

# **COMPAGNIE IMMOBILIÈRE DE BELGIQUE IMMOBEL**

## **HALF-YEARLY FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2008**

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# 1. INTERIM MANAGEMENT REPORT

IMMOBEL has made during the first semester 2008 a consolidated net profit of 2.39 MEUR, compared to 20.26 MEUR at 30<sup>th</sup> June 2007. The operating income per 30 June amounted to 3.84 MEUR compared to 22.36 MEUR at 30<sup>th</sup> June, 2007.

The first semester of 2008 results are in line with the forecasts.

As indicated in various communications from the Company, no significant projects shall be delivered in 2008. This explains the differences in the Company's results between 2007 and 2008.

During the first half of 2008, IMMOBEL has invested a significant amount in projects such as the redevelopment of the State Administrative Centre and the project Forum.

## BUSINESS DEVELOPMENT – Company Activities

### 1. Real Estate development

The turnover for Real Estate development activities for the recently-ended half year reached 17.17 MEUR compared with 72.48 MEUR as of 30<sup>th</sup> June 2007.

During the first half of 2008, IMMOBEL's Real Estate development activities, divided into its Offices, Residential Properties and Land Development departments, can be summarised as follows:

a) **Offices**: the IMMOBEL group:

- acquired a further 15% of RAC INVESTMENT CORP. SA, the owner of the *State Administrative Centre*, so as to develop this site, with its excellent location at the crossroads of the lower and upper parts of Brussels, jointly with the BREEVAST group,
- acquired an extra 50% in WESTSIDE SA, which implies the go-ahead of Phase II of the *WestSide Village* project in *Mamer*, in the *Grand Duchy of Luxembourg* ( $\pm 12,000$  m<sup>2</sup>),
- sold (by agreement to sale) *Ilôt 9* (1,512 m<sup>2</sup>) in *Brussels (Place des Martyrs)*,
- let 5,942 m<sup>2</sup> to ARCELOR in the *Ellipse Building*, in *Brussels (Schaerbeek)*
- granted, in partnership, provisional acceptance of the *Omega Court* (Office section) development in *Auderghem*, and of building D4 (as part of the Société Espace Leopold group) in *Etterbeek*.

The Offices department turnover for the recently-ended first half year reached 3.96 MEUR compared with 59.23 MEUR as of 30<sup>th</sup> June 2007; the operating loss was -0.29 MEUR compared with a profit of 25.04 MEUR in 2007.

b) As far as **Residential Properties** are concerned, during the first half of 2008, IMMOBEL sold 48 apartments and 10 houses in the *Résidence Erpentval, Jolly, Mercelis, Les Jardins de Jette, le Jardin des Sittelles* and *Omega Court* developments.

The Residential Properties turnover for the recently-ended first half year reached 9.21 MEUR compared with 9.56 MEUR as of 30<sup>th</sup> June 2007.

The operating profit was 3.46 MEUR, compared with a loss of -0.38 MEUR in 2007.

c) The **Land Development** sold 64 plots and purchased 15,96ha land and another 12,13ha subject to conditions precedent. Lastly, investment in roads rose to 2.17 MEUR.

The turnover for Land Development for the recently-ended first half year reached 3.86 MEUR compared with 3.33 MEUR as at 30 June 2007. The operating profit was 1.29 MEUR compared with 0.75 MEUR as at 30 June 2007.

d) **Project Management**

During the first half of 2008, the Project Management department continued its activities on office projects: Brusselstower, Forum and the redevelopment of the site of the State Administrative Centre, WestSide Village in the Grand Duchy of Luxembourg, on residential projects such as Foncière du Parc, Crespel, a hotel at Place des Martyrs, Block 7 in Brussels, and Bella Vita in Waterloo.

**2. Main variations between the first half year of 2008 and the same period in 2007**

- Turnover :  
It reached 29.9 MEUR at June 30<sup>th</sup> 2008, compared with 92 MEUR in the first semester 2007.  
In 2007, IMMOBEL notably sold the Ellipse Building. No other sale of a similar size happened during the first half year of 2008.
- Other operating income :  
It reached 4.9 MEUR in the first semester of 2008 compared with 32.3 MEUR for the same period in 2007.  
The difference is due to the sale of stakes in the companies Immo Gaucheret and Crown Avenue in 2007. There was not any significant sale of stakes during the first half year of 2008.
- Purchases and changes in inventory :  
The first semester of 2007 has mainly been characterized by the sale of finished buildings. However the first semester of 2008 was marked by investments of 31.6 MEUR in projects.
- Financial result :  
Considering the balance sheet structure at the end of 2007, including a net positive treasury, the Group significantly decreased its financial charges and increase its financial income during the first half-year of 2008 to reach a financial result of – 0.8 MEUR at 30.06.2008, to compare with -3.9 MEUR at 30.06.2007.
- Income taxes :  
The tax charges of 2007 have been characterised by the retrieval of deferred taxes. This was not the case in 2008. The income taxes amount -1 MEUR at 30.06.2008 to compare with +1.4 MEUR in 2007

**3. Other**

The turnover for REFORME, the Group's only industrial subsidiary was 12.71 MEUR compared with 16.94 MEUR in 2007.

Furthermore, IMMOBEL also sold in the first half year of 2008 the 1.75% stake it owned in COMPAGNIE LE ZOUTE.

### **Events since half-year end and Prospects**

On 30<sup>th</sup> June 2008, IMMOBEL sold the company (50% stake) in charge of the 17,026 m<sup>2</sup> office section of the *Omega Court* project in Brussels (Auderghem) to COFINIMMO.

At the General Assembly of 20<sup>th</sup> August 2008, the shareholders decided to reduce the Company's capital by reimbursing 9.7 EUR per share in cash, in return for an n°20 coupon. The payment will take place around mid-November 2008.

IMMOBEL would like to point out that no major projects are marked for completion in 2008.

### **Main risks and uncertainties**

In accordance with Article 13 of the Royal Decree of 14.11.2007, it can be confirmed that the fundamental risks facing the company for the remainder of the financial year are no different from those described on pages 22 and 23 of the Annual Report 2007.

Current uncertainties relating to the development of the economic climate, real estate markets and funding availability may require, in circumstances that at this stage cannot be anticipated, new risk evaluation. IMMOBEL will see to it that it identifies and isolates these new risks and limits any negative effects these may have on the company and its shareholders.

## 2. SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. CONSOLIDATED INCOME STATEMENT (note 1)

In thousand EUR

	Notes	30-06-2008	30-06-2007
<b>Operating income</b>		<b>34 736</b>	<b>124 234</b>
Turnover	1	29 883	91 964
Other operating income	2	4 853	32 270
<b>Operating charges</b>		<b>-30 893</b>	<b>-101 879</b>
Purchases	3	-40 444	-40 074
Change in inventory	3	22 748	-36 548
Personnel expenses		-5 418	-6 304
Amortisation, depreciation and impairment of assets		941	-1 775
Change in the fair value of investment property			-3 784
Other operating expenses	4	-8 720	-13 394
<b>Operating result</b>		<b>3 843</b>	<b>22 355</b>
Financial expenses		-3 815	-6 874
Financial income		3 040	2 995
<b>Financial result</b>	5	<b>- 775</b>	<b>-3 879</b>
<b>Share in the result of companies accounted for by the equity method</b>		<b>309</b>	<b>350</b>
<b>Result before taxes</b>		<b>3 377</b>	<b>18 826</b>
<b>Income taxes</b>	6	<b>- 988</b>	<b>1 412</b>
<b>Result for the year</b>		<b>2 389</b>	<b>20 238</b>
<b>Share of minority interests</b>		<b>- 4</b>	<b>- 22</b>
<b>Share of Compagnie Immobilière de Belgique</b>		<b>2 393</b>	<b>20 260</b>
Basic earnings and Diluted earnings per share (in EUR)	7	0,58	4,92

## 2.2. CONSOLIDATED BALANCE SHEET

In thousand EUR

ASSETS	Notes	30-06-2008	31-12-2007
<b>Non-current assets</b>		<b>23 654</b>	<b>27 284</b>
Intangible assets		55	45
Property, plant and equipment		2 269	2 182
Investment property		3 186	3 186
Associates accounted for under the equity method	8	16 854	19 929
Participating interests available for sale		172	776
Deferred tax assets	9	490	519
Other non-current assets		628	647
<b>Current assets</b>		<b>342 492</b>	<b>393 131</b>
Inventories	10	268 752	224 639
Trade receivables	11	16 967	18 558
Tax receivables		301	97
Other current assets	12	18 413	17 105
Cash and cash equivalents	13	38 059	132 732
<b>Total assets</b>		<b>366 146</b>	<b>420 415</b>

EQUITY AND LIABILITIES	Notes	30-06-2008	31-12-2007
<b>Equity share of Compagnie Immobilière de Belgique</b>	14	<b>189 232</b>	<b>206 194</b>
<b>Equity</b>		<b>189 212</b>	<b>206 170</b>
Capital		100 285	100 285
Reserves		88 927	105 935
Translation differences			- 50
<b>Minority interests</b>		<b>20</b>	<b>24</b>
<b>Non-current liabilities</b>		<b>102 325</b>	<b>49 665</b>
Pensions and similar obligations		1 572	1 572
Provisions	15	4 311	3 991
Deferred tax liabilities	9	4 153	1 002
Financial debts	13	86 664	29 475
Trade payables	16	5 625	13 625
<b>Current liabilities</b>		<b>74 589</b>	<b>164 556</b>
Provisions	15	6 830	7 800
Financial debts	13	8 260	91 769
Trade payables	16	36 981	40 237
Tax liabilities		3 472	2 778
Other current liabilities	17	19 046	21 972
<b>Total equity and liabilities</b>		<b>366 146</b>	<b>420 415</b>

## 2.3. CASH FLOW STATEMENT

In thousand EUR

	Notes	30-06-2008	30-06-2007
Cash flow from :			
- operating activities	18	-35 176	81 642
- investing activities	19	-8 660	22 840
- financing activities	20	-50 837	-86 637
<b>Net change in cash and cash equivalents</b>		<b>-94 673</b>	<b>17 845</b>
Impact of exchange rate fluctuation			121
<b>Cash and cash equivalents at begin of the period</b>		<b>132 732</b>	<b>62 478</b>
<b>Cash and cash equivalents at end of the period</b>		<b>38 059</b>	<b>80 444</b>

## 2.4. CONSOLIDATED STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

In thousand EUR

	Equity	Retained earnings	Changes in fair value of financial instruments	Translation differences	Equity to be allocated to the Group	Minority interests	Total equity
<b>At 01-01-2007</b>	<b>100 285</b>	<b>93 389</b>		<b>1 090</b>	<b>194 764</b>	<b>49</b>	<b>194 813</b>
Result for the year		20 260			20 260	- 22	20 238
Translation differences				384	384		384
<b>Subtotal of income and expenses for the year</b>		<b>20 260</b>		<b>384</b>	<b>20 644</b>	<b>- 22</b>	<b>20 622</b>
Dividends paid out to the shareholders		-8 244			-8 244		-8 244
<b>At 30-06-2007</b>	<b>100 285</b>	<b>105 405</b>		<b>1 474</b>	<b>207 164</b>	<b>27</b>	<b>207 191</b>
<b>At 01-01-2008</b>	<b>100 285</b>	<b>105 935</b>		<b>- 50</b>	<b>206 170</b>	<b>24</b>	<b>206 194</b>
Elements directly recognised in shareholder's equity - Cash flow hedge			384		384		384
Result for the year		2 393			2 393	- 4	2 389
Translation differences				50	50		50
<b>Subtotal of income and expenses for the year</b>		<b>2 393</b>	<b>384</b>	<b>50</b>	<b>2 827</b>	<b>- 4</b>	<b>2 823</b>
Dividends paid out to the shareholders <sup>(1)</sup>		-19 785			-19 785		-19 785
<b>At 30-06-2008</b>	<b>100 285</b>	<b>88 543</b>	<b>384</b>		<b>189 212</b>	<b>20</b>	<b>189 232</b>

The capital is made up by 4,121,934 ordinary shares without par value.

<sup>(1)</sup> 2007 final dividend - gross dividend unit of 4,80 € per share paid to the shareholders.

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

### Preparation basis

The half-year consolidated financial statements have been prepared in accordance with the IFRS (International Financial Reporting Standards) as adopted in the European Union and in accordance with IAS 34, *Interim Financial Reporting*.

### Accounting principles and methods

The half-year consolidated financial statements have been prepared on the historical cost basis, except for investment property, securities held for trading, available-for-sale securities and derivative financial instruments which are measured at fair value.

The accounting principles and methods used for the interim financial statements are the same as for the annual financial statements of the accounting year 2007.

### Consolidation area

During the first half year of 2008, the consolidation area noted following moves :

- Acquisitions :
- of 15% shares of the company *RAC Investment Corp. (RACI Corp)*, increasing our stake in capital to 40%; (proportional consolidation in 2007 en 2008);
  - of 50% shares of the company *WestSide*, increasing our stake in capital to 100%. (full consolidation from 1st January 2008).

These 2 acquisitions have been realised retroactive to 1st January 2008,

### Information by segment

The core business of the Company, **Real Estate Development**, includes the activities of "Offices", "Residential Development", "Land Development" and "Project Management" as a support activity.

The Campona Shopping Center building in Budapest (until 2007) and the company Reforme, active in the fields of construction and renovation, are the other activities of the Group. They are included under the **Miscellanea** section.

The Group's activity is carried out mainly in Belgium.

### 1. Profit and loss by segment

	Offices	Residential Development	Land Development	Project Management	Development	Miscellanea	Eliminations	Consolidated
<b>June 30, 2008</b>								
"External" turnover	3 956	9 214	3 863	144	17 177	12 706		29 883
"Intersector" sales				418	418	2 010	-2 428	
"Sector" turnover	3 956	9 214	3 863	562	17 595	14 716	-2 428	29 883
<b>Operating result</b>	<b>- 291</b>	<b>3 460</b>	<b>1 286</b>	<b>- 305</b>	<b>4 150</b>	<b>- 307</b>		<b>3 843</b>
Financial result								- 775
Companies accounted for by the equity method	309				309			309
Taxes								- 988
<b>Net result</b>								<b>2 389</b>
<b>June 30, 2007</b>								
"External" turnover	59 232	9 556	3 334	356	72 478	19 486		91 964
"Intersector" sales				447	447	121	- 568	
"Sector" turnover	59 232	9 556	3 334	803	72 925	19 607	- 568	91 964
<b>Operating result</b>	<b>25 041</b>	<b>- 382</b>	<b>753</b>	<b>- 207</b>	<b>25 205</b>	<b>-2 850</b>		<b>22 355</b>
Financial result								-3 879
Companies accounted for by the equity method	350				350			350
Taxes								1 412
<b>Net result</b>								<b>20 238</b>



## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

### 2. Other operating income

This heading mainly consists of :	<b>30-06-2008</b>	<b>30-06-2007</b>
Gain on disposal of subsidiaries <sup>(1)</sup>	1 348	28 743
Other operating income	959	3 096
Grants and allowances	2 546	431
<b>Other operating income</b>	<b>4 853</b>	<b>32 270</b>

<sup>(1)</sup> The figures of 2007 were related to the disposals of participating interests in the companies Crown Avenue project *Crown Avenue* in Ixelles) and Immo Gaucheret (project *Ellipse Building* in Schaerbeek).

### 3. Purchases - Change in inventory

The purchases and the changes in inventory of the first financial half year 2008 break down as follows by segment :	<b>Purchases</b>	<b>Change in inventory</b>	<b>Net costs</b>
Development :			
- Offices	-15 985	14 888	-1 097
- Residential Development	-10 355	4 050	-6 305
- Land Development	-5 274	3 653	-1 621
<b>Total Development</b>	<b>-31 614</b>	<b>22 591</b>	<b>-9 023</b>
Miscellanea	-8 830	157	-8 673
<b>Total purchases</b>	<b>-40 444</b>	<b>22 748</b>	<b>-17 696</b>

The purchases of the Development segment "Offices" are mainly related to the works *Forum* in Brussels, *State Administrative Centre* in Brussels, *Omega* in Brussels (Auderghem) and *Avenir* in Tournai.

The purchases of the Development segment "Residential" are mainly related to the works *Jardins de Jette*, *Jardin des Sittelles* in Brussels (Woluwe-Saint-Lambert), *Mercelis* in Brussels (Ixelles), *Place des Martyrs* in Brussels and *Foncière du Parc* in Brussels.

### 4. Other operating expenses

Break down as follows :	<b>30-06-2008</b>	<b>30-06-2007</b>
Services and other goods	-7 587	-11 113
Provisions	1 205	- 228
Other expenses	-2 338	-2 053
<b>Other operating expenses</b>	<b>-8 720</b>	<b>-13 394</b>

Main components of services and other goods :	<b>30-06-2008</b>	<b>30-06-2007</b>
Rent and service charges (this item includes mainly service charges for the registered office and rent with respect to the lease of equipment and machines in the Construction sector)	-1 233	-1 431
Services and other goods for investment property		-1 377
Third party payment (this item includes in particular the fees paid to third parties and related to the turnover)	-5 239	-7 029
Other services and other goods (including company supplies, advertising, maintenance and repair expenses, etc.)	-1 115	-1 276
<b>Total services and other goods</b>	<b>-7 587</b>	<b>-11 113</b>

Main components of provisions :	<b>30-06-2008</b>	<b>30-06-2007</b>
Provisions related to the sales	975	-302
Other provisions	230	74
<b>Total provisions</b>	<b>1 205</b>	<b>- 228</b>

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

The **other expenses** of - 2,338 KEUR mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets in inventory.

### 5. Financial result

Components of the financial result :	30-06-2008	30-06-2007
Received interests	2 429	1.430
Paid interests	-3 000	-6.503
Dividendes and interests of fixed assets	70	328
Gain on cash flow hedges	394	
Other income / charges	- 668	-184
Translation differences and exchange rate differences		1.050
<b>Financial result</b>	<b>- 775</b>	<b>-3 879</b>

### 6. Taxes

Income taxes are as follows :	30-06-2008	30-06-2007
Current taxes for the current year	-991	-1.543
Current taxes for the previous financial years	23	-34
Deferred taxes	-20	2.989
<b>Total Taxes Charges</b>	<b>-988</b>	<b>1.412</b>

### 7. Earnings per share

Basic earnings and diluted earnings per share are determined using the following information :

	30-06-2008	30-06-2007
1) Group's share in the net result for the year	2 393	20 260
2) Average number of shares considered for basic earnings and diluted earnings	4 121 934	4 121 934

#### Saisonnable character of the results

Due to intrinsic character of its activity, Real Estate Development, the results of the first half year 2008 can not be extrapolated over the whole year.

These results depend from the final transactions before 31st December 2008.

### 8. Associates accounted for under the equity method

Subsidiaries consolidated by the equity method refer to the "Offices Development" activity.

	30-06-2008	31-12-2007
<b>Value as at 1st January</b>	<b>19 929</b>	<b>19 581</b>
Share in result	309	3 786
Acquisitions and transfers from accounts		1 234
Retirements	-1 082	
Dividends paid by the companies	-2 470	-2 130
Impairments in value	168	-2 542
<b>Changes for the year</b>	<b>-3 075</b>	<b>348</b>
<b>Value as at 30th June / 31st December</b>	<b>16 854</b>	<b>19 929</b>

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

### 9. Deferred tax assets and liabilities

Deferred taxes on the balance sheet refer to the following timing differences :	Deferred tax assets		Deferred tax liabilities	
	30-06-2008	31-12-2007	30-06-2008	31-12-2007
Construction contracts	96	125		
Employee benefits obligations	172	172		
Tax losses	222	222		
Inventories			3 930	770
Investment property			215	215
Provisions & Other			8	17
<b>Total</b>	<b>490</b>	<b>519</b>	<b>4 153</b>	<b>1 002</b>

	Assets	Liabilities	Total
<b>On 1st January 2008</b>	<b>519</b>	<b>-1 002</b>	<b>- 483</b>
Deferred tax expense recorded in profit and loss	- 29	9	- 20
Acquisitions of participating interests		-3 160	-3 160
<b>Changes for the year</b>	<b>- 29</b>	<b>-3 151</b>	<b>-3 180</b>
<b>On 30th June 2008</b>	<b>490</b>	<b>-4 153</b>	<b>-3 663</b>

### 10. Inventories

Allocation of this position by segment is as follows :	30-06-2008	31-12-2007
Development :		
- Offices	172 660	137 067
- Residential Development	55 680	48 917
- Land Development	39 411	37 821
<b>Total Development</b>	<b>267 751</b>	<b>223 805</b>
Miscellanea	1 001	834
<b>Inventories</b>	<b>268 752</b>	<b>224 639</b>

The book value of inventories is as follows :

<b>Inventory as at 1st January</b>	<b>224 639</b>	<b>302 336</b>
Purchases for the year	51 137	69 455
Disposals of the year	-7 966	-140 672
Write-offs recorded	- 18	-6 695
Write-offs reversed	960	215
<b>Movements during the year</b>	<b>44 113</b>	<b>-77 697</b>
<b>Inventory as at 30th June / 31st December</b>	<b>268 752</b>	<b>224 639</b>

Break down of the movements of the year per segment :	Purchases	Disposals & Transfers	Write-offs	Net
Development :				
- Offices	35 009	- 366	950	35 593
- Residential Development	11 180	-4 399	- 18	6 763
- Land Development	4 791	-3 201		1 590
<b>Total Development</b>	<b>50 980</b>	<b>-7 966</b>	<b>932</b>	<b>43 946</b>
Miscellanea	157		10	167
<b>Total</b>	<b>51 137</b>	<b>-7 966</b>	<b>942</b>	<b>44 113</b>

The purchases of the "Offices Development" segment are mainly influenced by the projects *State Administrative Centre, Brusselstower, Forum, Omega, Avenir* and *WestSide Village*.

The purchases and the sales of the "Residential Development" mainly relate to the projects *Jardins de Jette, Jardin des Sittelles, Place des Martyrs, Mercelis* and *Foncière du Parc*.

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

### 11. Trade receivables

Trade receivables refer to the following sectors :	30-06-2008	31-12-2007
Development :		
- Offices	2 282	1 841
- Residential Development	1 791	1 650
- Land Development	1 220	992
- Project Management	84	454
<b>Total Development</b>	<b>5 377</b>	<b>4 937</b>
Miscellanea	11 590	13 621
<b>Total</b>	<b>16 967</b>	<b>18 558</b>

### 12. Other current assets

The components of this account are :	30-06-2008	31-12-2007
Other receivables	16 782	16 141
from which : advances to joint ventures and associates	5 412	5 863
taxes (other than income taxes) and VAT receivable	1 689	2 811
grants and allowances receivable	2 683	496
other	6 998	6 971
Deferred charges and accrued income	1 631	964
<b>Total</b>	<b>18 413</b>	<b>17 105</b>

and are related to the following sectors :

Development :		
- Offices	11 258	12 776
- Residential Development	6 029	3 648
- Land Development	646	93
- Project Management	22	29
<b>Total Development</b>	<b>17 955</b>	<b>16 546</b>
Miscellanea	458	559
<b>Total</b>	<b>18 413</b>	<b>17 105</b>

### 13. Net financial debt / Net treasury

The Group's net debt is the balance between (short term and long term) financial debts and available cash. It is - 56,865 KEUR as at 30th June 2008 compared to a net positive treasury of 11,488 KEUR as at 31st December 2007.

	30-06-2008	31-12-2007
Cash and cash equivalents (+)	38 059	132 732
Long-term financial debts (-)	86 664	29 475
Short-term financial debts (-)	8 260	91 769
<b>Net financial debt (-) / Net treasury (+)</b>	<b>-56 865</b>	<b>11 488</b>

The relationship between the Group's net debt and its shareholders' equity is 30 % as at 30th June 2008.

#### Available cash and Cash equivalents

Cash deposits and cash at bank and in hand are 38,059 KEUR compared to 132,732 KEUR at the end of 2007, a decrease of 94,673 KEUR.

The available cash moved as follows :	30-06-2008	31-12-2007
Term deposits	32 768	126 816
Cash at bank and in hand	5 291	5 916
<b>Available cash</b>	<b>38 059</b>	<b>132 732</b>

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

The explanation of the change in available cash is given in the consolidated cash flow table.

### Financial debts

The components of financial debts are as follows :

	30-06-2008	31-12-2007
Finance lease debts	569	379
Debts toward credit institutions	86 095	29 096
<b>Long-term financial debts</b>	<b>86 664</b>	<b>29 475</b>
Finance lease debts	197	278
Debts toward credit institutions	8 063	91 491
<b>Short-term financial debts</b>	<b>8 260</b>	<b>91 769</b>
<b>Total financial debts</b>	<b>94 924</b>	<b>121 244</b>

Financial debts evolve as follows :

	30-06-2008	31-12-2007
<b>Long-term financial debts as at 1st January</b>	<b>29 475</b>	<b>97 977</b>
Contracted debts	57 189	24 732
Repaid debts		-1 484
Disposals - Deconsolidation		-24 550
Debts transferred to short term		-67 200
<b>Long-term financial debts as at 30th June / 31st December</b>	<b>86 664</b>	<b>29 475</b>
<b>Short-term financial debts as at 1st January</b>	<b>91 769</b>	<b>135 898</b>
Contracted debts	4 500	4 845
Repaid debts	-88 009	-78 812
Disposals - Deconsolidation		-37 362
Debts transferred from long term		67 200
<b>Short-term financial debts as at 30th June / 31st December</b>	<b>8 260</b>	<b>91 769</b>

The main items of the Group's financial debts are the floating rate bank loans (Euribor 1 to 12 months + commercial margin). All the financial debts are in EUR. These credits are :

	30-06-2008	31-12-2007
Corporate Credits	45 000	67 200
Project Financing Credits (specific to projects)	49 924	54 044
<b>Total financial debts</b>	<b>94 924</b>	<b>121 244</b>

Financial debt schedule	2008	2009	2011	Total
Total amounts of debts due in :	8.260	35.451	51.213	<b>94.924</b>
- from which amount of debts with variable rate	8.260	20.451	19.900	<b>48.611</b>
- from which hedged amount of debts with variable rate		15.000	31.313	<b>46.313</b>

In the frame of the availability of long term credits, Corporate or Project Financing, the Group uses financial instruments mainly for the hedging of interest rates.

At 30th June 2008, the derivative financial instruments have been concluded as to hedge future risks and are the following :

Period	Options	Strike	Notional amounts
2004 - 2009	COLLAR bought	4,30% - 5,15%	15 000
2007 - 2011	CAP bought	5,00%	1 312
2008 - 2010	CAP bought	4,85%	13 000
2008 - 2011	CAP bought	4,85%	40 000
			<b>69 312</b>

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

Fair value of financial instruments	Assets	
	30-06-2008	31-12-2007
Cash flow hedges		
Bought CAP Options	858	60
Bought COLLAR Options	30	50
<b>Total</b>	<b>888</b>	<b>110</b>

Change in fair value of the derivative financial instruments	Effective part	Ineffective part
<b>Situation at 1st January 2008</b>	<b>0</b>	<b>110</b>
Changes during the period	384	394
<b>Situation at 30th June 2008</b>	<b>384</b>	<b>504</b>

### 14. Equity

The equity is 189,232 KEUR compared to 206,194 KEUR as at 31st December 2007, representing a decrease of 16,962 KEUR.

The explanation of the change in equity is given in the consolidated statement of changes in shareholders' equity.

### 15. Provisions

The components of provisions are as follows :

	30-06-2008	31-12-2007
Provisions related to the sales	2 752	3 826
Provisions for litigations	2 980	2 425
Provisions for evaluation & organisation of the Group	4 008	4 206
Other provisions	1 401	1 334
<b>Total provisions</b>	<b>11 141</b>	<b>11 791</b>
<b>Provisions as at 1st January</b>	<b>11 791</b>	<b>3 737</b>
Allocations	230	10 331
Utilisations	-1 435	- 753
Increase due to acquisitions of participating interests	555	
Decrease due to disposals of participating interests		-1 524
<b>Changes for the year</b>	<b>- 650</b>	<b>8 054</b>
<b>Provisions as at 31st December</b>	<b>11 141</b>	<b>11 791</b>
From which short-term provisions	6 830	7 800

### 16. Trade payables

This account is allocated by segment as follows :

	30-06-2008	31-12-2007
Development :		
- Offices	18 566	24 806
- Residential Development	13 293	15 497
- Land Development	1 928	1 606
- Project Management	97	269
<b>Total Development</b>	<b>33 884</b>	<b>42 178</b>
Miscellanea	8 722	11 684
<b>Trade payables</b>	<b>42 606</b>	<b>53 862</b>

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

### 17. Other current liabilities

The components of this account are :	30-06-2008	31-12-2007
Personnel debts	1 563	2 048
Taxes (other than income taxes) and VAT payable	1 113	1 151
Accrued charges and deferred income	870	880
Operating subsidies	2 546	2 546
Other <sup>(1)</sup>	12 954	15 347
<b>Other current liabilities</b>	<b>19 046</b>	<b>21 972</b>

<sup>(1)</sup> The recorded items under this account are mainly related to the Development sector; it mainly concerns participating debts on works in progress and advance payments.

and are related to the following sectors :	30-06-2008	31-12-2007
Development :		
- Offices	9 908	13 785
- Residential Development	4 707	3 383
- Land Development	1 346	1 507
- Project Management	112	594
<b>Total Development</b>	<b>16 073</b>	<b>19 269</b>
Miscellanea	2 973	2 703
<b>Other current liabilities</b>	<b>19 046</b>	<b>21 972</b>

### 18. Cash flow from operating activities

The components of this account are :	30-06-2008	30-06-2007
Operating income <sup>(2)</sup>	3 843	22 355
Amortisation, depreciation and impairment of assets	- 941	1 775
Change in the fair value of investment property		3 784
Change in provisions	-1 205	228
<b>Cash flow from operations before changes of working capital and taxes</b>	<b>1 697</b>	<b>28 142</b>
Change in working capital	-36 011	52 913
<b>Cash flow from operations before paid taxes</b>	<b>-34 314</b>	<b>81 055</b>
Paid taxes	- 862	587
<b>Cash flow from operating activities</b>	<b>-35 176</b>	<b>81 642</b>

<sup>(2)</sup> Break down by segment are described under note 1-Profit and loss by segment.

The change in working capital by kind is established as follows :	30-06-2008	30-06-2007
Inventories	-22 498	36 552
Trade receivables	2 039	21 913
Trade payables	-11 794	91
Other current assets and liabilities	-3 758	-5 643
<b>Change in working capital</b>	<b>-36 011</b>	<b>52 913</b>

### 19. Cash flow from investing activities

The components are :	30-06-2008	30-06-2007
Acquisitions of participating interests <sup>(3)</sup>	-11 356	
Disposal of participating interests		21 122
Other	2 696	1 718
<b>Cash flow from investments</b>	<b>-8 660</b>	<b>22 840</b>

<sup>(3)</sup> The acquisition of participating interests relate to the companies WestSide and RAC Investment Corp.

## 2.5. NOTES TO THE FINANCIAL STATEMENTS

In thousand EUR

### 20. Cash flow from financing activities

The components are :	30-06-2008	30-06-2007
New contracted borrowings	13 653	5 898
Repaid loans	-43 046	-79 362
Net financial costs	-1 659	-4 929
Paid dividends	-19 785	-8 244
<b>Cash flow from financing activities</b>	<b>-50 837</b>	<b>-86 637</b>

### 21. Events subsequent to interim reporting date

No significant event that may change the financial statements occurred from the reporting date on 30th June 2008 up to 27th August 2008 when the financial statements were closed by the Board of Directors.

## 3. Declaration in accordance with Article 13 of the Royal Decree of 14.11.2007

Baron Buysse, in his capacity as President of the Board of Directors, Mister Gaëtan Piret, in his capacity of Managing Director and Mister Philippe Opsomer, in his capacity of Head of Finance, declare that, as far as they are aware

- a. the interim report contains a true representation of the major events and, where appropriate, of the main transactions between the parties involved that took place during the first 6 months of the financial year, and of their impact on the set of summarised accounts, as well as a description of the main risks and uncertainties for the remaining months of the financial year.
- b. the set of summarised financial statement, which have been drawn up in accordance with applicable accounting regulations, and which have been the subject of a limited review by the auditor, give a true representation of the financial situation and profits and losses of the IMMOBEL Group, and of its subsidiaries.



## **COMPAGNIE IMMOBILIERE DE BELGIQUE SA**

Limited review report on the consolidated  
half-year financial information for the six  
months period ended 30 June 2008

Free translation

## COMPAGNIE IMMOBILIERE DE BELGIQUE SA

### LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

#### FREE TRANSLATION

To the Board of Directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed consolidated cash flow statement, condensed statement of changes in equity and notes 1 to 21 (jointly the "interim financial information") of COMPAGNIE IMMOBILIERE DE BELGIQUE SA ("the company") and its subsidiaries (jointly "the group") for the six months period ended 30 June 2008. The Board of Directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

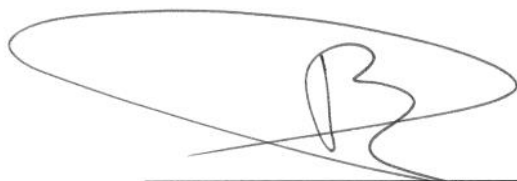
The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six months period ended 30 June 2008 is not prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Diegem, 27 August 2008

**The statutory auditor**



**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Pierre-Hugues Bonnefoy