coming years. The preference for new efficient buildings, preferably on a strategic location in the CBD, comes at the expense of older, lower quality buildings. (Source: CBRE)

Development activity has been very limited in the first half of the year. For the remainder of the year an estimated 16,800 m<sup>2</sup> of new office space is expected to come on the market. All development activities are located in the CBD. The decrease of future supply should indicate a further decrease in vacancy for 2011 especially in new buildings. The level of rent free periods or other incentives should start to decrease as result of falling vacancy especially in the CBD. (Source: CBRE, Immobel)

From an investment perspective some €464 million has been invested over the first six months of 2011, significantly higher than during the same period last year. Although Belgian investors continued to be the main purchasers, accounting for 51% of transactions by volume, foreign investors seem to have an increased interest in the Brussels office market. Market developments have also led to an increase in the reconversion of office space into residential units, retirement homes or schools leading to a structural decrease in vacancy and to an enhancement of the mix of uses, for example in the Leopold district in response to pressure from the planning authorities. (Source: Jones Lang Lasalle, BNP Paribas Real Estate)

(ii) Residential real estate market

2010 was a relatively good year in terms of invested volumes and number of transactions in the residential sector. This is mainly due to a pressure on the interest rates during the year and incidentally due to a change of legislation about registration duty and VAT applicable as of January 1, 2011.

During the first 6 months of 2011, the average prices were 1.5% higher than in 2010 for houses and 0.6% higher for apartments.

The volatility of the stock exchange has reinforced the positive attitude towards real estate.

The impact of the change in the VAT legislation (as from 1<sup>st</sup> January 2011 VAT is applicable on construction price and land price whereas it used to be only applicable on construction and registration duty was applicable on land for new constructions ) has accelerated the number of sales at the end of 2010. Inevitably the number of transactions (during Q1 2011, less than 30.000) went down.

Banks are also more cautious when it comes to property lending which means that the number of potential purchases has not gone down but the number of purchases capable of buying has gone down.

The suburban property market is in general still attractive in terms of prices compared to those in the Brussels Region. As of 2011, the requirement to prove a building's energy efficiency, imposed by the Regions, will have to be taken into account, which will have direct implications on construction costs.

### (iii) Landbanking

In terms of building plots, the number of transactions has been in constant decline for several years. This can be partly explained by the fact that available land is becoming a scarce resource. 2009 showed a drop of over 10 % in the number of transactions compared to 2008. For 2010, the number of transactions (19.678) increased by 12% compared to 2009 (17.558). Average prices increased by about 5 % in 2010.

During the first half of 2011, the number of transactions (8.275) decreased with 10% compared to the same period of 2010 (9.108 transactions).

New regulations have come into effect. In the Walloon Region the new provisions of the "town planning permit" ("permis d'urbanisation") came into force on September 1, 2010, replacing the "development permit" ("permis de lotir"). The aim of this regulation is to increase the importance attached to the urbanization and architectural aspects of town and country planning.

In the Flemish Region, the Planning Code (VCRO) became effective on September 1, 2009. In the meantime, it has already undergone changes in landbanking in 2010. New regulations concerning the accessibility of buildings came into force on March 1, 2010.

### (b) Luxembourg

General economic market conditions (Source: Statec) According to Statec, GDP growth (in volume) in Luxembourg was 3.5%, clearly above the European average of 1.7%. It is expected that the growth in Luxembourg's GDP would attain 4.0% in 2011. The Luxembourg unemployment rate stood at 6.1% at the end of 2010, which is an historical high level for Luxembourg. The unemployment rate decreased slightly to 5.9% at the end of May 2011 which is also the estimated unemployment rate for the whole of 2011.

#### (i) Office market (Source: DTZ, BNP Paribas Real Estate)

Immobel currently has only one project in Luxembourg in its portfolio. It is located in the Decentralized area close to the highway connecting Luxembourg to Brussels.

The Luxembourg office market is spread over several areas, each with their distinct characteristics: the Central Business District (CBD), Kirchberg, Station, Decentralized Area, Periphery and Belval, close to Esch-sur-Alzette. The office market in Luxembourg relies heavily on the presence of the financial services industry and several supranational institutions.

The total office stock in Luxembourg stabilized around 3.22 million m<sup>2</sup> at the end of Q2 2011, compared to 3.14 million m<sup>2</sup> at the end of 2010. The financial services industry takes up half of the total office stock, followed by European institutions representing 20%. The remainder is spread over other industries, national and local administrations.

The recovery in the Luxembourg market, witnessed in Q1 2011, was confirmed in Q2 2011 with take-up increasing by 59% in a year. The take-up, 48,700 m<sup>2</sup> (compared to 30,600 m<sup>2</sup> during the same period last year), has almost doubled compared to Q1. Transactions had an average size of 666 m<sup>2</sup>. The financial services industry was responsible for 53% of take-up, followed by business services with 19% and government with 7% of space rented. 28% of the space leased was located in the CBD. Other sought-after areas are around the station and in Kirchberg (totaling 23% each).

The vacancy rate continues to decline for the second consecutive quarter to 6.3%, but is less than 5 % in the city center and in Kirchberg. Due to the widening gap between supply and demand in 2010, real estate developers have limited the number of speculative development projects. In 2011 only 53,000 m<sup>2</sup> of new office space is expected to be delivered, significantly below levels seen before the financial crisis. No upturn is expected before 2012 or 2013.

The Luxembourg investment market accounted for €112 million in the first half of 2011. This volume still remains rather low due to the lack of suitable buildings corresponding to the investment criteria of investors. Nevertheless it is expected that, due to the attractiveness of the Luxembourg market, being relatively stable and having a lower investment risk than other countries, increased interest will lead to a higher number of transactions for the remainder of the year.

(ii) Residential real estate market

On an annual basis the number of apartment sales is stable.

The average prices per sq.m. have increased with circa +5.5%. (Source: Observatoire de l'habitat).

(c) Poland

General economic market conditions (source: Fortis Bank) Although growth remained strong in Q3 (+4.3% y-on-y), a substantial slowdown lies ahead. Leading indicators for exports, consumption and overall activity have recently declined sharply. The importance of the European cycle for the growth outlook in Poland has significantly increased as Polish policymakers can no longer stimulate the economy with fiscal measures. An economic slowdown is expected in 2012, but with still a GDP growth between +1.7 à +1.9%.

(i) Office market (Sources : Cushman & Wakefield and Jones Lang Lasalle)

The Warsaw office market continues to see reasonably high take-up levels. The record-breaking take-up figure from 2010 (549,000 sqm) may be outperformed. It is worth noticing that pre-lease agreements are picking up, with a share of 24 % this year. 2011 will probably see the lowest number of completions within the last 6 years, as a consequence of the limited number of start-ups in 2009 and H1 2010. At the end of Q3 2011, approximately 6.7 % of the modern office stock in Warsaw was vacant.

Prime headline rents in Warsaw increased in 2011 due to dropping vacancy and sound demand. Prime office space in Warsaw City Centre can now be secured from € 22 to € 25/sqm/month. Some triple A buildings are quoting rents even higher than this.

Favorable macroeconomic conditions continued to drive investment recovery in the Polish market during the first half of 2011. Transaction volume over the period totaled EUR 960m, up by 23 % on the same period last year. The office sector continued to draw the biggest share of investment interest. Office transactions accounted for 55 % of total transaction volume. A dearth of high-quality space, the product most sought-after



by investors, led to yield compression by around 50 basis points compared to the second half of 2010. Sustaining the current investment activity should drive up the level of the transaction volume in the next few months compared to the previous year.

## **2.3 Strategy**

### **(a) General**

The Issuers' operating strategy is based on the development of large real estate projects in the office, residential and landbanking real estate segments in Belgium (mainly Brussels), Luxembourg and Poland; retail could be envisaged based on opportunities.

For major developments, in order to reduce development risk and maintain its diversified profile, the Issuer will seek to establish partnerships. Examples of such projects are Belair (150,000 m<sup>2</sup>), Universalis Park (130,000 m<sup>2</sup>), Bella Vita (60,000 m<sup>2</sup>) and Green Hill (10,900 m<sup>2</sup>).

The architectural quality of the buildings, their integration into the urban landscape and their strong environmental features are also part of a permanent research in the design of the projects.

All new projects are today systematically specified in relation to international environmental and sustainable development standards (in particular BREEAM for office buildings).

The growth in the company's landbanking and residential business also contributes to the spreading of risk and geographical diversification within Belgium.

In September 2010, Eastbridge acquired a 25 % stake in the Issuer. Through its new long term shareholder, the Issuer is able to take advantage of new synergies, especially in Eastern Europe. In view of this growth potential and the economic perspectives of Poland, Immobel intends to make Poland its second market, after Belux, with already some acquisitions.

### **(b) Offices**

The Issuer focuses on projects between 5,000 and 20,000 m<sup>2</sup>. The location is the key determining factor regarding potential investments. The Brussels and Luxembourg office market have to date been the main markets for project development. The Issuer has decided, as part of its growth strategy to expand its operations in Poland and Eastern Europe in general where it has identified several project development opportunities. In the past the Issuer has developed projects in Berlin, Warsaw and Budapest.

### **(c) Residential**

The company focuses on projects between 40 and 200 residential units in Belgium, Luxembourg and Poland. Attractive location, environmental features and state of the art design are the key parameters.

### **(d) Landbanking**

Immobel focuses on projects located in the immediate suburbs of large cities, well connected by train or motorway. The sites are always located in residential zones which could be developed and for which the potential sales price should be at sufficient levels in order to invest in roads, infrastructures.

## **2.4 Overview of the development portfolio**

### **(a) Offices**

As of June 30<sup>th</sup>, 2011, the Issuer owns a portfolio of 10 (8 in Belux, 2 in Poland) office projects in different stages of development for a total of circa 172.000 m<sup>2</sup> (representing the Issuer's share in the development projects) located in Belgium, Luxembourg and Poland.

This portfolio has a book value of 159,2 million Euros as of 30 June 2011.

Status	Project	Location	KSqm (our share)	Part.
Completed and for sale	WestSide Village	Luxembourg	11,7	100%
Under construction & for sale	Okraglak (Poland)	Poznan	7,6	100%
Under construction & sold	Forum phase II	Brussels	19,5	100%
	Château Rempart phase II	Tournai	6,3	100%
Scheme being worked up	Belair	Brussels	30	40%
	Brusselstower		28,9	50%
	Etterbeek Offices		4,1	50%
	Black Pearl		11	100%
	Universalis Park		32,5	50%
	Cedet (Poland)		Warsaw	20

All the projects listed hereabove are detailed in the next pages.

(a) Projects completed and for sale:

(i) West Side Village

- Architect : Assar
- Location: Capellen, Grand Duchy of Luxemburg. West Side Village is located along the Luxemburg-Brussels motorway, less than 10 minutes by car from the city centre. It enjoys excellent visibility and access, which is an important asset.
- Project: second phase of a total project of 6 Offices buildings (3 in phase I completed and sold in 2007, and 3 in phase II completed in February 2010).
- Size: 11.667 m<sup>2</sup> for this 2<sup>nd</sup> (and last) phase.
- Description/status: the construction started in June 2008 and was completed according to plan in February 2010. The property is leased as of mid November 2011 at 41% (4.800 m<sup>2</sup>). The Issuer's priority is to identify additional tenants.

(b) Projects under construction and sold:

(ii) Forum phase II

- Architect: Archi 2000
- Location: Brussels CBD, Belgium. The premises are located in front of the Belgian House of Parliament, in the so called "secured area".
- Project: offices.
- Size: 19.469 m<sup>2</sup>.
- Description/status : Forum phase II is a large scale office development located in the Brussels' CBD. It consists of 3 phases pre sold to the Belgian parliament in December 2009. The first phase has been completed in March 2010 and the third in May 2011. It also includes a small part of residential and retail. For this phase II, the construction has started in March 2011.

(iii) Château Rempart phase II

- Architect: Pierre John
- Location: in the center of Tournai, Belgium.
- Project: 2<sup>nd</sup> and last phase of a global offices project.
- Size: 6.268 m<sup>2</sup> on a total of 13.642 m<sup>2</sup>.
- Description/status: the “Château-Rempart” project is a development of which the specifications and location ideally answer the needs of decentralized federal administrations. The phase 1 is occupied and the construction of phase 2 is under progress. The whole development has been leased on a long term basis to the Régie des Bâtiments for use by the Ministries of Finance and Justice. The entire project has been sold in December 2010 to a private investor and the Caisse d’Epargne Nord France Europe.

(c) Projects under construction and for sale:

(i) Okraglak

- Architect: RKW Rhode Kellermann Wawrowsky Polska
- Location: center of Poznan, Poland. The site is extremely well located between the historic Old Town and the Poznan central railway station. The building is well accessible.
- Project: heavy refurbishment in order to deliver a state of the art offices building
- Size: 6,800 m<sup>2</sup> of Offices and 800 m<sup>2</sup> of Retail.
- Description/status: the Okraglak project consists in the heavy refurbishment of a well known existing building characterized by its circular shape. The site was acquired in February 2011. The heavy refurbishment has started in March 2011, and the result will lead to a unique and prestigious office and retail location in the very heart of the Poznan city centre. The building is already pre leased at around 20 %.

(ii) Belair

- Architect: Archi 2000 / M. & JM. Jaspers - J. Eyers & Partners
- Location: Brussels, Belgium. The *Belair* building (formerly *Cité Administrative de l’Etat*) is located on the Boulevard Pacheco, very close to the centre of the city, which marks the border between the mainly residential part of the city and the business area. The site is highly visible and might be considered a flagship location.
- Project: mixed development of about 150.000 m<sup>2</sup> on site.
- Size of the first phase: 75.063 m<sup>2</sup> (our 40% share: 30.025) for the phase under review.
- Description/status: the Belair project is being jointly developed by Breevast (60 %) and Immobel (40 %). It is a mixed development (offices, residential, retail, public areas...) of about 150,000 m<sup>2</sup>. The Master Plan, which has been approved by Brussels Region as conforming to regional town planning regulations, was drawn up by Studio Arne Quinze. In April 2011, Immobel and its partner signed the lease agreement with the *Régie des Bâtiments/Regie der Gebouwen* for a fixed term of 18 years on behalf of the Federal Police. This decision applies to a surface area of 65,000 m<sup>2</sup>. Major renovation work has just started on buildings D, F and C in the second half of 2011.

(d) Projects for which the schemes are being worked up

(i) Brussels Tower

- Architect: M. & JM. Jaspers - J. Eyers & Partners
- Location: Brussels (North), Belgium. The project *Brussels Tower* is located right opposite to the Ellipse building which has been successfully developed by Immobel and Fortis few years ago.
- Project: offices development in front of North Station in partnership.
- Size: 57.753 m<sup>2</sup> in which the Issuer owns 50%, corresponding to 28.882 m<sup>2</sup>.
- Description/status: in partnership with KBC (50%), the Issuer holds a building acquired in 2003 with a view to redevelop a major office scheme in a well established location. The property is totally vacant. The project has a permit valid until April 2012 for 59.217 m<sup>2</sup> lettable space to 59,217 m<sup>2</sup>.

(ii) Etterbeek Office

- Architect: Montois & Partners Architects
- Location: Brussels (near CEE), Belgium. The Etterbeek Office project is located in the very heart of the Leopold district, between the European Parliament, the European Commission and the European Council of Ministers.
- Project: offices project owned by Dexia and Immobel.
- Size: 8,200 m<sup>2</sup> in which the Issuer has a 50% share.
- Description: The building permit has been delivered in 2010.

(iii) The Black Pearl

- Architect: Art & Build
- Location: Brussels (Leopold / Arts Loi), Belgium. The site is extremely well located in the “Quartier Leopold” district at the corner of rue Montoyer and rue du Commerce, the first and most dynamic office district of Brussels thanks to the European Institutions.
- Project: offices project in the heart of the Quartier Leopold bought in September 2010 for complete redevelopment.
- Size: 11.000 m<sup>2</sup>.
- Description/status: the development Black Pearl project consists of the demolition of a 40-year old existing building with an area of circa 8,500 m<sup>2</sup> and the reconstruction of a new landmark and low-energy consumption building including all modern equipment of approximately 11,000 m<sup>2</sup>. The purchase of the existing building was concluded in September 2010. A building and environmental permit has been delivered in October 2011.

(iv) Universalis Park

- Architect: Art & Build
- Location: Brussels (Ixelles), Belgium. The project Universalis is located in the South East Decentralized submarket of Brussels in a well established office & residential location.

- Project: major offices and residential project to be developed in joint venture at 50% with Rabot Dutilleul (Entreprises Louis De Waele).
- Size: the total expected project size amounts to 130.000 m<sup>2</sup> from which 65.000 m<sup>2</sup> Offices, in which the Issuer has a 50% share, corresponding to 32.500 m<sup>2</sup>.
- Description/status: the entire project includes residential and offices areas. However only the residential part will be developed within a reasonable and foreseeable future.

(v) Cedet

- Architect: AMC Andrzej Choldzynski / RKW Rhode Kellerman Wawrosky
- Location: Warsaw, Poland. The site is extremely well located in the very heart of the Warsaw CBD.
- Project: redevelopment project of an existing building into a class A office space and retail.
- Size: 20.000 m<sup>2</sup>.
- Description/status: the Issuer has purchased in February 2001 the Cedet building in the center of Warsaw with the goal of a total redevelopment into prime office & retail space. The Issuer expects a potential of around 60% Offices and 40% Retail. The development consists in the demolition/reconstruction of the existing main building in order to recreate the original facade, but modernized, including all modern and low-energy consumption equipment. A zoning confirmation has been obtained and we are preparing an application for building permit.

## (b) Residential

As of June 30<sup>th</sup>, 2011, the Issuer has in portfolio 20 residential projects in different stages of development for a total of circa 170.000 m<sup>2</sup> (our share).

This portfolio has a book value of 75.4 million Euros as of 30 June 2011.

Status	Project	Location	KSqm (our share)	Part.	
Completed & for sale	Foncière du Parc	Brussels	4,9	50%	
	South City Hotel		700	10%	
	Jardins de Jette		350	50%	
	Hôtel Martyrs		2,8	100%	
	Espace Midi Ilot D		550	20%	
Under construction & for sale	Forum	Brussels	3,4	100%	
	Sittelles	Brussels	4,7	80%	
	Résidence Saint-Hubert	Liège	1,5	50%	
	Green Hill	Luxembourg	10,9	50%	
Scheme being worked up	Belair II	Brussels	25,6	40%	
	Belair 1C		3,3	40%	
	Charmeriaie Uccle		14	100%	
	Jardins du Nord		6,9	76%	
	Sittelles		1,5	80%	
	Universalis Park		24,7	50%	
	Papeblok		Tervuren	6,8	100%
	Bella Vita		Waterloo	25,8	50%
	Espace Trianon Hotel		Liège	4	50%
	Eupen Brasseries		Eupen	2	33%
	Ilot Saint Roch		Nivelles	18,2	100%

Below is a detail of some of the projects in which the Issuer has at least 40% and where its share in the surfaces is above 4.000 m<sup>2</sup>.

- (a) Projects completed and for sale:
- (i) Foncière du Parc
- Architect: M. & JM. Jaspers - J. Eyers & Partners
  - Location: Brussels (Belliard/Schuman), Belgium. The Foncière Parc project is located in the heart of Quartier Leopold on the corner of rue Belliard and rue Froissart.
  - Project: development of 66 flats and 7 retail units, in partnership at 50% with Soficom.
  - Size: 9.751 m<sup>2</sup> in which the Issuer has 50%, corresponding to 4.876 m<sup>2</sup>.
  - Description/status: the construction is completed since end 2009. The sale of the units started in July 2010. As of 1<sup>st</sup> October 2011, 44 units were sold.
- (b) Projects under construction and for sale:
- (i) Sittelles
- Architect: Trio
  - Location: Brussels (Woluwe), Belgium. The Sittelles project is located on the edge of Woluwe-Saint-Pierre and Woluwe-Saint-Lambert, at close proximity to Place Dumont and Bd de la Woluwe. The location is a prime one.
  - Project: large residential development operated in phases.
  - Size: 5.378 m<sup>2</sup> of Residential with a share of 80% in the joint venture, being then 4.656 m<sup>2</sup>.
  - Description/status: Sittelles is a large residential development operated in phases. The previous phases have been successful (65 houses and 28 apartments). This phase refers to 32 apartments and the permit has been delivered in July 2010. The construction has started in August 2010 and as at 1st October 2011, 30 units were sold.
- (ii) Green Hill
- Architect: Ch. Bauer
  - Location: Luxembourg, Grand Duchy of Luxemburg. The Green Hill project is located North of the City of Luxembourg (close to the city centre and the plateau of Kirchberg).
  - Project: large and high level residential development in joint venture (50%) to be developed in phases.
  - Size: total of 21.781 m<sup>2</sup> in which the Issuer owns 50%, corresponding to 10.891 m<sup>2</sup>.
  - Description/status: the project consists of 171 apartments divided into 14 buildings. The Issuer bought the project in May 2010, with all the necessary valid permits. The project will be carried out in 3 or 4 phases. The construction of the first phase (50 units) has started in the first quarter 2011. This phase is already 71 % sold as of 1<sup>st</sup> October 2011 and more than 20 apartments are also sold in phases which have not started yet.
- (c) Projects for which the schemes are being worked up
- (i) Belair
- Architect: Archi 2000 / M. & JM. Jaspers - J. Eyers & Partners

- Location: Brussels (see the Offices project), Belgium.
- Project: residential part of the large mixed project described here above in Offices part.
- Size: total of 72.292 m<sup>2</sup> in which the Issuer owns 40%, corresponding to 28.917 m<sup>2</sup>.
- Description/status: the residential part of this major mixed project will start with a first building of 7.466 m<sup>2</sup> for which the city of Brussels has granted the building permit in 2009 (together with the Offices part).

(ii) Charmeraie

- Architect: Trio
- Location: Brussels (Uccle), Belgium. The Charmeraie project is located in a prime location and a green environment in Uccle, one of the best communes of Brussels for residential development.
- Project: new residential project.
- Size: 14.000 m<sup>2</sup>, mix of apartments and houses.
- Description/status: on this site of 3 ha 08 a, it is planned to develop 39 houses and 32 apartments (division permit obtained end July 2009). The infrastructure permit has been delivered in August 2010. The works of infrastructure are finished. The constructions of the first phase of 8 houses and 14 apartments could start in 1<sup>st</sup> half of 2012.

(iii) Jardins du Nord

- Architect: Bureau d'Etudes Franz Dupont Location: Brussels (North), Belgium. The Jardins du Nord project is located in Berchem Saint-Agathe, one of the 19 communes of Brussels, located in the Northern part. Avenue Josse Goffin is a residential street.
- Project: new residential project in partnership (76%) with the *Société de Développement pour la Région de Bruxelles-Capitale/ Gewestelijke Ontwikkelingsmaatschappij voor het Brussels Hoofdstedelijk Gewest*.
- Size: 9.000 m<sup>2</sup> in total, from which 6.840 m<sup>2</sup> for Immobilier.
- Description/status: the project consists of houses of which various phases have already been built: 34 houses and a hospital renovated in offices (1,200m<sup>2</sup>). New permits will be introduced in Q1 2012 for approximately 9,000 m<sup>2</sup> above ground.

(iv) Universalis Park

- Architect: Art & Build
- Location: Brussels (Ixelles), Belgium. The project Universalis Park is located in the South East Decentralized submarket of Brussels in a well established office & residential location.
- Project: major offices and residential project to be developed in joint venture at 50% with Rabot Dutilleul (Entreprises Louis De Waele).
- Size: the total expected project size amounts to 130.000 m<sup>2</sup> from which 65.000 m<sup>2</sup> Residential, in which the Issuer has a 50% share, corresponding to 32.500 m<sup>2</sup>.
- Description/status: the entire project includes residential and offices areas. The Issuer has introduced a permit building request for a first phase of residential development for circa 13.600 m<sup>2</sup>.

(v) Papeblok

- Architect: M. & JM. Jaspers - J. Eyers & Partners
- Location: Tervuren, Belgium. The project Papeblok is located in Tervuren, a green town to east of Brussels. It is at 5 minutes walk from the town centre and its huge park, overlooking a green area.
- Project: recently bought residential development.
- Size: 6.787 m<sup>2</sup>.
- Description/status: the project consists in a total of 60 apartments the Issuer will develop in 2 phases. The application for the building permit will be entered in Q1 2012.

(vi) Bella Vita

- Location: Waterloo (Brabant Wallon), Belgium. The project Bella Vita is located at Waterloo, in the South of Brussels, and it offers an exceptional location, close to the city centre and the railway station. The lively centre of Waterloo including boutiques, services, pubs, restaurants, banks... is located within one kilometer from the project.
- Project: major multigenerational development in joint venture at 50% with Blaton / JCX.
- Size: 51.484 m<sup>2</sup> in which our share represents 25.742 m<sup>2</sup>.
- Description/status: Immobil acquired the property located at Drève des Dix Mètres in Waterloo in November 2005. This 14.9 ha site, a significant part of which is classified as a listed set of buildings, will be renovated as a mixed multigenerational residential centre focused on senior people that could, amongst other things, include medical or paramedical facilities, a nursing home, a care home, serviced accommodation, a rest centre, a development of residential accommodation. A new request for building permit has been introduced in March 2010 and delivered end 2010. The Issuer will start the works in Q1 2012.

(vii) Ilôt Saint-Roch

- Architect: DDS
- Location: Nivelles, Belgium. The project Ilôt Saint-Roch is located close to the center of Nivelles which is a dynamic city located 30 km south of Brussels.
- Project: major residential development under study, combined with retail spaces.
- Size: 18.200 m<sup>2</sup>.
- Description/status: the project under analysis would combine a residential and a retail project. The Issuer has started the necessary steps in terms of environmental and building permits.

**(c) Landbanking**

As of June 30<sup>th</sup>, 2011, the Issuer owns a large portfolio (151 projects) of land in different stages of development for a total of circa 307 ha (the Issuer's share).

This portfolio has a book value of 61.6 million Euros as of 30 June 2011.

The Issuer also owns purchase options (for 26 projects) under condition (being mainly getting a division permit) representing an additional 73 ha.

(a) Projects in use



A land project is called « in use » if it holds its division permit. The infrastructure is then under construction or finished and the land is for sale.

As of end of June the Issuer has 63 projects “in use”, mainly in Wallonia

(b) Projects in reserve

A land project is called “in reserve” if it does not hold at the closing date its division permit.

At the end of June, this category represents 88 projects, mainly in Wallonia.

**(d) Retail**

Some of the Issuers’s Offices and Residential projects do include for various reasons some Retail, e.g. Ilot St Roch in Nivelles, Cedet and Okraglak in Poland.

## USE OF PROCEEDS

The Issuer intends to use the net proceeds of the issue of the Bonds, expected to amount to approximately €29,400,000, for the acquisition and the development of new projects (other than those mentioned in the section "Overview of the development portfolio");

As of end November 2011, the Company is currently studying, among others, several projects, spread between Belux and Poland, and between Residential and Offices/Retail, all of them in line with its investment's criteria (which are among others: the location, the quality of the project, the couple "risk / return", the environmental aspects such as Breeam certificates (*i.e.*, certificates delivered by a private organisation using recognized measures of performance against established benchmarks to evaluate a building's specification, design, construction and use), and the size).

The expenses in connection with the admission to trading of the Bonds are expected to amount to €170,000.

## TAXATION

*The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for Bondholders. These summaries are intended as general information only and each prospective Bondholder should consult a professional tax adviser with respect to the tax consequences of an investment in the Bonds. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.*

### **Belgium**

This section provides a general description of the main Belgian tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Bonds. This summary provides general information only and is restricted to the matters of Belgian taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Belgian tax issues and consequences associated with or resulting from any of the above-mentioned transactions. Prospective acquirers are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds.

The summary provided below is based on the information provided in this Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect. The new Belgian coalition government has announced that, as part of the budget measures, the personal income tax rate (and the withholding tax) for interest will be increased to 21% (from currently 15%). Individuals who receive income from capital (interest and dividends) in an amount exceeding EUR 20,000 on a yearly basis will be subject to an additional tax of 4% on the income exceeding EUR 20,000 (other than dividend income taxed at 25%, liquidation bonuses and the exempt part of interest on savings accounts). Moreover, the rate of the Belgian stock exchange tax would be increased to 0,09% (from currently 0.07%) and the cap of the stock exchange tax would be increased to EUR 650 (from currently EUR 500) per transaction and per party. These announced measures remain subject to change.

### **Belgian Withholding Tax**

Under current Belgian withholding tax legislation, all interest payments in respect of the Bonds (which include any amount paid in excess of the initial issue price upon the redemption of the Bonds by the Issuer as well as the pro rata of accrued interest corresponding to the detention period in case of a sale of the Bonds between two interest payment dates) will be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 15%. This rate would be increased as described here above as part of the Belgian budget measures. Tax treaties may provide for a lower rate subject to certain conditions.

However, under Belgian domestic law, payments of interest on the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax for Bonds held by Tax Eligible Investors (as defined below) in an exempt account (an "X-Account") with the Clearing System, as defined and organised by the Act of 6 August 1993, as amended, and its implementing decrees or with a participant in the Clearing System.

Tax Eligible Investors (**Tax Eligible Investors**) include *inter alia*:

- (a) Belgian resident companies subject to corporate income tax;
- (b) semi-public governmental social security institutions or institutions similar thereto;
- (c) corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not; and

- (d) individual investors who are non-residents of Belgium and who have not allocated the Bonds to a professional activity in Belgium.

Tax Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or Belgian non-profit organisations, other than those referred to under (b) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Participants to the X/N System must keep the Bonds which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an “N-Account”). In such instance all payments of interest are subject to the 15% withholding tax. As mentioned above, this rate would be increased as part of the Belgian budget measures. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Bonds between an X-Account and an N-Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-Account (to an X-Account or N-Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X-Account or N-Account) to an N-Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X-Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening an X-Account with the Clearing System or a participant therein, a Tax Eligible Investor is required to provide a statement of its tax eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Clearing System participants of any change of the information contained in the statement of their tax eligible status. However, Clearing System participants are required to provide the NBB annually with listings of investors who have held an X-Account during the preceding calendar year.

These identification requirements do not apply to Bonds held by Tax Eligible Investors through Euroclear or Clearstream Luxembourg or their sub-participants outside of Belgium, provided that these institutions or sub-participants only hold X-Accounts and are able to identify the accountholder.

## **Income Tax**

- (a) Belgian Resident Individuals

For natural persons who are Belgian residents for tax purposes, i.e. who are subject to the Belgian personal income tax and who hold the Bonds as a private investment, payment of the 15% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided withholding tax was levied on these interest payments. As described here above, the rate of 15% would be increased as part of the Belgian budget measures.

The new Belgian government has announced the introduction of a new tax under which individuals who receive income from capital (interest and dividends) in an amount exceeding EUR 20,000 on a yearly basis will be subject to an additional tax of 4% on the income exceeding EUR 20,000 (other than dividend income taxed at 25%, liquidation bonuses and the exempt part of interest on savings accounts).

(b) Belgian Resident Corporations

Bondholders who are Belgian resident corporations, subject to Belgian corporate income tax, are liable to corporate income tax on the income of the Bonds and capital gains realised upon the disposal of the Bonds. Capital losses realised upon the disposal of the Bonds will normally be tax deductible.

(c) Belgian Resident Legal Entities

Belgian resident legal entities holding the Bonds in an N-Account will be subject to a withholding tax of currently 15% on interest payments. They do not have to declare the interest obtained on the Bonds. As described here above, the rate of 15% would be increased as part of the Belgian budget measures.

Belgian resident legal entities that qualify as Tax Eligible Investors and therefore are eligible to hold their Bonds in an X-Account must declare the interest and pay the applicable withholding tax to the Belgian Treasury, as no withholding tax will be levied on the payment of interest due to the fact that the Belgian legal entities hold the Bonds through an X-Account with the Clearing System.

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the Bonds (unless the capital gains qualify as interest as defined above in the Section “Belgian Withholding Tax”).

(d) Organisations for Financing Pensions (“OFP”)

Interest derived by OFP Bondholders on the Bonds and capital gains realised on the Bonds will be exempt from Belgian corporate income tax. Subject to certain conditions, any Belgian withholding tax levied on the interest will be fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

(e) Non-Residents of Belgium

Bondholders who are non-residents of Belgium for Belgian tax purposes and are not holding the Bonds through a Belgian establishment and do not invest the Bonds in the course of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of withholding tax) by reason only of the acquisition, ownership or disposal of the Bonds.

### **Transfer tax**

No transfer tax (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) will be due on the issuance of the Bonds.

Any transfer for consideration of the Bonds on the secondary market executed in Belgium through a financial intermediary will trigger a transfer tax of 0.07%. The tax will be due on each sale and acquisition separately with a maximum of EUR 500 per party and per transaction. The new Belgian government has announced that the rate of 0.07% will be increased to 0.09% and that the cap of EUR 500 will be increased to EUR 650.

An exemption is available for non-residents acting for their own account (subject to delivery of an affidavit confirming their non-resident status), and for certain professional intermediaries, insurance companies, pension funds and undertakings for collective investment, acting for their own account.

### **EU Savings Directive**

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), member states of the European Economic Union (the **EU Member States** and each an **EU Member State**) are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect

otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

Fortis Bank NV/SA, acting under the commercial name of BNP Paribas Fortis (the “**Lead Manager**”) may agree, pursuant to a Subscription Agreement that may be entered into on or about 21 December 2011 relating to the Bonds with the Issuer, subject to the satisfaction of certain conditions, to subscribe, or procure subscribers, and pay for the Bonds at the issue price and the other conditions as set out in the Subscription Agreement. The aggregate amount payable for the Bonds calculated at the issue price less any due fee will be paid by the Lead Manager to the Issuer in the manner as set out in the Subscription Agreement. The investors will bear a placement fee of maximum 0.75% of the principal amount of the Bonds. Fees and costs in connection with the issue of the Bonds to be paid and/or reimbursed by the Issuer to the Lead Manager have been agreed in a separate agreement between the Issuer and the Lead Manager. The Subscription Agreement will entitle the Lead Manager to terminate its obligations in certain circumstances prior to payment being made to the Issuer.

The Lead Manager is agent and lender under the Facility Agreement (as defined in Condition 7.5 (*Definitions*) of the Terms and Conditions of the Bonds) and may in the future render additional banking and commercial services to the Issuer, for which it could receive fees and commissions.

### **General**

Neither the Issuer nor the Lead Manager has made any representation that any action will be taken in any jurisdiction by the Lead Manager or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where action for that purpose is required. The Lead Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions.

### **United States**

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

The Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.



## GENERAL INFORMATION

1. Application has been made for the Bonds to be admitted to trading on NYSE Euronext Brussels as from the Issue Date.
2. The yield of the Bonds is 7 % on an annual basis. The yield is calculated as at 21 December 2011 on the basis of the issue price. It is not an indication of any future yield.
3. The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 14 December 2011.
4. There has been no significant change in the financial or trading position of the Issuer since 30 June 2011 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2010.
5. Neither the Issuer nor any subsidiary of the Issuer is, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer.
6. The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium with a Common Code of 072179480. The International Securities Identification Number (ISIN) for the Bonds is BE0002182484. The address of the National Bank of Belgium is 14 Boulevard de Berlaimont, 1000 Brussels, Belgium.
7. There are no material contracts entered into other than in the ordinary course of the Issuer's business (except the Facility Agreement - see Terms and Conditions, Condition 7.5 (*Definitions*)), which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds.
8. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
9. During the life of the securities, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:
  - (a) the Memorandum and Articles of Association (*Statuts/Statuten*) of the Issuer in French and in Dutch;
  - (b) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2010 and the unaudited half-yearly financial report of the Issuer for the period ended 30 June 2011;
  - (c) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
  - (d) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus.

This Prospectus will be published on the website of NYSE Euronext Brussels ([www.euronext.com](http://www.euronext.com)).

10. Deloitte (statutory auditor of the issuer (having its registered office at Berkenlaan 8b, 1831 Diegem, Belgium) and a member of the “*Institut des Réviseurs d’Entreprises / Instituut der Bedrijfsrevisoren*” has audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer for the year ended 31 December 2009 and 31 December 2010.

## FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 4(c) (*Redemption at the Option of Bondholders Upon a Change of Control*) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Intermediary.

Such Intermediary is the bank or other financial intermediary through which the Bondholder holds the Bonds.

When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Intermediary (i) delivers the Change of Control Put Exercise Notice to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 4(c) and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.

To: [Details of the Intermediary through which the Bondholder holds the Bonds]

### IMMOBEL SA

(incorporated with limited liability under  
the laws of Belgium)

EUR30,000,000

**7 per cent. Bonds due 21 December 2016**

(issued in the denomination of EUR50,000 and  
as described in the Listing Prospectus dated 15 December 2011)

ISIN: BE0002182484

(the "**Bonds**")

## CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 4(c) (*Redemption at the Option of Bondholders Upon a Change of Control*) of the Bonds, the undersigned holder of the Bonds specified below exercises its option to have such Bonds redeemed early in accordance with Condition 4(c) on the Change of Control Put Date falling on .....\* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

### Nominal amount of Bonds held:

EUR..... ([amount in figures] Euro)

### Bondholder contact details:

Name or Company: .....

Address: .....

Telephone number:.....

### Payment instructions:

Please make payment in respect of the Bonds redeemed early pursuant to Condition 4(c) by Euro transfer to the following bank account:

Name of Bank: .....

Branch Address: .....

Account Number: .....

\* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her securities account number ..... with [*name and address of bank*] for the above-mentioned nominal amount of Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder: ..... Date:.....

N.B. The Agent shall not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of the Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of the Agent.

**THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND SENT TO THE RELEVANT INTERMEDIARY.**

**BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT INTERMEDIARY WHEN SUCH INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.**

**ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.**

**Issuer**

**Immobel S.A.**  
Rue de la Régence 58  
B-1000 Bruxelles  
Belgium

**Auditor of the Issuer**

**Deloitte**  
Berkenlaan 8b, 1831 Diegem  
B-1050 Bruxelles  
Belgium

**Domiciliary, Paying and Listing Agent**

**BNP Paribas Securities Services,  
Belgian Branch**

Boulevard Louis Schmidt, 2  
1040 Bruxelles  
Belgium

**Lead Manager and Bookrunner**

**Fortis Bank NV/SA**

Montagne du Parc, 3  
1000 Bruxelles  
Belgium

**Legal Advisers**

*To the Issuer  
as to Belgian law*

*To the Lead Manager  
as to Belgian law*

**Willkie Farr & Gallagher LLP**  
Avenue Louise 480/3B  
B-1050 Bruxelles  
Belgium

**Linklaters LLP**  
Rue Brederode 13  
B-1000 Bruxelles  
Belgium