



IMMOBEL
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Regulated information

PRESS RELEASE

YEAR RESULTS 2011

IMMOBEL announces solid results well up on 2010

- **Net consolidated results: 16.2 MEUR, up more than 50 % compared to 2010.**
- **Proposal to pay +40 % higher dividend at 1.75 EUR gross per share.**
- **Important acquisitions of new projects and ongoing investments in developments for a total of nearly 150 MEUR.**
- **Large diversified portfolio of projects at different stages of development ensures the Group's future activities.**
- **Increased financial resources following the issue of 5-year bonds late 2011 and early 2012.**

In a difficult economic environment, especially in the office real estate segment in Brussels, IMMOBEL has achieved a net consolidated result of 16.2 MEUR, well up on the result in 2010.

2011 was marked by the activation of a second development axis, in line with the strategy approved by the Board of Directors, confirmed by significant investments in Central Europe and more particularly in Poland.

The policy of diversification implemented since 2007 has led to a reduction of exposure to the offices market in favour of an increase in the share generated by the landbanking and residential operations. It is these two business lines, by the way, that contributed most to the 2011 result.

Immobel has also strengthened its financial resources with a bond issue in the form of a private placement (due on 21st December 2016) carried out mid-December and mid-February 2012, which enabled it to raise 40 MEUR.

Market situation

a) BELGIUM

The office rental market in Brussels saw an occupancy rate of 350,000 m² in 2011. This figure is historically low and represents a sizable drop compared to the level reached in 2010, which was already below the 5 and 10-year averages.

Few speculative buildings are being built.

The average rate of rental vacancy has remained globally unchanged at 11.1 % with significant disparities between the CBD on the one hand and the non-city centre area and outskirts on the other.

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The total volume of professional investment in Belgium for 2011 came to approximately 1,850 MEUR, up about 25 % compared to 2010 but considerably below the 5-year average.

As far as the residential sector is concerned, the average prices of houses and apartments show a rise of more or less 4 % compared to 2010.

The average price of apartments is rising in all three Regions.

The sales prices of building plots have also risen a few percent.

b) GRAND DUCHY OF LUXEMBOURG

The office rental market was characterised by an increase in the occupancy rate (174,000 m²) and a lower average vacancy rate, down from 7.85 to 6.38 %. Within Luxembourg City, the vacancy rate remains under control at 4.32 %; the outskirts, in contrast, show a much higher vacancy rate, at 17.11 %.

Few speculative buildings are being built. The investment market volume in 2011 was also up by 25 % compared to 2010, with 435 million sales.

c) POLAND

In Warsaw, the office real estate market was marked by strong demand from occupants throughout 2011 and the level of demand for office spaces surpassed the record volume reached at the end of 2010 (549,000 m²) during the year. Total occupancy came to 573,000 m², with a volume of transactions previously unseen in Warsaw.

At the end of 2011 around 6.7 % of the stock of modern offices was unoccupied.

IMMOBEL in this market

In this real estate market, IMMOBEL continued to pursue its activities in the Offices, Residential and Landbanking fields, and, depending on the opportunities, “Retail”, in the three countries where it is now active: Belgium, the Grand Duchy of Luxembourg and Poland.

a) BELGIUM

1. Acquisitions

- Residential: IMMOBEL acquired the *Papeblok* site in Tervuren, in the Flemish Region, with the intention of building and/or renovating 4 residential buildings and developing around 60 apartments in them, for which an application for an urban planning permit has been submitted;
- Landbanking: significant acquisitions of over 42.8 ha in urban development zones have been made as well as acquisitions under conditions precedent, partnership arrangements or options involving approximately 8 ha.

2. Sales and deliveries

- Offices:
 - IMMOBEL sold the following properties: *Grand' Poste* in Verviers, *Boulevard Tirou* in Charleroi and *South Crystal* (20 % participation), situated near the Gare du Midi in Brussels.
 - At the end of May the Group also delivered phase III of the *Forum* project (in Brussels) to the Chamber of Representatives on schedule and in conformity with the contract. The pre-sales agreement was signed at the end of 2009.

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- Residential:
 - Immoebel sold almost 80 apartments in the following projects: *Crespel* (50 % participation), *Espace Midi*, Rue de Russie (20 % participation), *Jardins de Jette* (50 % participation), *Jardin des Sittelles*, *Mercelis*, *Résidence Vallée du Maelbeek* (50 % participation) and *Rue Godecharle* (50 % participation), all of which are in Brussels, as well as in the *Résidence Saint-Hubert* (50 % participation) in Liège.
 - Immoebel also sold a plot of land situated at *Avenue de l'Observatoire* in Liège, a plot of land measuring 5.97 ha situated in Brussels – Haren to the *Public Buildings Administration* in the framework of the new prison project in Brussels, and a building on the *Boulevard Melot* in Namur.
 - Landbanking:
 - The Group sold a commercial building in Wavre, where Decathlon has opened a 4,400 m² retail space.
 - Land sales accounted for 168 transactions during the financial year 2011 and involved 20.56 ha net (Group share) of plots, a marked increase compared to 2010. Expertises and mandates on behalf of third parties were also carried out.
- 3. Leasing: Offices:** In particular, IMMOBEL signed a lease for 65,000 m² with the Public Buildings Administration on behalf of the Federal Police, in phases D and F of the *Belair* project (40 % participation), following a decision of the Council of in December 2010.

4. Permits and work

During 2011, IMMOBEL obtained:

- permits for the *Black Pearl* project (an 11,000 m² Office building situated at the heart of the quartier Léopold in Brussels);
- 9 subdivision permits for various land development projects totalling over 16 ha and representing 177 lots;
- the permit for the *Hôtel Trianon* (50 % participation) in Liège;
- the permits for an apartment building in *Etterbeek* (33.33 % participation), Rue Père Eudore Devroye;

and submitted applications for urban planning permits for the *Papeblok* project in Tervuren, *Charmeraie* in Uccle, *Sittelles* (final phase) in Woluwe, as well as various applications for subdivision permits.

- The appeals for suspension and annulment lodged by the occupants of the *Bella Vita* project in Waterloo were rejected by the Council of State, i.e. an agreement was reached with the occupants.
- Following the lease of 65,000 m² of the *Belair* project, renovation/reconstruction work was begun on this important office and residential project.

As a result of the transfers and leases mentioned below, sales for the “Offices” department in Belgium came to 11.31 MEUR for the year closed compared to 58.64MEUR in 2010. The operating profit was -1.19 MEUR in 2011 compared to 11.05 MEUR in 2010.

As far as “Residential” is concerned, sales came to 35.19 MEUR in Belgium for the year closed as against 12.03 MEUR in 2010.

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The operating profit generated was 11.25 MEUR in 2011 compared to 0.38 MEUR in 2010.

As for the “Landbanking” activity in Belgium, its sales came to 25.70 MEUR for the year closed as against 11.15 MEUR in 2010.

The operating profit generated was 11.12 MEUR as opposed to 1.88 MEUR in 2010.

b) GRAND DUCHY OF LUXEMBOURG

IMMOBEL sold 73 apartments in the *Green Hill* project (50 % participation).

Fujitsu signed a lease for 1,229 m² of offices in the *WestSide Village* project.

Sales for the “Offices” department in the Grand Duchy of Luxembourg came to 0.88 MEUR for the year closed (compared to 0 in 2010) and the operating profit amounted to 0.49 MEUR in 2011.

As far as “Residential” is concerned, sales in the Grand Duchy of Luxembourg came to 4.03 MEUR for the year closed (compared to 0 in 2010) and the operating profit generated was 0.77 MEUR in 2011.

c) POLAND

IMMOBEL acquired two mixed office and commercial projects for development, one in the heart of Warsaw ($\pm 20,000$ m²) and the other, right in the centre of Poznan ($\pm 7,600$ m²).

IMMOBEL also acquired 7 pieces of land in Poland, in a 50/50 partnership. This land offers a development potential of over 150,000 m² of offices / retail and residential. Five plots are situated in Warsaw (*Wronia/ Prosta Str., Jana Kazimierza Str., Kierbedzia Str., Krakowska Str. and Duracza Str.*), one is situated in Gdansk (*Kopernika Str.*) and the last is in Cracow (*Pokoju Av.*).

In the project *Okraglak* situated in Poznan, which has been undergoing renovation since March 2011, three leases were agreed during the year under review ; Nordea Bank, Kredyt Bank and Open Finance leased approximately 1,800 m² i.e. nearly 24 % of the area available in the project.

Sales for “Offices” in Poland came to 2.11 MEUR for the year closed (0 in 2010). This revenue came from rents paid in the *Cedet* building (Warsaw), which is still partially occupied, and the operating profit was 0.15 MEUR in 2011.

* * *

Besides the investments in the Polish market, IMMOBEL has continued to pursue the development of its portfolio, which now includes nearly 375 ha of land, 348.50 ha of which is destined for subdivision, almost 208,000 m² of offices and 179,000 m² of residential space for development (IMMOBEL Group share). Progress on the different projects is at various stages and, the necessary permits having been obtained, some of them are already being marketed. The considerable sum of 72 MEUR has been invested in the acquisition of new projects.

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IMMOBEL’s financial situation at 31 December 2011 was sound; the net debt-equity ratio is 75 % compared to 31 % at 31 December 2010. During 2011 the Group – alone or with its partners – renewed or negotiated credit lines for around 288 MEUR (100 % share).

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Gaëtan Piret, Managing Director of IMMOBEL, adds that: “Thanks to its strategic diversification plan IMMOBEL has confirmed its professionalism in the difficult European economic environment”.

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Prospects

IMMOBEL is confident about pursuing the development of its projects in the areas of activity that represent its core business: Offices, Residential and Landbanking, as well as, when the opportunity arises, Retail. Certain development projects have aroused the interest of both tenants and investors. IMMOBEL will continue to analyse these opportunities during 2012 but it is impossible to anticipate exactly how they will evolve. The current economic uncertainties mean we cannot give any indication of future results. Notwithstanding these uncertainties IMMOBEL is well positioned in other respects to seize every new opportunity to make interesting acquisitions that meet its investment criteria - as it did in 2011 - not only in Belgium, but also in Luxembourg and Central Europe.

Financial calendar

Annual General Shareholders' Meeting	24 th	May	2012
Dividend <i>ex-date</i>	29 th	May	2012
Dividend payment (coupon n° 23) subject to approval by AGM	1 st	June	2012
Results of 1 st half year 2012	30 th	August	2012

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The Auditor has confirmed the fact that his audit did not reveal any significant corrections that need to be made to the accounting information included in the Press Release. The consolidated financial statements were drawn up in conformity with the IFRS reporting standards adopted by the European Union.

For more information:

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About IMMOBEL:

IMMOBEL has been a major player in property development in Belgium for over 145 years. It is also active in the Grand Duchy of Luxembourg and is currently developing a new growth pole in promotion projects in Central Europe, particularly in Poland. Its business covers the office, residential and landbanking sectors, as well as, when the opportunity arises, retail, ensuring the diversification of its portfolio of projects. Its vision of the market and its expertise allow it to design, promote and manage ambitious real estate projects that create long-term value, while respecting the environment and integrating the main issues facing society.

IMMOBEL is listed on Euronext Brussels as «IMMOBEL».

For further information see: www.immobel.be

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Consolidated figures in MEUR	31/12/2011	31/12/2010
Sales	79.22	81.85
Operating result	22.59	13.22
Net financial costs	- 5.42	- 4.88
Operating result after deduction of net financial costs	17.17	8.34
Share in the results of associates	0.30	2.86
Results before tax	17.47	11.20
Taxes	- 1.30	- 0.67
Result from continuing operations	16.17	10.53
Result for the financial year	16.17	10.53
Share of the Group in the result for the financial year	16.18	10.55
Net cash-flow (*)	13.96	8.46
Consolidated figures in EUR	31/12/2011	31/12/2010
Basic result per share	3.93	2.56
Gross dividend per share	1.75	1.25
Number of shares	4,121,934	4,121,934

(*) net result without the non-cash expenses (amortisations, depreciations, provisions, etc.) and the non-cash income (fair value, etc.)

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Statement of consolidated profit and loss

In 2011 IMMOBEL booked sales of 79.22 MEUR, generating an operating result of 22.59 MEUR, compared to sales of 81.85 MEUR and an operating result of 13.22 MEUR in 2010.

The Offices business line booked sales of 14.30 MEUR, resulting mainly from sales of buildings that are part of phase III of the Forum project and the sale of the South Crystal building in Brussels.

The Residential and Landbanking business lines booked a very significant rise in their sales.

Residential sales came to 39.22 MEUR as opposed to 12.03 MEUR in 2010.

Besides the “recurrent” sales of apartments in the Sittelles, Vallée du Maelbeek, Jardins de Jette and Green Hill projects, Residential sales were favourably influenced by the transfer of a 6 ha site in Haren. This site, which was originally intended to be a residential development, was sold to the Public Buildings Administration for the construction of a new prison.

Landbanking sales came to 25.70 MEUR as opposed to 11.15 MEUR in 2010.

This figure also includes the income from the sale of a commercial project in Wavre to the Décathlon Group.

The net financial results came to -5.42 MEUR as opposed to – 4.88 in 2010.

Taxes for 2011 are estimated at 1.30 MEUR. The low level of taxes is the result of using tax deferrals.

The net result for the financial year 2011 is therefore 16.18 MEUR as opposed to 10.55 MEUR in 2010.

Consolidated balance sheet

in thousands of EUR	31-12-2011	31-12-2010
Inventories	327 863	240 769
Investments	1 331	7 822
Trade receivables & other assets	30 640	20 678
Cash	46 964	34 239
TOTAL ASSETS	406 798	303 508
Shareholder Equity	182 792	172 129
Provisions	4 775	5 706
Long-term financial debt	109 348	65 640
Short-term financial debt	74 330	22 540
Trade payables	35 553	37 493
TOTAL LIABILITIES	406 798	303 508

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At 31 December 2011 consolidated shareholder equity came to 182.8 MEUR or 45 % of total assets. In 2010 it was 172.1 MEUR. That represents a value of 44.4 EUR per share at the end of 2011 as opposed to 41.8 EUR at the end of 2010.

The Group's net liquid assets, the balance between the long and short-term financial debt and the liquid assets available, were -137 MEUR at the end of 2011 as opposed to – 54 MEUR at the end of 2010, i.e. there was an increase in net debt of 83 MEUR. The ratio of debt to shareholder equity was 75 % at the end of 2011.

Inventories amounted to 327.9 MEUR as opposed to 240.8 MEUR at the end of 2010, or an increase of 87.1 MEUR.

This increase is a result, among other things, of the acquisitions made in Poland during 2011.

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Consolidated income statement

in thousands of EUR	31-12-2011	31-12-2010
OPERATING INCOME	81 146	85 616
Sales	79 223	81 850
Other operating income	1 923	3 766
OPERATING EXPENSES	-58 556	-72 399
Cost of sales	-42 479	-56 749
Personnel expenses	-7 097	-6 363
Amortisation, depreciation and impairment of assets	614	- 349
Change in the fair value of investment property	6	309
Other operating expenses	-9 600	-9 247
OPERATING RESULT	22 590	13 217
Interest income	284	423
Interest expense	-5 221	-4 771
Other financial income and expense	- 487	- 532
FINANCIAL RESULT	-5 424	-4 880
Share in the result of investments in associates	305	2 859
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	17 471	11 196
Income taxes	-1 297	- 670
RESULT FROM CONTINUING OPERATIONS	16 174	10 526
RESULT FOR THE YEAR	16 174	10 526
Share of non-controlling interests	- 10	- 24
SHARE OF IMMOBEL	16 184	10 550

Basic earnings and Diluted earnings per share (in EUR)

Result of the continuing operations / Result of the year	3,93	2,56
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Consolidated statement of comprehensive income

in thousands of EUR	31-12-2011	31-12-2010
Result for the year	16 174	10 526
Other comprehensive income		
Cash flow hedges		1 114
Currency translation	- 418	
Actuarial gains and losses (-) on defined-benefit plans	59	53
Other comprehensive income	- 359	1 167
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15 815	11 693
Share of non-controlling interests	- 10	- 24
SHARE OF IMMOBEL	15 825	11 717