MONTEA

MORE THAN WAREHOUSES

ANNUAL REPORT 2010

A YEAR OF NEW PERSPECTIVES

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Ce rapport financier annuel est également disponible en Français
This annual financial report is also available in English

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

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

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

This annual report is a document of registry within the meaning of Article 28 of the law of 16 June 2006 relating to the public offerings of instruments of placement and the admissions of instruments of placement to the negotiation on regulated markets. An online version is also available at www.montea.com. This annual financial report was approved by the CBFA on 29 March 2011.

Montea Comm. VA is a real estate company (Belgian company: property investment company, French company listing: SIIC) specialised in logistics and semi-industrial real estate in Belgium and France.

Using this approach, Montea wishes to expand short-term into an important player in this fast-growing market. In this context, Montea aims to give its clients flexible, innovative real estate solutions, thereby creating value for her shareholders. On 31 December 2010, the property portfolio represented a fair value of EUR 232.99 million and a surface of 437,601 m² across 30 sites. Montea Comm. VA has been listed on the NYSE Euronext Brussels (MONT) and Paris (MONTP) since late 2006.

The Montea share is aimed at private and institutional investors from Belgium and overseas who are attracted by an indirect investment in logistics and semi-industrial property (industrial parks) and who aim at a high dividend return with a moderate risk profile.

1. Risk factors

Montea is an investor in property and performs her activities in a constantly changing market. This naturally entails a certain amount of risk. If such risks come to pass, this can have a negative impact on Montea's activities and her forecasts.

Montea seeks development of a solid and diversified property portfolio and wants to provide its shareholders a stable and growing long-term dividend.

Montea's management as well as the Board of Directors constantly monitor those risks Montea faces. The Management consequently pursues a careful risk policy that is modified as needed[1]. This report contains a non-exhaustive list of risks. There may therefore be other hitherto unknown and/or improbable risks that may have an adverse impact on the activity and the financial situation of Montea.

1.1 Risks associated with the economic climate

Like any other company, Montea's business is subject to the influence of economic cycles. The change in supply and demand in property in general is influenced by the general economic conditions. Thus the general macro-economic indicators may have a negative influence on the development activities of Montea. They exert an influence on investment and entering into leases with private companies in the sector of logistics and semi-industrial properties.

Montea seeks to reduce the impact of these cycles on its performance and on the value of its portfolio through:

- diversifying its property portfolio both in terms of geographical location and type of buildings,
- optimising the diversification of its portfolio of clients,
- long-term investing in quality buildings,
- developing flexible real estate solutions for its customers.

Based on the projected figures for 2011, no single Montea customer makes up more than 20% of its total rental income. The graphic below illustrates the diversification of the client-tenant portfolio.

Montea is prohibited from executing any transaction such that it leads to having over 20% of its real estate assets invested in one single real estate entity, or from increasing this percentage, should one or several real estate entities reach an investment of more than 20%[2]. As regards the application of these provisions regarding the identity of the tenants is concerned, Montea remains at all times able to determine if the rental risk the company runs for each of its tenants always remains below the 20% limit. If the aforementioned obligations are not met at the moment of executing a transaction, Montea will make a request for exemption to the 20%[3] limit to be increased[4] or[5] the necessary measures will be taken to reduce the importance of these tenants to below the 20% threshold.

1 For more information concerning Montea's strategy, please see section 4.1 of this annual report. Montea's policy will be adjusted where necessary depending on the defined risk factors.
2 Article 39, § 1 of the Royal Decree of 7 December 2010 on Sicafi.
3 Article 39, §1 of the Royal Decree of 7 December 2010 on Sicafi.
4 Article 39, § 3 of the Royal Decree of 7 December 2010 on Sicafi.
5 A deviation can only occur if the debt ratio of the Sicafi at the time of executing the transaction is less than 33% (see Article 39, § 4).

The company is also exposed to the default or bankruptcy of its co-parties such as banks and credit institutions that provide hedges, property managers, contractors for developments, etc[6].

1.2 Rental risks

Montea actively manages and guides its existing and future clients, to minimise vacancy and tenant turnover in its property portfolio.

The in-house team responsible for the daily management of the buildings handles the technical management of the property portfolio and regularly meets with the commercial team to present efficient and flexible solutions. Moreover, the commercial team will make every effort to proactively minimise any possible vacancies.

These contacts with existing and future clients are essential for securing the rental income, however they have only a limited impact on the price at which a vacant building can be rented, since the price mainly depends on external circumstances (condition and location of buildings, economic market conditions, etc.).

The vast majority of leases contains a clause allowing the rental fee in Belgium to be annually adjusted to the index of consumer prices and in France to the index of construction costs[7]. 100% of the current leases in France and 98%[8] of the current leases in Belgium are subject to changes to the above indices. 33% of the rental income is exposed to a reduction of rent following a possible decline in the index, however, never below the initially stipulated rental fee.

Before a new client is accepted, its financial solvency is checked. On the signing of each lease an unconditional bank guarantee is required, the amount of which corresponds to a rent of 3 to 6 months. The rent is payable in advance, either on a monthly or quarterly basis.

1.3 Risks associated with investment activity and project development

Montea's growth strategy guarantees optimal risk sharing[9] based on the following two pillars:

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

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6 For more information on the audit work on these risks, we refer to section 3.12.3 "Report on internal audit and risk management systems" in this report.
7 ICC – indice de coûts de construction.
8 The DHL lease at the Grimbergen site provides no clause relating to the annual indexing.
9 Montea will, in the interest of its shareholders, provide the necessary diversification in terms of its tenants.

Montea is only itself active to a limited extent as real estate developer within the context of an alliance with third parties (project developers, architectural firms etc.). Over the past year, there were no property developments. Montea does not intend to enter into speculative development projects (the so-called "blank" projects where there are no tenants in advance).

Within the property sector, Montea aims at two subsectors, one in real estate logistics (mainly storage and handling of goods) and the other in semi-industrial real estate (smaller properties usually rented to SMEs and smaller branches of international groups). In this way, the company tries to share its risk in terms of type of tenant/sector and geographical location.

When acquiring a building, Montea always performs a legal, environmental, accounting and fiscal due diligence, based on extensive internal analysis and usually with the assistance of external specialist consultants.

The Property Management team follows up the operational management of the technical maintenance of the buildings, as well as the coordination of the ongoing construction and renovation. This team submits an annual maintenance and renovation schedule to the Board of Directors for the purpose of securing optimal long-term portfolio profitability. In 2010, a total of EUR 0.3 million were spent on maintenance costs. Moreover, an amount of EUR 1.2 million was invested in improvements to the existing portfolio.

1.4 Risks associated with the fluctuation of the operational costs

Direct operational costs are mainly influenced by two factors:

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

The preparation and monitoring of building construction and major renovations are part of the remit of the Project Management team reporting to Montea's COO.

1.5 Risk of destruction of the buildings

The risk of buildings destroyed by fire or other disasters is fully insured for new construction. The insurance policies, underwritten by Montea, also include additional guarantees (such as tenant suspension[10]), which were established based on the best possible market coverage.

On 31 December 2010, the insured value of the property portfolio amounted to EUR 259.4 million in Belgium and France. This covers the full fair value of the portfolio on the same date.

[10] The average deposit for loss of rent is approximately one and a half years.

During 2010, an entire premium of EUR 240K was paid for the insurance of these buildings. These insurance premiums were all invoiced to the tenants, with the exception however of the premiums paid for vacant buildings and with the exception of premiums whereby the recovery is either contractually impermissible or limited. The percentage of the total insurance premiums that could not be contractually invoiced to our clients amounted to 44% of the total.

1.6 Environmental permits and environmental risks

1.6.1 Environmental permits

Montea or the tenants have the necessary environmental permits for the operation of all certified installations in its buildings[11]. They are modified if (changes to) the law, the type of operation or the technical characteristics require this.

1.6.2 Environmental risks (state of the buildings, quality of soil, subsoil and groundwater)

Before a building is purchased, Montea thoroughly examines all deviations and environmental risks.

To avoid any pollution and financial risk, Montea also performs an investigation when necessary into the quality of the soil, the subsoil and the groundwater for buildings where risk activities are or have been conducted, such as the presence of a fuel tank. In the event of proven contamination, Montea shall make every effort to manage the potentially associated risks with due diligence. Moreover, Montea periodically checks its facilities that may present a risk to the soil.

1.7 Financial risk management

Exposure to foreign exchange, interest rates, liquidity and credit risks, can arise in the exercise of Montea's normal commercial activities. The company analyzes and reviews all risks and hereby defines the strategies in order to manage the economic impact on the performance of the CEIC. The results of these analyses and proposed strategies are reviewed and approved by the Board of Directors on a regular basis.

1.7.1 Interest rate risk

The current and fixed financial liabilities of Montea consist solely of current liabilities with floating interest. The Sicafi uses financial hedging instruments of the IRS (Interest Rate Swaps) type to cover the interest rate risk. In note 14 there is an overview of the fair value of hedging instruments. An increase or decrease of 100 basis points in the interest rates of our liabilities with floating interest rates would mean an increase or decrease in the market value of financial hedging instruments by EUR 7.61 million and EUR 5.17 million, respectively. This sensitivity is not a cash element and would have no impact on net operating profit, but rather on the net result.

[11] Montea is responsible for permits relating to the operation of the building. The tenant is responsible for any additional licensing in relation to the respective activity. These documents are part of the procedure for purchase/sale and/or renting.

On 31/12/2010 the interest rate risk was 99.7% hedged so that an increase/decrease in interest rates could have a minimal impact on the Sicafi's result. With an increase or decrease of 100 basis points, the annual interest burden for the company would only rise or fall by EUR 4K.

1.7.2 Credit risk

The credit risk is the risk of financial loss to the Sicafi if a client or counterparty fails to meet its contractual obligations. The management has a credit policy and the exposure to credit risk is managed on a continuous basis. Each new tenant must be independently examined for creditworthiness before the Sicafi makes a lease offer, taking into account a rental guarantee of 3 or 6 months.

1.7.3 Exchange rate risk

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

1.7.4 Liquidity risk

In note 30 there is an overview of the financial liabilities with their respective maturities. The company manages its liquidity risk by making sufficient credit resources[12] available and by reconciling both receipts and payments as much as possible.

1.8 Financial risks and risks associated with changes in interest rates

Montea is exposed to:

- financial risk (a possible lack of liquidity);
- risks arising from changes in interest rates.

1.8.1 Financial risk

Montea maintains a sustainable and healthy relationship with its bank partners (ING, Dexia, BNP Paribas Fortis and KBC), who form a diversified group of leading European financial institutions. This diversification ensures attractive financial market conditions.

The financial risk to which the Sicafi is exposed chiefly consists in potentially having a lack of liquid assets, but is limited by:

- the diversification of Montea's financial debt with three leading European financial institutions (ING, Dexia, BNP Paribas Fortis and KBC), each financing approximately one fourth of Montea's financial debts;
- the maturity of the financial debt: no credit line expires before the end of 2011. Currently Montea is analysing its financial debt position with its financial institutions to be ready to refinance its debt against current market-aligned values prior to the expiry date of its credit lines;

[12] On 31/12/2010, Montea had EUR 115 million of credit lines, of which EUR 108 is already included. This means that Montea still had EUR 7 million available. If on 31/12/2010, Montea had included all existing lines of credit, the debt ratio would be 49.02%.

Montea has a total of EUR 115 million of credit lines, of which EUR 108 million is already included. During 2011, EUR 55 million of these credit lines will expire. For more information concerning Montea's financial structure, please see section 4.6.2 of this annual report.

During the drafting of this annual report, Montea has been working on renewing financing for those credit lines expiring in 2011, with a focus on:

- the diversification of the debt across various financial institutions;
- the diversification based on the maturity of the financing;
- the diversification of the types of debt;
- the financing cost.

On 31 December 2010, the consolidated debt ratio represented 47.63%[13] .

1.8.2 Risks associated with changes in interest rates

The risk of rising interest rates is hedged via IRSs ("Interest Rate Swaps"). Montea prefers to lock its financing at a fixed interest rate. If financing is locked at a variable interest rate, the risks arising from interest rate fluctuations are limited by the use of hedging instruments like IRS. The total debt is hedged for 99.7% by IRS-type hedging instruments, with an expiry date between 2011 and 2021. The average interest charge on 31 December 2010 was 4.52% (including bank margins).

Montea books negative variances to the fair value of the interest coverage instruments where the interest rates are lower than the current IRS-based interest rates. These negative variances can have an impact on the net profit, but have no influence on the net operating profit.

1.9 Exchange rate risks

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

1.10 Other regulatory risks

Montea is aware that changes in regulations may be implemented and/or that new requirements may arise.

Montea is subject to corporate tax (33.99%) but its taxable basis is limited to the rejected expenses and to favourable and abnormal advantages. Rental revenue as well as the surplus value is thus not incorporated in the taxable basis, which significantly reduces the taxable basis. Dividend payouts are subject to a withholding tax of 15%.

Upon the loss of recognition of the status as a Sicafi, the company would lose the advantage of this favourable tax treatment. Montea regards this risk as purely theoretical, since it is careful to meet all its obligations. Thus the risk of loss of this status is in principle purely theoretical.

[13] The debt ratio is calculated in accordance with Article 53 § 2 of the Royal Decree of 7 December 2010.

The new Royal Decree on Sicafis of 7 December 2010 was published in the Belgian Official Gazette on 28 December 2010. This Royal Decree went into effect on 7 January 2011. This new legislation imposes new obligations and/or limits and the Sicafi may risk not being in compliance therewith. The Sicafi shall do its utmost to take all possible measures needed to meet the deadlines as scheduled in this new law.

2. LETTER TO THE SHAREHOLDERS

2010 A Year of Perspectives

Dear Shareholders,

We are delighted to send you this letter, together with the annual report of the fourth year of Montea's financial activity.

In 2007, we entitled our annual report "A year of dedication and creativity", in reference to our values and our commitments. During 2008, which we called "A year of growth", our property portfolio experienced a solid growth of over 50%. 2009 was "A year of challenges", in which Montea succeeded in meeting its target goals despite the economic crisis and paid out a dividend in line with that of 2008.

And 2010 was a year of new opportunities for Montea. First of all, the successful capital increase in mid-2010 provided Montea with the chance of finalising interesting investment opportunities with FM Logistics in France and Coca-Cola in Belgium. In order to perpetuate the further growth this capital increase offered Montea, it expanded its management team with the addition of two strong profiles, each responsible for the continued growth and optimisation of the portfolios in France and Belgium, respectively. Montea finally opened its own office in Paris in order to be a full-fledged and active home player in this market. These are the reasons why we have given our 2010 annual report the title "A year of new perspectives".

The fair value of the property portfolio at 31 December 2010 was EUR 232.99 million, while the investment value reached EUR 241.53 million on that date. Montea took an important step forward with its anchoring of a "Class A" logistics platform in Orleans, France for a fixed 9-year lease to FM Logistics. Montea additionally secured her role as expert in logistics property in France by signing a customised development agreement for the construction of a new distribution centre for Coca-Cola in Charleroi.

Today, our property portfolio of 437,601m², spread over 30 different sites, is generating an average gross return of 7.88% based on leases with 71 clients of various sizes and from sectors ranging from logistics (DHL, FedEx, Chronopost, Norbert Dentressangle), to industry (BF Goodrich, Brossette, Jan De Nul) to consumer goods (Unilever, H&M, Barry Callebaut).

Operationally, in 2010 Montea realised a solid second half, ending the year with a utilization rate of 95.13%. Montea signed new leases for more than 25,000m². This testifies to the sustained commercial effectiveness which Montea has demonstrated in a difficult economic environment. For the full year, the net rental income amounted to EUR 17.1 million, representing an increase of 4.67% compared to 2009.

Thanks to the capital increase made on 02.07.2010, the consolidated debt ratio fell from 56.43% to 47.63%. In addition, 99.7% of the debt is covered by contracts guaranteeing a fixed rate of 4.6%.

Because of the financial crisis, economic recession and the credit crunch, activity on the property investment market was historically low in 2009. This had an immediate negative effect on the estimated values of logistics and semi-industrial buildings. The Sicafi's property portfolio underwent a positive change in 2010, whereby the net accounting income of EUR -10.7 million in 2009, changed to a positive EUR 8.22 million in 2010. This result was primarily impacted by unrealised variations in the fair value of property and hedging instruments (IAS 40 and 39, respectively).

Based on these factors, the Montea Board of Directors will offer a dividend of EUR 0.97 gross per share at the annual General Meeting for the first half of 2010 and a gross dividend of EUR 0.87 per share for the second half of 2010[14].

The Board also wishes to thank the entire Montea team for its day-in, day-out commitment and for the significant achievements made in 2010.

Gerard Van Acker*	Jo De Wolf**
Chairman of the Board of Directors	Chief Executive Officer

* Permanent representative of Gerard Van Acker SPRL
** Permanent representative of Jo De Wolf SPRL

[14] See section 4.2.8 of this annual report for more information.

3. KEY FIGURES

		BE	FR	2010	2009	2008
Number of sites		12	30	42	33	32
Surface of the real estate portfolio						
Logistics and semi-industrial warehouses	M²	246.522	145.816	392.338	333.015	320.402
Offices	M²	32.579	12.684	45.263	47.663	45.657
Total surface	**M²**	**279.101**	**158.500**	**437.601**	**380.678**	**366.059**
Development potential	M²	43.220	26.500	69.720	69.720	62.197
Value of the real estate portfolio						
Fair Value (1)	K€	141.143	91.847	232.990	206.253	210.789
Investment Value (2)	K€	145.018	96.509	241.527	213.393	218.369
Occupancy rate						
Occupancy rate as % of the rental value (3)	%	94,67%	95,81%	95,14%	91,78%	96,24%
Consolidated results						
Net rental result	K€	11.111	5.986	17.097	16.334	14.024
Real estate result	K€	10.956	5.762	16.718	15.962	13.828
Operational real estate result before the result on the	K€	7.993	5.225	13.218	13.425	11.483
Operational margin (5)	%	71,9%	87,3%	77,3%	82,2%	81,9%
Change in the market value of the real estate portfolio	K€	-4.662	2.756	-1.906	-16.033	-10.046
Operational result after the result on the portfolio	K€	3.879	7.981	11.860	-2.608	2.072
Financial result	K€	-626	-3.010	-3.637	-8.064	-9.800
Net result	K€	3.253	4.971	8.224	-10.682	-7.756
Net current result (4)	**K€**	**5.724**	**2.215**	**7.938**	**7.441**	**8.446**
Number of shares entitled to the result of the period				4.609.740	3.585.354	3.585.354
Net result per share	€			1,78	-2,98	-2,16
Net current result (excl. IAS 39) per share	€			1,72	2,08	2,36
Proposed dividend	€			1,84	2,09	2,09
Consolidated balance sheet						
Equity and minority participations	K€			124.107	84.469	102.644
Debts and liabilities for calculation of debt ratio	K€			122.623	122.032	118.349
Balance sheet total	K€			258.799	216.264	224.281
Debt ratio	%			47,6%	56,4%	52,8%
Net asset value per share	€			22,01	23,50	28,60

(1) Fair value of the portfolio is the accounting value following the IAS/IFRS rules.
(2) The investment value is the value of the portfolio without deduction of the transaction costs.
(3) This ratio is calculated in function of the real rental income and the estimated rental value of the surface not rented.
(4) Impact IAS 39: revaluation of the hedging instruments before the interest rates.
(5) The operating margin is the quotient of the operational result before the result on the portfolio, divided by the net rental result.
(6) The proposed dividend corresponds to a dividend of EUR 0.97 per share for the first half of 2010 and EUR 0.87 per share for the second half of 2010.

Shareholder agenda

- 22/02/2011 Annual results per 31/12/2010
- 12/05/2011 Interim statement – results per 31/03/2011
- 10/05/2011 Annual General Meeting of shareholders
- 25/08/2011 Half-yearly financial report – results per 30/06/2011
- 17/11/2011 Interim statement – results per 30/09/2011

4. MANAGEMENT REPORT

4.1 Montea's strategy: "More than warehouses"

The guiding principles of the Montea strategic plan have been retained for 2011. Specifically, Montea's strategy is centred around 3 core principles:

- **Logistics and semi-industrial property**

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

- **Pure player**

Montea invests exclusively in logistics and semi-industrial property in order to be able to focus all its efforts on this niche. The Belgian and French teams consist of specialists in this branch, top-level experts in their field. Thus Montea stands apart from numerous other investment groups that have chosen to diversify their property categories, at the expense of a clear focus.

- **Final investor**

Montea operates on the market as a final investor, with a long-term vision for its property portfolio. Montea benefits from its experience and its knowledge of the niche market in order to involve itself earlier in the development process, in collaboration with other players, such as the developers and land owners. The customised project with Coca-Cola in 2010 was an interesting example of this vision.

4.2 Major achievements during the financial year 2010

4.2.1 Investment activity during 2010 in Belgium and France

- **July 2010 – Completion of the purchase of a new 'Class A' logistics platform of 75,000m² in Saint-Cyr-en-Val (Orleans - France)**

  On 28 May 2010, a purchase contract under suspensive conditions, of a new 'Class A' logistics platform of 75,000 m² in Saint-Cyr-en-Val (Orleans)[15] was signed.

  In July 2010, all the suspensive conditions were met. The acquisition by Montea was therefore completed. The building, situated on a 'prime' location, near Orleans, along the A10/E05/E09 and E60 access roads, represents an investment of EUR 35.3 million. It is leased in its entirety to FM Logistics until 30/06/2019.

[15] For more information, please see the press release dated 28/05/2010 (www. montea.com).

4.2.2 Development activity during 2010

- **8 June 2010 – Signing of a contract for the development of new logistics building for Coca-Cola Enterprises Belgium in Heppignies (Charleroi)**

  Together with the Coca-Cola Enterprises Belgium, Montea sought a good site for the development of a distribution centre that will be especially designed for the former. The site will also meet the strictest sustainability standards. The distribution centre will be built on a site of ± 42,000 m², located in Heppignies. The land is in the immediate vicinity of the E42 motorway, which interconnects all the major cities of Wallonia. It is furthermore very close to the Brussels South Charleroi Airport. The new distribution centre is expected to be operational in September 2011.

  The total investment value is estimated at EUR 9.3 million, all expenses included. In theory, the new distribution centre will be operational in September 2011, the date on which a leasing agreement will come into effect for a fixed term of twelve years. The maximum annual rent will amount to EUR 725,000[16] and can be indexed on a yearly basis.

  This new investment will contribute to an increased duration[17] of the leasing agreement. This investment also strengthens Montea's position in the field of 'Class A' logistics platforms (prime location, easy accessibility, quality building and tenant).

4.2.3 Divestment activity during 2010 in Belgium and France

With an eye on a sharp focus on its core business and the optimisation of its property portfolio, Montea proceeded to acquire two sites in Belgium. These transactions reflect the importance Montea attaches to the dynamic management of its property portfolio.
These divestments provide Montea with the financial resources to further invest in the property portfolio.

- **10 February 2010 - Divestment of two semi-industrial buildings in Schoten**

  Montea proceeded with the sale of two semi-industrial buildings of 1,470m² and 3,605m² respectively, located in Schoten (Antwerp region) Montea realised the two divestments due to the fact that these non-strategic buildings no longer met certain standards for its property portfolio, namely, the office/warehouse ratio and the average area per tenant. The sale represented an amount of EUR 3.28 million, providing a capital gain of EUR 0.23 million (EUR 0.06 per share) compared to the fair value of the sites of EUR 3.05 million recorded by Montea at 31/12/2009).

- **2 July 2010 – Divestment of the semi-industrial building in Buggenhout**

  Montea sold this semi-industrial building of 4,425m². The income from the sale amounted to EUR 0.9 million. The operation generated a surplus value of EUR 0.28 million in relation to the fair value at 30/06/2010.

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[16] The gross initial yield is 7.8%.

[17] The average duration of the leases, calculated on the entire property portfolio currently amounts to 5.53 years based on the expiry date of the leases and 3.53 years based on the first break date.

4.2.4 Rental activity during 2010 in Belgium and France

During 2010 the occupancy rate increased to 95.13%[18] at 31/12/2010, thanks to extensions of existing lease agreements and signing of new ones:

- **New 9-year lease agreements with Movianto and CAD Service at the Erembodegem (Aalst) site**

  In December 2009, Montea concluded a new 9-year lease agreement with Movianto (with possibility of cancellation after 3 years) for 7,747m² conditioned warehouse space and 603m² office space at the Erembodegem (Aalst) site[19]. This rental period began on 1 January 2010. The new lease agreement generated a total of EUR 194K of additional rental income in 2010 compared to 2009 (this new lease agreement amounts to an annual rental income of EUR 352K)[20].

  Montea also concluded a 9-year lease agreement with CAD Service (the possibility of cancellation after 6 years) for 571m² office space on this site. This rental period began on 1 March 2010. The new lease agreement generated a total of EUR 50K of additional rental income in 2010 (this new lease agreement amounts to an annual rental income of EUR 60K).

  Furthermore, Montea has installed its own offices in the Aalst-Erembodegem site (656m²). The registered office has been moved to this address.

  After the conclusion of these lease agreements and the installation of Montea in these office buildings, the site currently still has 663m² of vacant space available.

- **9-year fixed lease extension with VDAB on the Aalst-Tragel site**

  In April 2010, Montea signed a 9-year extension to the existing lease agreement with the VDAB on the Aalst-Tragel site. However, this new lease agreement did not contribute any additional rental income in 2010, as it is an extension of an existing lease agreement (this new lease agreement amounts to an annual rental income of EUR 241K).

- **9-year fixed lease extension with Stork Intermes for 2,470m² on the Berchem site**

  In July 2010, Montea and Stork Intermes S.A. signed a lease agreement extension for fixed period of 9 years for 2,470m² on the Berchem site[21]. The agreement generates a rental income of EUR 200K per year. Stork Intermes specialises in the sale of measuring and calibration instruments.

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[18] The occupancy rate for the entire portfolio is calculated on the basis of area (m²).
[19] For more information, please see the press release dated 21 December 2009 (www.montea.com).
[20] Since 1 September 2007, Montea had a lease of EUR 158K per year with Movianto. The new lease agreement for additional area generates EUR 194K in new annual rental income. The annual rental income in total is EUR 352K.
[21] For more information, please see the press release dated 15 July 2010 or www.montea.com.

- **7,960m² leased for 9 years to S.M.I.W. SA on the Herstal-Milmort site**

In October 2010 Montea and S.M.I.W. signed a 9-year lease agreement[22] (with possibility of cancellation after 6 years) for a unit of 7,960 m². The new tenant, a specialist in storage, traceability, handling and inventory management, will be storing food products on the site. The Herstal-Milmort building, with its total surface area of 28,340m², represents 10% of Montea's total portfolio in Belgium. Close to the E313 (Antwerp direction) and the E40 (Liege direction) motorways, the site is ideally situated for logistics activities.

- **9,543m² leased for 9 years to Stockage Industriel on the Herstal–Milmort site**

In November 2010 Montea and Stockage Industriel (Vincent Logistics) signed a 9-year lease agreement (with possibility of cancellation after 3 years) for a unit of 9,543m² in Herstal-Milmort (Liege)[23]. The new tenant, a storage and distribution specialist, will use the space for storing dry food products.

- **10,415m² leased for 9 years to Pomax on the Mechelen site**

In November 2010, Montea and Pomax signed a lease agreement for a period of 9 years and 7 months (with possibility of cancellation after 3 years)[10]. Pomax will be renting 10,208m² storage space and 207m² office space. The new tenant will occupy more than 45% of the total site in Mechelen. The warehouse will mainly store furniture, decorative items and gifts.

4.2.5 Organisational events during 2010

- **Appointment of Jean de Beaufort to the position of Director France – Opening of Montea offices in Paris**

In July 2010 Montea appointed a Director for France[24]. Montea would thus like to consolidate its local presence. Jean de Beaufort started working in his new position on 1 August 2010.

Montea decided to install its own competency centre in Paris, in order to have more direct access to the French market. The centre will be responsible for the development of the property portfolio and the property management of the current portfolio in France. Located at 18, Place de la Madeleine, 75008 Paris, the office has been operational since 1 September 2010.

- **Appointment of Jo De Wolf for the position of Chief Executive Officer (CEO)**

In September 2010, Montea announced the appointment of Jo De Wolf for the position of Chief Executive Officer (CEO)[25]. On 1 October 2010, he succeeded Dirk De Pauw, who had been working as CEO ad interim since mid-February. Dirk De Pauw becomes Chairman of the Investment Committee once again and keeps his mandate in the Board of Directors.

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22 For more information, please see the press release dated 27 October 2010 or www.montea.com.
23 For more information, please see the press release dated 9 November 2010 or www.montea.com.
24 For more information, please see the press release dated 22 June 2010 or www.montea.com.
25 For more information, please see the press release dated 3 September 2010 or www.montea.com.

- **Appointment of Peter Demuynck for the position of Chief Commercial Officer (CCO) in Belgium**

  In November 2010, Montea announced the appointment of Peter Demuynck for the position of Chief Commercial Officer (CCO)[26]. Peter Demuynck has been working at Montea since January 2011. Montea is seeking to reinforce its commercial power, as well as to elaborate and optimise its Belgian property portfolio. The CCO will be concentrating on the development of investment opportunities in Belgium, on the optimisation of the existing property portfolio, and on the continued improvement of the occupancy rate. The new CCO completes the Montea management team, which now comprises Jo De Wolf (CEO), Peter Snoeck (COO Belgium), Peter Verlinde (CFO) and Jean de Beaufort (Chief Executive Officer France).

4.2.6 Development of the results and the position of Montea

The net operational result of the property investment company amounted to EUR 7.94 million (EUR 1.72 per share), which is 6.68% more than in 2009 (EUR 7.44 million) but representing a per-share decrease of 17%[27].

This positive evolution of EUR 0.50 million resulted mainly from the following elements:

- positive variation of the rental income of EUR 0.76 million (+4.67%), which is comprised of:
  - additional rental income on the one hand:
    - investments concluded in 2009 which exerted their full impact during 2010;
    - investment on the Saint-Cyr-en-Val site (Orleans, France);
  - lower rental income on the other hand:
    - divestment of 3 sites (Schoten Jagersdreef, Schoten Brechtsebaan and Buggenhout);
    - vacancy of the building in Mechelen (DHL); Meanwhile this area has been leased to Pomax (see “Lease activity);

- negative variation (increase) of the company’s property costs and overheads, amounting to EUR 0.39 million, largely due to:
  - increase of the commercial expenses following the new lease agreements on the Milmort and Mechelen sites;
  - development of the competence centre in Paris for the expansion of the French property portfolio;
  - strengthening of the Montea management team;

- negative variation (decrease) of the other operational costs and incomes: EUR 0.57 million. These are mainly due to an exceptional one-off account with a tenant for EUR 0.3 million and a one-shot exceptional result of EUR 0.1 million for 2009[28];

[26] For more information, please see the press release dated 25 November 2010 or www.montea.com.
[27] Average of 3,585,354 shares for the first half of 2010 and 5,634,126 for the second half (after the capital increase). The net operating result per share last year was EUR 2.08. The decrease in the net operating result per share versus last year is largely the effect of the dilution following the capital increase (see section 4.2.7).
[28] For more information, please see the press release dated 27 August 2009 or www.montea.com.

- Decrease of the negative operational financial result of EUR 0.69 million, mainly explained by the fact that the average net cash resources for 2010 were lower than in 2009 (especially because of the as yet taken-up liquidities coming from the capital increase of July 2010), plus lower financial costs (no margin to be paid on the unused credit lines).

4.2.7 Success of the capital increase of 2 July 2010 – Additional investment capacity of approximately EUR 80 million

On 2 July 2010, 2,048,772 new shares were issued as part of a public offering, in cash, with priority rights, for the sum of EUR 39,951,054 (specifically, EUR 39,418,373.28 share capital and EUR 532,680.72 issuing premiums).

The capital increase was a success: the new shares, 100% subscribed, gave Montea an additional investment capacity of approximately EUR 80 million.

At the end of the operation, Montea's share capital at 2 July 2010 amounted to EUR 108,382,735.61. It is henceforth represented by 5,634,126 equity shares. There are no preferential shares. Each share confers one vote at the Annual General Meeting. The shares therefore represent the denominator for the notification needs if the legal thresholds are not reached, are reached, or are exceeded (transparency regulation).

4.2.8 As proposed in the prospectus: dividend of EUR 0.97 per share (for the first half of the year) and EUR 0.87 per share (for the second half of the year)

Following the capital increase, the prospectus proposed a dividend of EUR 0.97 per share for the first half of the year (for the 3,585,354 shares before the capital increase), and EUR 0.87 per share for the second half of the year (for the 5,634,126 shares after the capital increase).

Montea recorded a distributable result[29] of EUR 8,495,324.

The Board of Directors will propose at the Annual General Meeting to distribute a dividend of EUR 0.97 per share for the first half of the year (for the 3,585,354 shares before the capital increase), and EUR 0.87 per share for the second half of the year (for the 5,634,126 shares after the capital increase). That represents a payout percentage of 98.6%.

4.2.9 Information regarding the current lawsuit – formal complaint and a counterclaim with damages and interest by Montea

In 2006, the company made certain agreements that should make possible the investment of certain buildings through a merger or other transaction. These agreements were subject to a number of suspensive conditions, principally in relation to compliance with planning regulations, which contractually had to be met by 31 March 2007.

Montea has previously reported that a third party had brought proceedings against Montea in 2008, because the party felt entitled to the contributions of certain buildings by means of a merger or another transaction. On the basis of objective elements, Montea rejected this contribution because she was convinced that the respective contractual conditions had not been met. Subsequently, the concerned party demanded the payment of damages of EUR 5.4 million from Montea. Montea believes that this claim is unfounded.

[29] Definition in accordance with Article 27 of the Royal Decree of 7 December 2010.

By order of 28 April 2009, the Commercial Court of Brussels decided in favour of Montea. The counter party was sentenced to pay the costs of the lawsuit. On 23 July 2009, the defendant appealed to the Brussels Court of Appeal. At present the parties are exchanging conclusions. It is possible that a ruling cannot be expected in 2011, depending on the availability of the Court of Appeal.

Montea sees no reason for any change in policy because of this dispute.

4.3 The property market in Belgium and France[30]

4.3.1 The rental market in Belgium

4.3.1.1 Supply

Despite the fact that it was a clearly poorer year on the industrial property market, the stock continued to rise in 2010. Antwerp and Brabant, two parts of the so-called “Golden Triangle” still account for nearly 45% of the market. Since large new projects failed to materialise and the market stabilised, the relations between the provinces also remained the similar.

Stock (m²)	2006	2007	2008	2009	2010
Antwerp	5.310.000	5.640.000	5.662.000	5.875.000	5.905.000
East-Flanders	1.475.000	1.567.000	1.756.000	1.785.000	1.845.000
West-Flanders	1.127.350	1.137.500	1.165.000	1.175.000	1.200.000
Lilmburg	3.800.000	3.870.000	3.916.000	3.925.000	3.945.000
Flemish-Brabant	4.500.000	4.536.000	4.675.000	2.917.000	3.055.000
Brussels				795.000	810.000
Walloon-Brabant				1.185.000	1.185.000
Liège	2.375.000	2.387.000	2.435.000	2.445.000	2.485.000
Namur	600.000	600.000	600.000	602.000	610.000
Hainaut	1.550.000	1.565.000	1.636.000	1.775.000	1.940.000
Luxembourg	631.750	637.500	665.000	672.000	680.000
TOTAL	**21.369.100**	**21.940.000**	**22.510.000**	**23.151.000**	**23.660.000**

Given the breakdown of the total stock on the logistics and semi-industrial market segments there are some provincial differences. Thus, the logistics sector in Antwerp remains dominant (±65%), albeit less than previous years. This is a consequence of the decline in major logistics developments. In the province of Limburg, the semi-industrial market remains the largest segment with a share of 65%.

[30] Source: De Crombrugghe & Partners NV for the property market in Belgium and Deloitte France for the property market in France.

A. Projects

The industrial property market in Belgium belatedly responded to the economic relapse leading to a gradual decrease in the number of projects. Currently, the number of projects under construction or planned in the short-term is similarly limited compared to a few years ago. The actual start of new projects is often dependent on the signing of a lease by the future user. Indeed, current construction methods increasingly allow for construction to be realised on relatively short notice and thus to be able to quickly respond to demand. The construction of smaller semi-industrial developments in SME-zones, focusing on sales to end users, especially in Antwerp, has a large number of developments. The following table provides an overview of projects planned for the coming years. Major projects are listed in the summary below.

Community	Address / Project	Type	Surfaces (m²)	Availibility
1120 Brussels	Canal Logistics (fase 2)	logistiek	25.000	2011
2830 Willebroek	Antwerp South Logistics (fase 3 & 4)	logistiek	70.000	(*)
2870 Puurs	Puurs Pullar	logistiek	40.000	(*)
4684 Haccourt	Trilogiport	logistiek	200.000	> 2010
8400 Oostende	Sea Gate Logistices (exclusief unit a)	logistiek	115.000	(*)
9000 Ghent	Hulsdonk (fase 2)	logistiek	30.000	(*)
9052 Zwijnaarde	Eiland Zwijnaarde	ind./ logistiek	250.000	2014

** : The project is completed + - one year after the signing of the lease*

B. Vacancy

Due to the difficult economic context and the associated decline in take-up and increased supply, the vacancy rate increased in 2010 by a total of almost 150,000m². The increase mainly centred in the provinces of Antwerp and Hainaut. A similar decline can also be noted in a number of other provinces. Among them in East and West Flanders and Liege. The Belgian market overall is faced with a number of very old buildings that are difficult or impossible to lease out or if so, then at very low prices. This phenomenon is also an obstacle to the demolition and reconstruction of these buildings. It is only with great difficulty that the high cost associated with this operation can be translated into higher rents for new buildings. By the same token, eventually there will also no doubt be an increasing awareness among end users that new efficient buildings can have a positive effect on operating costs. In this context, special attention is given to lower energy consumption thanks to better insulation. This is a significant factor in light of rising energy costs.

	Availibility (m²) 2010			Availibiltiy (€/m²/j) 2010		
	< 5.000 m²	> 5.000 m²	Total	< 5.000 m²	> 5.000 m²	Average
Antwerp	271.180	1.128.214	1.399.394	38	42	41
East-Flanders	100.198	234.478	334.676	35	36	36
West-Flanders	46.736	9.357	56.093	27	26	27
Limburg	11.603	81.383	92.986	35	36	36
Flemish-Brabant	81.270	89.779	171.049	47	48	48
Brussels	38.591	35.732	74.323	44	46	45
Walloon-Brabant	16.026	72.345	88.371	45	42	43
Liège	44.694	184.397	229.091	41	37	38
Namur	9.330	12.500	21.830	40	28	33
Hainaut	22.181	65.000	87.181	36	37	37
Luxembourg						
Total	**641.809**	**1.913.185**	**2.554.994**			

4.3.1.2 Demand

A. Take-up

After the steep decline in 2009, it again became possible to show significant improvement in the number of square metres taken-up in 2010. The revival of economic activity has therefore been translated into higher demand for industrial space. Compared to 2009, a general improvement of ± 25% was recorded. There are indeed large provincial differences, thus Antwerp fell back sharply, while Flemish Brabant, Brussels, Walloon Brabant and Hainaut made substantial progress. It should be noted that the completion or withdrawal of certain larger projects may have a severe impact, thereby contributing to a high volatility of the annual figures.

Community	Address / Project	Type	Surfaces (m²)	Availibility
1120 Brussels	Canal Logistics (fase 2)	logistiek	25.000	2011
2830 Willebroek	Antwerp South Logistics (fase 3 & 4)	logistiek	70.000	(*)
2870 Puurs	Puurs Pullar	logistiek	40.000	(*)
4684 Haccourt	Trilogiport	logistiek	200.000	> 2010
8400 Oostende	Sea Gate Logistices (exclusief unit a)	logistiek	115.000	(*)
9000 Ghent	Hulsdonk (fase 2)	logistiek	30.000	(*)
9052 Zwijnaarde	Eiland Zwijnaarde	ind./ logistiek	250.000	2014

** : The project is completed + - one year after the signing of the lease*

When the planned projects are added to the current available surfaces of and then related to the historical take-up, it then becomes possible to gain a clear understanding of the required number of years that are needed to take up or absorb this volume. Especially in the provinces of Limburg and Flemish Brabant, as well as in Brussels, this layer is fading, therefore there is gradually more scope for new initiatives. By contrast, in the province of Liege, it will take more than 9 years before the market is able to completely take up the current supply and planned projects.

Given the changes in the economy, it is highly advisable that some caution be used when demonstrating the evolution of historical take-up. The years preceding the crisis were indeed very good economic years that were followed by a rare economic downturn. Similarly, the slowly creeping de-industrialization of the Belgian economy is having an impact on the future needs of industrial area.

Logistics & Semi-industrial	Availibility (m²) *	Projects (m²)	Historical Take-up (m²)**	Absorbtion (year)
Antwerp	1.138.500	452.000	369.000	4,3
East-Flanders	198.500	343.500	121.000	4,5
West-Flanders	56.000	117.000	18.500	9,4
Limbourg	92.500	16.000	57.500	1,9
Flemish-Brabant	166.500	105.500	108.500	2,5
Brussels	52.000	145.000	94.500	2,1
Walloon-Brabant	60.500	27.500	16.000	5,5
Liège	104.500	320.500	47.000	9,0
Namur	21.500	-	5.500	3,9
Hainaut	30.000	216.500	55.000	4,5
Luxembourg		*non-représentatif*		
TOTAL	**1.920.500**	**1.743.500**	**892.500**	**4,8**

B. Rents

Due to the increasing vacancy, rents remain under pressure. At the beginning of the year, a slight drop in rents was recorded. As the year progressed and the economic recovery was confirmed, rents stabilised.

The often large price differences are mainly due to the location and quality of buildings. As a result, clear price differences are noticeable even within the same region. Traditionally, the highest rents are paid within the Golden Triangle (Antwerp, Brussels, Ghent). The central location of this region has something to do with this. The limited availability of industrial land has its effect on land values that are amongst the highest in the country.

Rents for high-quality logistics buildings in Flemish Brabant and Antwerp is €40 to 45 /m²/yr. In Wallonia and in particular Hainaut, where the land is much cheaper, in many cases this figure remains stuck at below €40 /m²/yr.

4.3.2 The investment market in Belgium

4.3.2.1 Evolution

After a weak 2009 due to the severe financial crisis, economic expectations for 2010 were slightly more optimistic but not overly high. This proved more than justified because in 2010, things remained very quiet on the investment market, specially compared to the peaks of a few years back. A clear distinction must be drawn here between this semi-industrial market and the logistics market. Smaller semi-industrial properties are mainly purchased by end users. SMEs generally prefer purchasing property for their own use rather than leasing, especially given the low interest rates. Larger logistics sites are generating greater investor interest once again, but this is proving to be a supply problem.

The interesting properties (good location, quality buildings, fully leased) are rarely for sale because owners are not yet prepared to relinquish their property given the current returns. It is thus difficult for investors to find an interesting investment. Less favourable sites would offer a way out, but given the still relatively high risk-aversion, are not yet in the picture. A further improvement in the economy and a return of confidence should be able to change this situation.

4.3.2.2 Investment volume

The number of significant investment transactions in 2010 was quite limited. The volume therefore remained virtually running in place in relation to the investment volume in 2009. A true recovery was thus so far from seeming a reality and the figures for the period 2006-2008 no longer seemed feasible. If the economic recovery can continue, higher investment volumes will likely be reached in 2011 even if they were also expected for 2010. Cautious optimism is thus key.

Evolution investment volume	
2004	140.000.000 €
2005	99.000.000 €
2006	305.000.000 €
2007	600.000.000 €
2008	431.500.000 €
2009	135.000.000 €
2010	145.000.000 €

A few major transactions still took place within the "Golden Triangle" of Brussels-Ghent-Antwerp, and even in Wallonia (Liege) there was a resumption of activity. The table below provides a summary of a few transactions.

Location	Area (m²)	Investor	Return/Sales price
Welkenraedt	75,000	ING Real Estate	21,000,000
Vilvoorde (Cargovil)	10,000	Vandergoten	7%
Olen	18,375	Bolckmans	4,350,000

Just as they were last year, local investors were predominantly active on the Belgian market in 2010. In general, a slow, if discrete, return of German investment funds and Anglo-Saxon investors is noticeable. The market is furthermore driven by demand from end users who are similarly responsible for part of the take-up and pricing.

4.3.2.3 Yields

2010 was marked by a stabilisation of the yields following the increase occurring in 2009. Even for the better buildings from which considerable investor interest could be expected, yet which are quite scarce, there have been signs of a limited drop in yield. Prime yields for industrial buildings fall within a bandwidth of 7.25% to 8.25%. Belgian long-term interest rates remain around 4% despite the European debt crisis and the high public debt, which is positive for financing property projects. In neighbouring countries we are also seeing a stabilization or a slightly more pronounced decline in prime yields. In these countries, the returns have frequently shown much stronger fluctuations than those in Belgium.

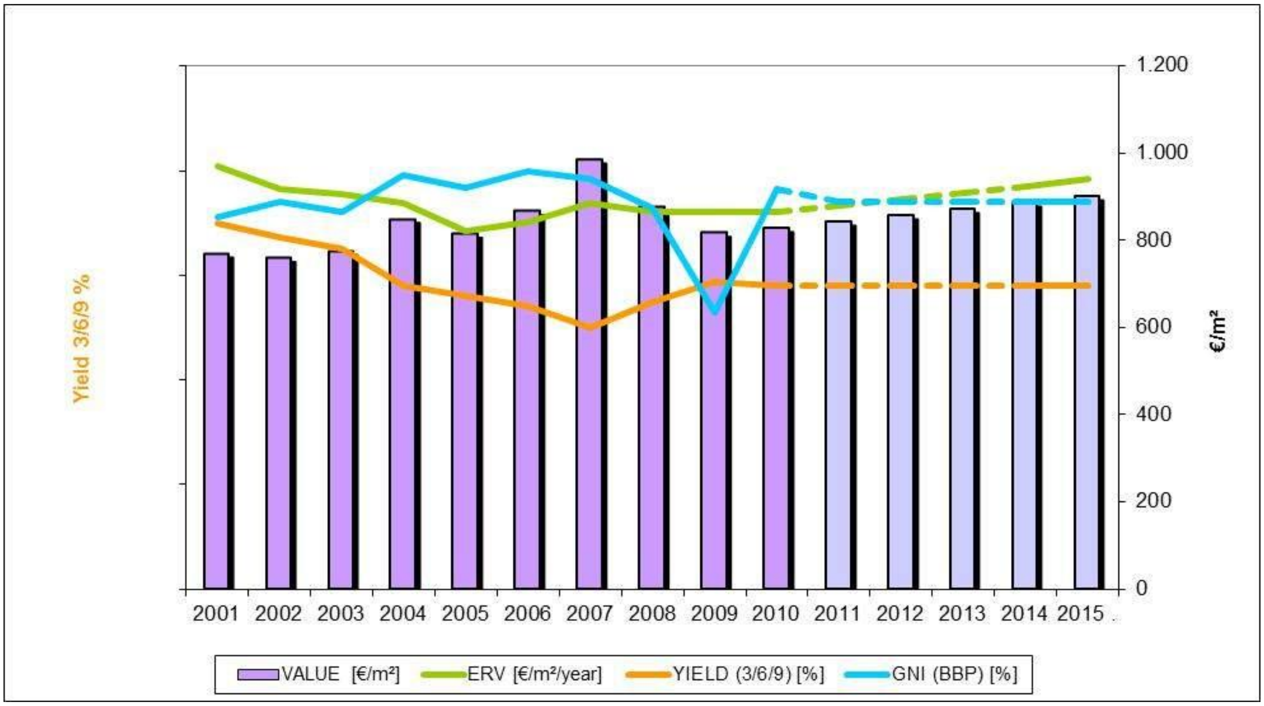
4.3.2.4 Perspectives

Thanks to its central location, Belgium continues to be attractive for the operation of logistics centres. Fears of a shift of these activities to Eastern Europe remain to some extent, but it seems that companies are increasingly realising that it is important to be present in the vicinity of the consumer. And despite everything, 'old' Europe, remains an especially prosperous region with a lot of purchasing power. Rising transportation costs and potential supply problems when transporting over longer distances are providing an impetus for consideration.

It is also noteworthy that the high score of Belgium in logistics (ninth place on the list of 2010 Logistics Performance Index [LPI] compiled by the World Bank) has not entirely translated into higher rents for logistics property. They are actually amongst the lowest in Europe. The total occupancy cost (rent + fees) is ± € 54/m²/yr and only in the south of France is this lower, even though in the Eastern European countries it is much higher. The takeaway here is that labour costs, however disadvantageous, are dropping, especially in relation to the former communist countries. An increase in rents over time also seems logical because the unilaterally increasing cost of industrial land, although the current supply and the availability is applying another break at the moment.

The following table aims to provide a conservative forecast of the evolution of the industrial market by extrapolating historical data combined with future rent expectations and economic growth. In this operation, the future evolution of the yield is determined in correlation with the ten-year OLO rate. The evolution of the rental values is linked to the health index. The graph also shows the history and future forecast by the planning office for the evolution of the GNP. The sharp dip in 2009 and a recovery in 2010 (GDP +2.1%) is clearly visible here. The growth for next year is expected to be slightly lower.

The forecasts for 2011 are at 1.50%. In the wake of the renewed GDP growth, the industrial property market consequently will also gradually recover. This however, on the proviso that that the economic growth expectations are maintained and no new shocks arise.



4.3.3 SWOT Belgium

S	W
- CENTRAL POSITION IN WEST-EUROPE - STRONG SME MARKET IN FLANDERS - HIGHER DEMAND BECAUSE OF NEED FOR RENOVATION OF EXISTING OBSOLETE BUILDINGS - HIGHER LEVER OF LABOUR PRODUCTIVITY	- HIGHER LABOUR COST - RESTRICTED LABOUR MOBILITY AND BOTTLENECK PROFESSIONS - TAX RECUPERATION BY END USERS (sell versus lease) - PRICE SENSITIVITY OF L AND SI REAL ESTATE
O	**T**
- SELLING OF OLDER BUILDINGS TO END-USERS - DEVELOPMENT OF EPB BUILDING PORTFOLIO - DEMANDE FOR LEASING IN STEAD OF SELLING BY END USERS WITH WEAK FINANCIAL BASE - MUTIPLE MODALITY	- REPORT INVESTISSEMENTS MISSING LINKS - TRAFFIC CONGESTION AND MODERNIZATION OF ROAD SYSTEM - TAX CLIMAT - OLDER INDUSTRIAL PORTFOLIO - HIGHER TAXES

4.3.4 The semi-industrial and logistics property market in France

4.3.4.1 Economic context

Again, the economic data from 2010 appeared to be less unfavourable than predicted. The growth of the French market, 1.6% in 2010, stands in stark contrast with the decline in GDP of 2.5% in 2009. The macroeconomic data are better than they were for the same period the previous year. There is a stabilization of the slight decrease in unemployment, although the level is high (9.3% in metropolitan France in the third quarter 2010), with about 100,000 new jobs, a slight increase in inflation and household consumption (both +1.5%) and an increase in industrial output (+5.1% according to predictions). Nonetheless, this remains a modest and fragile recovery.

In the third quarter, GDP rose by only 0.3% in Europe. This is mainly the result of the slowdown in foreign trade, especially due to a less dynamic activity by China and emerging Asian countries. The situation in each country varies, but the successive financial crises (Greek debt crisis, underwriting of bank debts by the Irish government) and the growing fear of a possible extension to other Eurozone countries, are hitting Europe as a whole and there will need to be a rehabilitation of all public finances for financial markets to be reassured.

European activity in the coming months will have to maintain a similar pace in line with the predictions by economists, and do so primarily with weakened international trade and a demand from the private market that is suffering from the new budgetary measures. All of which is subject to a drastic increase in oil prices by the political crisis that currently prevails in the oil states. This will continue to display all the earmarks for creating the conditions for a new financial crisis.

In France, the moderate recovery of the economy appears to be consolidating. As in the Eurozone, the austerity measures will have an impact on government expenditure. Economists expect a limited growth in GDP of between 1.3% and 1.5% in 2011, with few new jobs created.

4.3.4.2 General overview of the commercial real estate market

Within this uncertain economic context, the rental market for office properties – the main indicator of the French property market – has recovered: 3.5 million m² take-up in France (+27% compared to 2009), of which 65% in Ile-de- France (2.2 million m²). There is an evident across-the-board breakdown between the 'prime' rental values, which are rising again, and the existing buildings and/or secondary markets for which the accompanying measures are still important.

Various real estate consultants expect – at best until mid 2012 – no return of the take-up for offices in the Ile-de-France back to the volumes seen in 2006-2007 (> 2.7 million m²).

Commercial real estate is regarded as a safe investment. The investment volume rose in 2010, but with very different situations, depending on the asset class and geographical location. The French property market remains predominantly influenced by the office market. Commercial premises are running a distant second to the office market. However, these are generating increasing investor interest and this to the detriment of logistics, whose market share has dropped for a second year in a row.

The different assets provide a general picture confirming that investors remain very selective and are focusing their interest in good quality buildings, located on 'prime' locations and with interesting rental situations. In the second half there were yet again 'blank' VEFAs (Vente en Etat Futur d'Achèvement: Purchase of property not yet complete) for the office segment. The amount was minimal, but still illustrates an indication of a slight broadening of criteria by real estate investors.

As in 2009, and despite a slight increase in industrial production (+2.2%/year in November 2010) and an upward trend in volume of the goods transport, the markets for logistic platforms and business areas remain underdeveloped compared to the other asset classes.

After the sharp decline in 2009, the take-up on these two markets has not recovered. In the logistics market there is a real gap between the dynamism of Ile-de-France and the reserve in the rest of the country. This year, the return on transactions themselves will contribute slightly to the level held by logistics in France.

This is also reflected in the office property market. Investments in logistics were, mainly in the first semester, concentrated on the 'prime' buildings from the last generation. They were leased for a fixed period of at least 6 years, were well located and supported by a large number of 'turnkey' projects.

A. Rental market

…for logistics (warehouses of over 10,000m²)

- TAKE-UP

In 2010 the take-up for logistics platforms per year remained stable, between 1.5 million[31] and 1.7[32] million m² rented. This is much less than the record levels of previous years (2.5 million m² in 2007 and 2008). A free fall was avoided thanks to qualitative negotiations in Ile-de-France, where there is an increase of more than 40% annually[33]. Despite the fact that in 2009 this region was heavily hit by the crisis, in 2010 it surpassed its average level of business of the past 10 years. Most of the activity was in the first quarter, thanks to the realisation of projects initiated at the end of 2009. The fourth quarter was however disappointing. The beginning of 2011 may reap the benefits of transactions that were initiated during this period.

The market share of the capital region rose from 32% of all trading in France in 2009 to 45% this year. The users are positioning themselves more on the large surfaces (> 20,000 m²). Six of the seven transactions in the first nine months of 2010 realized and inventoried by CBRE involved new buildings that were classified in category A (excluding the distribution centres). Geographically the transactions were nicely spread across all sectors of the capital region, except in the west, which has historically lagged behind.

Outside Ile-de-France, the rental activity was either very limited or nonexistent, as in eastern France where not one deal was signed throughout the entire year. The users are mainly positioned on small and medium-sized areas, unlike the other Ile-de-France market. Overall, the regional markets collapsed: a take-up of only 250,000 m² in the Lyon region, i.e. a drop of nearly 40% in one year alone[34]. The most important transaction involved a new platform of 50,000 m², leased to Transalliance, located in Saint-Georges-d'Espéranche in the sector of l'Isle d'Abeau.

Two transactions taken together accounted for almost half of all traded surfaces in Nord Pas-de-Calais, for a trading volume comparable to the market in and around Lyon: one platform of 60,000 m², developed by Parcolog for Boulanger in Hénin-Beaumont and 40,000 m² leased to DSV Solutions in Wattrelos.

[31] Sources: CB Richard Ellis; Cushman & Wakefield.
[32] Source: DTZ Research.
[33] Sources: CB Richard Ellis; DTZ Research.
[34] Source: DTZ Research.

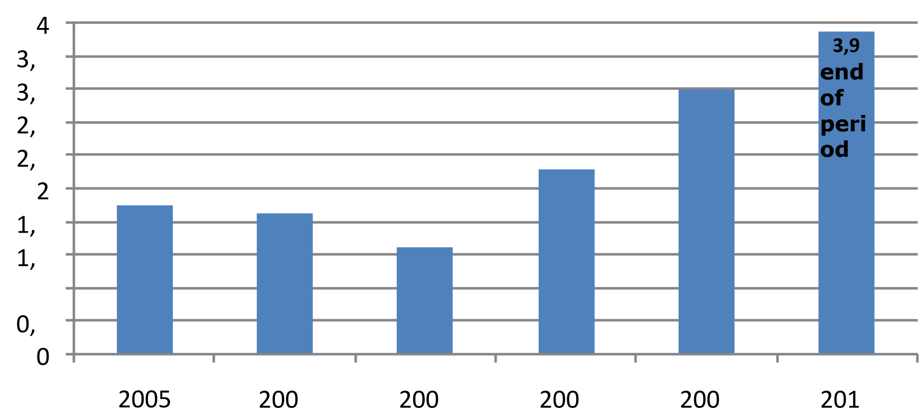
Marseille is at its lowest point in 10 years in terms of its take-up, with almost 60,000 m² of traded surfaces[4]. Paradoxically, most transactions realized were for existing buildings, while many new buildings remained empty. With the exception of "la Dorsale" the rental activity was very uneven, with the sharp drop (in the regions of Brittany, Languedoc-Roussillon, Centre, Champagne-Ardenne, Bourgogne, Grand Est) was offset by the maintenance of several local markets (Midi Pyrénées, Pays-de-la-Loire). These regions were in better shape than Ile-de-France in 2009. In 2010, the trend clearly reversed and the rental market in these regions should recover in 2011.

- SUPPLY

CB Richard Ellis notes that on 1 January 2011, France had 3.9 million m² of available surface (or +22%/year). This increase is considerably reduced compared to 2009 (42% between end of 2008 and end of 2009).

Availibilites in millions France

In million m²



3,9
At the end of the period

In 2010 there was a prevailing trend of users' abandoning existing buildings in favour of new construction solutions of better quality. Given the steep decline – since two years – of actually launched construction projects, the new construction supply of class "A" buildings remains down (approximately 8% per quarter) to less than 800,000 m² across all of France. An especially significant challenge for logistics properties in France is the takeover and upgrading of aging parks to meet new standards.

For the whole of France the future 'blank' supply on 1 January 2011 was limited[35] to 54,000 m². The 4.4 million m² offered projects currently in the pipeline, should meet the demanding needs of users, along with new projects that normally should appear on the market within a few quarters.

In Ile-de-France almost 1 million m² of buildings is immediately available, especially spread across 'Nord' and 'Sud' of the region (80%), where a 100,000 m² logistics platform became available in Vert-Saint-Denis. The reorganization and rationalization policies of the users is supplying the stock of existing buildings while the new class "A" buildings in the Ile-de-France barely reflect one transaction year. At the end of 2010 not one current construction project offered surfaces in the region that were still available.

35 Source: CB Richard Ellis.

Despite a significantly reduced activity, the rise of vacant buildings in the region of Lyon remained limited to 7%. There is little land available for logistics, which should make it possible for the existing building to be taken-up. In other French regions, the immediately available supply in l'Est (175,000 m²)[36], Burgundy (220,000 m²)[6], le Centre (135,000 m²)[6] and Pays-de-la-Loire (105,000 m²)[6] is worrisome, especially considering the size of those markets.

- VALUES

In 2010 there was demand for 'prime' buildings such that it was possible to maintain the face value for these assets. This led to a deeper gap with Class "B" buildings and the secondary markets for which the value reduction will continue unabated, thereby further fuelling these ever important accompanying measures. In 2010, the commercial rents in Ile-de-France remained under the €50/m² level. At the end of the year, the value gap extended across the entire country: commercial rents from the capital region (€45-49/m²) were positioned well above those of Lyon (€38-42/m²), Lille (€40-42/m²) and Marseille (€38-41/m²).

... of business spaces and small warehouses (< 5,000 m²)

- TAKE-UP

There are few available figures for industrial parks, which is a much older and more heterogeneous market than that for logistics property. Only the market of Ile-de-France is mature enough to provide relevant statistics. The transactions with business areas and small warehouses (< 5,000 m²) in Ile-de-France in 2010 amount to approximately 930,000 m²: an increase of 12% over one year[37]. A third of this volume was allocated in the last quarter, after a third quarter in 'standby'. Over the full year, the take-up remained below that for 2007 and 2008.

Nearly half of the transactions in the capital involved sales to users, compared with an average one third of the transactions in the previous years. This year the demand by the users was primarily for areas of between 1,000 m² and 4,000 m², representing a slightly higher degree of area than last year (between 500 m² and 2,000 m² in 2009).

- SUPPLY

The increase in take-up level did decrease readily available properties in Ile-de-France slightly to 2.5 million m² on 1 January 2011[7]. This volume has remained roughly constant in recent years, taking into account the heterogeneity of property stock.

The average vacancy rate in Ile-de-France was 8.4% on 1 October 2010. In the same period, the vacancy rate for industrial parks in Ile-de-France was 14%. This higher vacancy rate is attributable to buildings that were completed in recent years (18% of the immediately available supply was completed in 2008, 14% in 2009) and have not yet been taken. Users who wanted to save money, opted for widely dispersed industrial parks with lower rental values over 'prime' locations. Now that there is a pause in launching new projects, the available supply of industrial parks has similarly stabilized over this period.

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[36] Source: DTZ Research.
[37] Source: CB Richard Ellis.

- VALUES

The repricing implemented in 2009 has enabled rent values to stabilise. Following is a summary of this by geographic area:

Rental values 31 December 2010 (source: CBRE)			
Geographical zone	**Type**	**New**	**Second hand**
North (between RN1-RN3)	SME/smi-activity *	60-110	50-90
	Tertiary activity	120-130	75-120
East (between RN1-A13)	SME/smi-activity *	80-125	55-100
	Tertiary activity	110-180	75-150
West (between RN3-RN19)	SME/smi-activity *	60-90	50-60
	Tertiary activity	70-105	50-70
South (between RN19-A13)	SME/smi-activity *	60-90	50-85
	Tertiary activity	80-110	65-90

in € HT HC/m²/year

** proportion activity/office: 70/30*

A. Investment market

- VOLUME

In 2010, around 11 billion euros[38] was invested overall in commercial property in France. While the progress was about 40% compared to last year, the number of commitments has at least halved since the market peak of 2007. 70% of that volume is concentrated in Ile-de-France and the fourth quarter accounted for 40% of the total. This had to do with the signing of four property portfolios of over 100 million euros each.

The markets for logistics and industrial parks have only benefited moderately from increased investment in commercial property. They represent, respectively, about 5% and 3% of the total volume[39]. The investment volume in these markets amounted to 0.9 billion euros in 2010. Of this, 50% occurred in the last quarter. As a logical corollary to the rental market, the market share of Ile-de-France in the logistics market increased from 39% in 2009 to 53% in 2010.

The overall market continued to grow through a limited club of 'pure players', attracted by the considerably higher returns than in the other asset class, despite a significant fall in the prime rates in the first three quarters. The Agan company above all was particularly active and in the first half year acquired 3 logistics platforms, fully leased for a fixed period of more than 6 years: 85,000 m² in Coudray-Montceaux (91), 73,000 m² in Châtres (77) and 43,000 m² Saint Quentin Fallavier (69) in the Lyon region. German investors have also appropriated a significant portion of the logistics investment market, with three acquisitions in Mer (41), Wattrelos (59) and Brie Comte Robert (77). The dearth of prime properties has definitely curtailed the investment interest level.

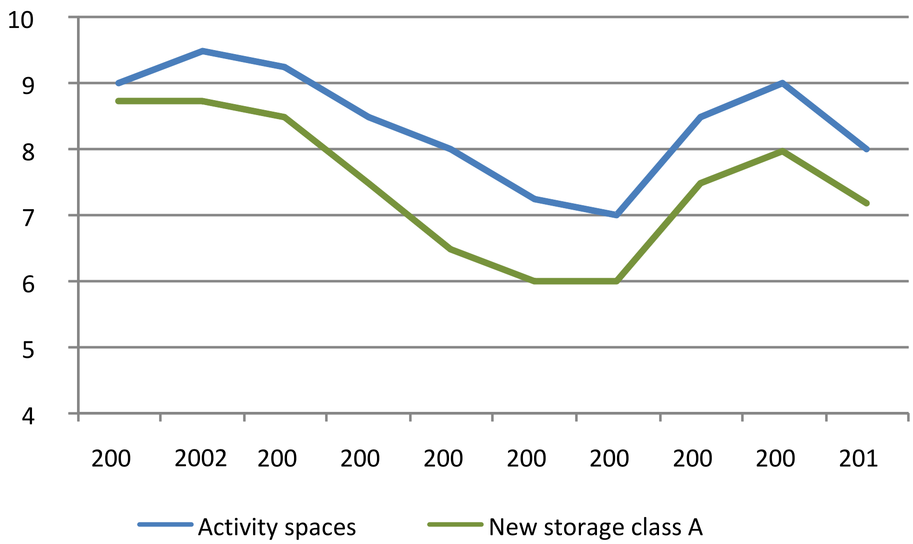
In 2011, debt at the European level will fall for a sum of 280 billion euros. Some hope that by the beginning of 2011 any forced sales will bring about new opportunities to meet the market demand.

[38] Sources: CB Richard Ellis; Cushman & Wakefield; DTZ Research.
[39] Sources: DTZ Research; CB Richard Ellis.

- VALUES:

Return figures were corrected downwards for prime buildings only. For logistics property in Paris and Lyon on the one hand, where 7.20% was achieved in the course of 2010, and on the other for the rest of the regional markets, where percentages fell below the 8% threshold.

Evolution of the prime yield figures in France



Appendix 1: Criteria for "Class A" warehouses

Since the “Observatoire Régional de l'Immobilier d’Entreprise en Ile-de-France” ('regional observatory of commercial property in Ile-de-France') drafted a matrix for rating logistics warehouses (CELOG), the warehouses have been organised into three categories using various criteria. The (simple face) buildings with the highest rating belong to category A. They must meet the following 13 mandatory criteria at a minimum:

- possession of the licensing
- standards-compliant fire extinguishing system
- all storage made on the ground floor or with loading and unloading bays
- levelling of the quays and locks or awnings (with at least 80% equipped ports)
- presence of parking for heavy transport, separated from parking for light vehicles
- 20/12-structure, designed for at least 240 m² without pile
- at least one dock per 1,000 m² storage space
- depth is less than twice the facade, with a maximum of 130 metres
- access without having to traverse the urban roads that are not suitable for heavy transport, up to 10 km from a 4-lane motorway
- • frost-proofed using insulation/heating
- floor strength of at least 5 tonnes/m²
- manoeuvre zone of at least 32 metres in front of the quay
- effective height of at least 9.3 metres throughout the entire storage space

A 'class A' warehouse must also meet at least 9 of 12 optional criteria, such as day and night fire and security monitoring at the site or in the building, with the possibility of creating a waiting zone for heavy transport; a closed area; between 2.5 and 10% office space and business premises; at least 5% natural lighting (zenith or window frame in front, including ventilation); insulation and heating to at least 12°C, etc.

4.4 Montea's property portfolio

	Total 31/12/2010	Belgium	France	Total 30/09/2009	Total 31/12/2008
Number of sites	30	18	12	33	32
Warehouse space (m²)	392.338 m²	246.522 m²	145.816 m²	333.015 m²	320.402 m²
Office space (m²)	45.263 m²	32.579 m²	12.684 m²	47.663 m²	45.657 m²
Total space (m²)	437.601 m²	279.101 m²	158.500 m²	380.678 m²	366.059 m²
Development potential (m²)	69.720 m²	43.220 m²	26.500 m²	69.720 m²	62.197 m²
Fair Value (EUR)	€ 232.990.000	€ 141.143.000	€ 91.847.000	€ 206.253.000	€ 210.789.000
Investment Value (EUR)	€ 241.527.000	€ 145.018.000	€ 96.509.000	€ 213.393.000	€ 218.369.000
Annual Contractual Rents (EUR)	€ 18.353.525	€ 10.690.324	€ 7.663.201	€ 16.043.480	€ 16.517.674
Gross Yield (%)	7,88%	7,57%	8,34%	7,78%	7,84%
Gross Yield on full occupancy (%)	8,28%	8,00%	8,71%	8,48%	8,14%
Property not let (m²)	21.306 m²	13.336 m²	7.970 m²	26.917 m²	16.179 m²
Rental value of property not let (EUR)	€ 937.170	€ 602.430	€ 334.740	€ 1.437.155	€ 645.618
Occupancy rate (% of m²)	95,13%	95,22%	94,97%	92,93%	95,58%
Occupancy rate (% of rental value)	95,14%	94,67%	95,81%	91,78%	96,24%

The total surface of the property portfolio is 392,338 m², spread across 18 sites in Belgium and 12 sites in France.

The fair value of the property portfolio amounts to EUR 232,990[40] million, representing an increase of 13.0% (EUR 26.74 million) compared to 31 December 2009. This increase is the result of:

- the purchase of the Saint-Cyr-en-Val (Orleans, France) platform for the sum of EUR 34.041 million;
- the fair value of the divestments amounting to EUR 7.765 million;
- the increase in the fair value of the property portfolio at the end of 2009 and in 2010 of EUR 0.461 million.

Three of the 30 sites represent more than 5% of the consolidated property portfolio and combined represented 33.2% of the total fair value of the property portfolio.

	Fair values	Client(s)
Saint-Cyr-en-Val, Orléans	EUR 34.6 million	FM Logistics

represents 14.9% of the total fair value of the portfolio
(The net rental income on this site for 2010 represented EUR 1.35 million, i.e. 7.9% of the total net rental income for 2010).

Vorst	EUR 20.8 million	Unilever

represents 9.0% of the total fair value of the portfolio
(The net rental income on this site for 2010 represented EUR 1.37 million, i.e. 8.0% of the total net rental income for 2010).

[40] In the "Property Investments" heading of the balance sheet, there is an amount of EUR 233.45 million. The difference (EUR 0.46 million) represents the activity of the "built-to-suit" Coca-Cola project, that was not valuated by the appraiser (EUR 1.20 million) and the Montea offices (part of the Erembodegem site), entered under "Other Tangible Current Assets (EUR 0.74 million).

	Fair values	Client(s)
• Aalst Tragel	EUR 21.8 million	Jan de Nul, Barry Callebaut

represents 9.4% of the total fair value of the portfolio
(The net rental income on this site for 2010 represented EUR 1.76 million, i.e. 10.3% of the total net rental income for 2010).

The gross property return[41] over the whole of the portfolio reached 8.00% in Belgium and 8.71% in France, on the basis of an entirely rented portfolio, and the taking the estimated rental vacancy value in account.

The occupancy rate achieved by Montea over the whole of the portfolio (expressed as a percentage of the estimated rental value) reached 95.14%, and 95.13% on the basis of occupied square metres. At the end of 2010, the occupancy rate had increased by 2.20% (on the basis of square metres) compared to 31 December 2009. This development results especially from the new lease activities at the end of 2010 (see 'Lease Activity').

The annual contractual rental income (excluding rental guarantees) reached EUR 18.35 million, i.e. an increase of 14.4% (EUR 2.31 million) compared to the situation on 31 December 2009. This results mainly from the purchase of the Saint-Cyr-en-Val (Orléans, France) platform, an operation that more than compensates for the contractual rental income relinquished by the divestments.

Montea strives to compose its property portfolio with a healthy mix of clients from both the industrial sector (e.g. Jan De Nul, Barry Callebaut, Dynaco, Uniliver) and the logistics sector (e.g. FM Logistics and DHL). The industrial sector is characterised by longer lease contract periods, but also often require larger investments. The logistics sector is often characterised typically by 3, 6 or 9 contracts, as they also specifically follow their clients.

On 31/12/2010, the average rental period to expiry date was 5.53 years. The average period up to and including the first possible occupancy was 3.53 years. Montea strives to set these lease periods as high as possible, however the Sicafi operates in a market wherein the normal market conditions are 3, 6 and 9 contracts.

[41] The gross property return is defined as follows: the contractual rental income divided by the fair value of the property portfolio.

The following table provides a summary of the property portfolio per site.

MONTEA MORE THAN WAREHOUSES	Offices	Warehouses	Total	Contracted Rent Income	Vacancy (as % of total m²)
Belgium					
AALST (ABCDEFG), TRAGEL 48-58	2.255	17.180	19.435	610.075	0,00%
AALST (HIJ), TRAGEL 48-58	560	17.590	18.150	949.072	0,00%
AALST (KLM), TRAGEL 48-58	876	4.495	5.371	127.463	0,00%
AARTSELAAR, HELSTSTRAAT 47	690	6.325	7.015	254.395	0,00%
BERCHEM, VOSSTRAAT 200	1.010	1.450	2.460	200.000	0,00%
BORNEM, INDUSTRIEWEG 4-24	1.440	12.891	14.331	401.764	46,70%
GRIMBERGEN, EPPEGEMSESTWG 31-33	2.478	23.758	26.236	968.569	0,00%
LAKEN, EMIEL BOCKSTAELLAAN 74	340	5.085	5.425	228.756	0,00%
MOORSEL A,WAVERSTRAAT 3	880	7.515	8.395	133.642	20,62%
MOORSEL BCDFGHIJK,WAVERSTRAAT 3	948	10.770	11.718	187.408	13,87%
VILVOORDE, SCHAARBEEKLEI 207-213	3.060	970	4.030	101.925	65,14%
HOBOKEN SMALLANDLAAN 7	440	745	1.185	217.609	0,00%
MEER EUROPASTRAAT 28	1.235	8.995	10.230	345.821	0,00%
PUURS RIJKSWEG 89 & 85	1.150	8.945	10.095	0	0,00%
HERENTALS, TOEKOMSTLAAN 33	1.970	12.620	14.590	697.534	0,00%
NIJVEL, RUE DE L'INDUSTRIE	1.345	12.350	13.695	694.303	0,00%
PUURS, SCHOONMANSVELD 18	1.255	11.910	13.165	707.465	0,00%
EREMBODEGEM, INDUSTRIELAAN 27	4.301	12.744	17.045	818.210	3,89%
MECHELEN, ZANDVOORTSTRAAT 16	768	21.831	22.599	423.136	0,00%
VORST, HUMANITEITSln 292, site LIPTON	778	4.605	5.383	317.388	0,00%
VORST, HUMANITEITSln 292, site CM		7.150	7.150	328.875	0,00%
VORST, HUMANITEITSln 292, site RESTAURANT (Station)	2.110	920	3.030	212.189	0,00%
VORST, HUMANITEITSln 292, site SALVESEN (Koelloodsen)	1.538	8.606	10.144	512.805	0,00%
MILMORT, AVENUE DU PARC INDUSTRIEL	1.152	27.072	28.224	1.025.521	0,00%
Total Belgium	**32.579**	**246.522**	**279.101**	**10.463.925**	**4,78%**
France					
SAVIGNY LE TEMPLE, RUE DU CHROME	620	16.139	16.759	326.434	47,56%
FEUQUIERES, ZI DU MOULIN 80	763	8.230	8.993	330.921	0,00%
CAMBRAI, P. d' A. ACTIPOLE	682	10.248	10.930	514.123	0,00%
ROISSY, RUE DE LA BELLE ETOILE 280	638	3.384	4.022	330.690	0,00%
BONDOUFLE, RUE HENRI DUNANT 9-11	1.307	2.478	3.785	213.513	0,00%
DECINES-CHARPIEU, RUE ARTHUR RIMBAUD 1	1.127	2.694	3.821	338.046	0,00%
LE MESNIL AMELOT, RUE DU GUE 4 & RUE DE LA GRANDE BORNE 11	1.348	7.311	8.659	653.456	0,00%
ALFORTVILLE, LE TECHNIPARC	462	1.585	2.047	244.421	0,00%
ROISSY, RUE DE LA BELLE ETOILE 383	1.965	4.492	6.457	637.381	0,00%
LE MESNIL AMELOT, RUE DU GUE 1-3	1.211	4.043	5.254	435.944	0,00%
SAINT PRIEST, RUE NICEPHORE NIEPCE	906	12.120	13.026	652.212	0,00%
ORLEANS, RUE DES GENETS 660	1.655	73.092	74.747		0,00%
Total France	**12.684**	**145.816**	**158.500**	**4.677.141**	**5,03%**
Total	**45.263**	**392.338**	**437.601**	**15.141.066**	**4,87%**

4.5 Conclusions of the property expert[42]

Valuation	The valuation of the various investments of the portfolio was supported by the following methods: the rent capitalization method and the income approach, according to a DCF (Discounted Cash Flow) model with a verification of the resulting unit.
Value change	The fair value, in accordance with IAS40, has passed, on a half-yearly basis from EUR 201,382,000 on 30/06/2010, to EUR 232,990,000[43] on 31/12/2010. This fair value of EUR 232,250,000 corresponds to an investment value of EUR 241,527,000. The initial return (the rental income considered in relation to the investment value) of the complete portfolio is 7.6%.
Legacy	The legacy is now ± 392,338 m² warehouse space, and ± 45,263 m² office-like areas or a total area of 437,601 m². It is located on 30 sites, of which 12 are in France. There are three fewer sites than at the end of 2009 as the result of the sale of 4 buildings in Belgium (Buggenhout, Schoten Brechtsebaan, Schoten Jagersdreef and Grobbendonk) and the purchase of one site in France (Saint-Cyr-en-Val). One building (Grimbergen) is in concession. The increase of the market value of the portfolio is chiefly due to the acquisition of a site at Saint-Cyr-en-Val. Apart from the twelve sites in France are the current properties primarily located in the Flemish diamond. Two buildings (Laken and Vorst) located in the Brussels Capital Region and two buildings (Milmort and Nijvel) located in Wallonia. Of the twelve sites in France, seven are located in the Paris region (Savigny-le-Temple and Roissy, Bondoufle, Le Mesnil Amelot, Alfortville) and five in the provinces (Lyon/Décines-Charpieu and Saint-Priest, Cambrai, Feuquières and Orleans/Saint-Cyr-en Val).
Rental income	The effective rental income is calculated after deduction of the property where this is charged to the owner, and in some rare cases as an average rental income up to the next due date if there is rent rebate or the rent contract is not constant. The annual rental incomes were EUR 18,275,198[44] per year on 31/12/2010. The existing leases are 4.45% higher than the corresponding estimated market rental value, which is EUR 17,495,975 per year. The rent amounts reported are net rental income regardless of additional payments for common charges and any insurance premiums.

The occupancy rate for the entire portfolio, calculated from the areas, is ± 95%.

[42] The full report of the property expert was not included in this report but only the conclusions, given that the full report contains confidential information that could be important for the competition.

[43] In the balance sheet under the heading Investment properties, there is an amount of EUR 233.45 million. The difference (EUR 0.46 million) represents the activity of the "built-to-suit" Coca-Cola project, that was not valuated by the appraiser (EUR 1.20 million) and the Montea offices (part of the Erembodegem site), entered under "Other Tangible Current Assets (EUR 0.74 million). Given the initial phase of the Coca–Cola project, the cost of EUR 1.20 million reflects the fair value of this project.

[44] The annual rental income under the current leases on 31/12/2010. This income is not equal to the net rental income of EUR 17,097K for the full year 2010. The difference is mainly due to new rental income, completed during the financial year that had no impact on financial year 2010.

4.6 Financial structure of the company

4.6.1 Overall financing policy

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

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

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

On 31/12/2010, Montea's financial structure had the following characteristics:

- total debt of EUR 117.93 million;
- a debt ratio of 47.63%[45];
- an average debt duration of 1.72 years;
- a policy of hedging against interest rate risk making it possible to limit the effect of sudden large increases in short-term interest rates;
- an average financing cost (including margin and hedging costs) of 4.52% on 31/12/2010.

4.6.2 Debt structure

The total debt of Montea is EUR 117.93 million and consists of:

- a total of EUR 108 million of included credit lines.
  On 31/12/2010, Montea had a total amount of secured bilateral credit lines of EUR 115 million with 3 Belgian financial institutions, of which EUR 93.9 is included.

  On 31/12/2010, the average duration of these credit lines was 1.58 years. In 2011, a total amount of EUR 55 million had to be refinanced (using constant perimeter). In 2012, this amount will be EUR 15 million and in 2013, EUR 30 million.

- a total amount of leasing debts of EUR 9.93 million with an average duration of 3.29 years. This total amount corresponds to the total cost of leasing debt write-off for the following 3 sites:

  - Milmort, Liege: EUR 3.65 million
  - Orléans, Saint-Cyr-en-Val: EUR 5.46 million
  - Roissy: EUR 0.82 million

  The Sicafi ensures that it will secure necessary financing in a timely manner. In doing so, maintaining a balance between the cost of financing, the duration, and the diversification of financing sources is always the topmost priority.

[45] The debt ratio is calculated in accordance with Article 53 of the Royal Decree of 7 December 2010 on accounting, financial statements and consolidated statements of public Sicafis.

4.6.3 Hedging interest rate risk

As previously mentioned, Montea has a financing policy whereby a large part of its debt is hedged. On 31/12/2010, 99.7% of the included credit lines were hedged with hedging instruments, such as IRSs. Montea always seeks to have between 75% and 100% hedged for a period of 3 to 10 years.

On 31/12/2010, the Sicafi had taken out a total of EUR 157.67 million of IRS-type hedging contracts, of which EUR 50 million were forward contracts. During the last quarter of 2010 and following the low long-term interest rates in that period, Montea proceeded to take out EUR 50 million of forward IRS contacts. These contracts do not take effect until 1 October 2011 and 1 May 2012, i.e. on the dates that some of the current IRS contracts come to an end. By taking out these forward IRS contracts, the current hedging cost of 4.09%, as part of the financing cost (factoring in the hedging percentage on 31/12/2010) will drop to 3.82% in October 2011 and to 3.52% in May 2012.

See note 14 for an overview of the hedging instruments.

4.7 Financial results as of 31 December 2010

4.7.1 Shortened consolidated summary of results before profit distribution as of 31 December 2010 (in thousands of euro)

(EUR x 1.000) (EUR x 1.000)	31/12/2010 12 months	31/12/2009 12 months	31/12/2008 12 months
NET RENTAL INCOME	**17.097**	**16.334**	**14.024**
PROPERTY RESULT	**16.718**	**15.962**	**13.828**
TOTAL PROPERTY CHARGES	**-972**	**-802**	**-712**
OPERATING PROPERTY RESULT	**15.746**	**15.160**	**13.115**
General costs	-2.455	-2.052	-1.977
Other operating income and expenses	-73	317	345
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**13.218**	**13.425**	**11.483**
Result on disposals of investment properties	548	0	636
Result on disposals of other non-financial assets	0	0	0
Result in the fair value of investment properties	-1.906	-16.033	-10.046
OPERATING RESULT	**11.860**	**-2.608**	**2.072**
FINANCIAL RESULT	**-3.637**	**-8.064**	**-9.800**
RESULT BEFORE TAXES	**8.223**	**-10.672**	**-7.728**
TAXES	**0**	**-9**	**-28**
NET RESULT	**8.224**	**-10.682**	**-7.756**
NET CURRENT RESULT (3)	**9.582**	**5.352**	**1.655**
NET CURRENT RESULT (excl. IAS 39) (4)	**7.938**	**7.441**	**8.446**
Number of shares entitled in the result of the period	4.610	3.585.354	3.585.354
NET RESULT PER SHARE	**1,78**	**-2,98**	**-2,16**
NET CURRENT RESULT PER SHARE	**2,08**	**1,49**	**0,46**
NET CURRENT RESULT PER SHARE (excl. IAS 39)	**1,72**	**2,08**	**2,36**

(1) The net current result equals the net result, exclusive of the impact of the result on the portfolio (code XVI, code XVII and code XVIII of the income statement)

(2) The net current result (excl. IAS 39) equals the net current result excl. of the impact of variations in the interest rate hedging instruments

The **rental income** for the financial year 2010 amounted to EUR 17,097K; an increase of 4.67% over the same period in 2009 (EUR 16,334K). This increase is primarily attributable to the investment in the platform in Orléans (for the 2nd half year of FY 2010) and the entire annual rental income in 2010 from investments that were completed in 2009 (Brossette, Lyon), and which compensated for the loss of rental incomes from the divestments in Belgium.

The **property profit** on 31/12/2010 was EUR 16,718K and this shows an increase of 4.74% over the same period last year (EUR 15,962K). The increase in the property profit compared against rental income is mainly attributable to the management fees charged to the newly signed leases.

The **operating margin**[46] on 31/12/2010 was 77.31%, compared to 82.19% on 31/12/2009. As no account was taken of the one-off profit in 2009, last year's operating margin was 79.59%. In so doing, Montea recorded a 2.28% decrease in its operating margin. This decrease can primarily be explained by the development of the competency centre in Paris, established for the further development of the property portfolio in France and the development of the Montea management team.

The strengthened management team will be focussing on the further growth of the portfolio. The operating margin will rise by spreading the fixed costs across a larger portfolio. Montea has set itself a goal of achieving an operating margin above 80%.

The **profit on the property portfolio** on 31/12/2010 was EUR -1,358K (EUR -16,033K as of 31/12/2009) and includes on the one hand:

- the decrease in the fair value of the portfolio in Belgium and France for an amount of EUR -1,906K. This decline is the result of:

  - a decline of the property portfolio in Belgium of EUR -4,662K (-3.25% of the fair value at the end of 2009, without factoring in the sales of the previous year), and this in turn due to:

    - the decline of the Milmort and Nijvel sites (by the imminent end of the lease) and Bornem site, owing to its current vacancy (6,692K m²)
    - improvement and renovation work at the Erembodegem, Berchem and Mechelen sites, which are not at present increasing in value within the current market value conditions;

  - a positive variation in the property portfolio in France of EUR 2,756K (3.10% of the fair value of the property portfolio, including the Orléans investment), as a result of a downwards yield-shift of 43 basis points;

- the positive result due to the sale of investment properties for an amount of EUR 548K. This gain was realised for the following sites:

  - the site at Schoten Jagersdreef and Schoten Brechtsebaan (gain of EUR 125K);
  - the site at Buggenhout (gain of EUR 275K);
  - the site at Grobbendonk (gain of EUR 148K);

[46] Profit for the property portfolio result.

The **financial result** at 31/12/2010 (EUR – 3,637K) was positively influenced by the change in the fair value of contracts for interest (IAS 39) on the date of closure of EUR 1,643K. During the first three quarters, Montea still had a decline in the fair value of the hedging contracts amounting to EUR -2,437K. However, during the last quarter, Montea recorded an increase in the fair value in the amount of 4,080K, achieved through a sharp rise in long-term interest rates.

Without factoring in the change in fair value of the contracts for interest rate hedging (IAS 39), the net financial expenses dropped by EUR 0.69 million (from EUR 5.97 million to EUR 5.28 million). This is mainly explained by the fact that the average net cash position in 2010 was higher than in 2009 (largely due to the still unused cash following the capital increase in July 2010) and because the financial cost was lower (no margin payments on credit lines not drawn upon).

- *On 31/12/2010, 91.4% of Montea's total financial debt was bank debt. Montea used IRS type (Interest Rate Swap) contracts for covering the interest rates of these bank debts. On 31/12/2010 99.7% of Montea's total bank debt was covered by contracts for interest coverage of IRS type (Interest Rate Swap). These financial instruments ensure coverage of the current debt at least up to September 2011. The interest rate at the end of the period, including bank margins and the cost of hedging instruments and factoring in the EURIBOR at the end of the year, was 4.59%.*

The **taxes** consist of the taxes on disallowed expenditure and abnormal or benevolent benefits.

The **net operating result exclusive of IAS39**[47] on 31/12/2010 was EUR 7,938K (EUR 1.72 per share), seen across the board, this meant an increase of 6.68% over the same period last year (EUR 7,441K), however with a sharp 17% drop in share.

- *Based on this net operating result and the resulting fluid distributable profit of EUR 8,495,324 (mainly attributable to the realised gains on the sold sites), Montea ensured the already announced dividend of EUR 0.97 gross per share for the first half of 2010, and EUR 0.87 per share for the second.*

The **net result** on 31/12/2010 was EUR 8,224K compared to EUR -10,682K in 2009. This enormous rise in the net result of EUR 18,905K can be explained by:

- an increase in net operating result of EUR 497K;
- the positive change in the variation of the fair value of the investment properties (EUR 14,127K). Last year there was a recorded negative change to he fair values of the investment properties of EUR 16.03 million[48];
- the gains from the divestments amounting to EUR 548K;
- the positive change in the valuation of the interest rate coverage instruments of EUR 3,733K.

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[47] Net operating result or operational profit: Net operating result: net profit: excluding profit on the property (code XV, XVI and XVII of the statement of results) and excluding IAS 39 (revaluation of hedging instruments)[48] For further details, please refer to the 2009 Annual Report.

[48] For further details, please refer to the 2009 Annual Report.

4.7.2 Shortened Consolidated balance sheet as of 31 December 2010

(EUR x 1.000)	31/12/2010 Conso	31/12/2009 Conso	31/12/2008 Conso
NON-CURRENT ASSETS	**236.466**	**207.364**	**211.128**
Goodwill			
Intangible assets	83	107	107
Investment properties (incl. Development projects)	233.452	206.253	210.789
Other tangible assets	995	237	226
Financial fixed assets	1.359	0	0
Financial lease receivables	0	0	0
Participations consolidated with the equity method	0	0	0
Trade receivables and other non-current assets	576	767	6
Deffered taxes (assets)	0	0	0
CURRENT ASSETS	**22.333**	**8.900**	**13.153**
Assets held for sale	0	0	0
Current financial assets	0	0	0
Financial lease receivables	0	0	0
Trade receivables	6.215	3.112	5.524
Tax receivables adn other current assets	1.409	1.136	1.086
Cash and cash equivalents	14.119	4.077	5.126
Deffered charges and accrued income	590	575	1.418
TOTAL ASSETS	**258.799**	**216.264**	**224.281**
SHAREHOLDERS' EQUITY	**124.107**	**84.469**	**102.644**
Shareholders' equity attributable to shareholders of parent company	**124.006**	**84.381**	**102.549**
Share capital	107.329	68.964	84.352
Share premiums	543	0	0
Purchased own shares (-)	0	0	0
Reserves	16.460	25.603	33.533
Statutory reserves	30	30	30
Unavailable reserves	1	1	1
Untaxed reserves	0	0	0
Available reserves	16.429	25.572	33.502
Result	8.211	-3.043	-7.756
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties	-8.537	-7.143	-7.580
Change in fair value of financial seets and liabilities	0	0	0
Exchange rate differences	0	0	0
Minority interests	**101**	**88**	**95**
LIABILITIES	**134.692**	**131.795**	**121.637**
Non-current liabilities	**69.539**	**126.796**	**54.593**
Provisions	0	0	0
Non-current financial debts	61.424	118.413	47.733
Credit institutions	53.275	113.942	42.681
Financial lease	0	0	0
Other	8.150	4.471	5.052
Other non-current financial liabilities	7.746	8.030	5.940
Trade debts and other non-current debts	0	0	343
Other non-current liabilities	369	354	354
Deferred taxes - liabilities	0	0	224
Exit tax	0	0	0
Other	0	0	224
Current liabilities	**65.153**	**4.999**	**67.044**
Provisions	0	0	0
Current financial debts	56.781	581	55.730
Credit institutions	55.000	0	55.180
Financial lease	0	0	0
Other	1.781	581	550
Other current financial liabilities	0	0	0
Trade debts and other current debts	3.264	2.486	7.920
Exit tax	-35	-33	5.225
Other	3.298	2.519	2.695
Other current liabilities	785	198	106
Accrued charges and deferred income	4.323	1.733	3.288
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**258.799**	**216.264**	**224.281**

As of 31 December 2010, the **total assets** (EUR 258,799K) were composed mainly of investment properties (EUR 233,452K, or 90.21% of the total) and current assets (EUR 22,333K). The increase of the current assets (EUR 29,102K) resulted especially from the investment in the Orléans platform and the investments made in Belgium.

The increase of current assets is mainly explained by the improvement of the cash position at the end of the year (approximately 30% of the net proceeds from the capital increase has not yet been invested).

In the **total liabilities** one finds the equities (EUR 124,107K) and a total debt of EUR 134,692K.

The increase of the total equity capital (EUR 39,638K) is entirely attributable to:

- the net rise of the capital following the capital increase of 2 July 2010 (EUR 38,907K);
- the net profit of EUR 8,224K;
- the payout in 2010 of the FY 2009 dividend (EUR 7,493K).

The increase of the total debt (EUR 2,897K) is to a large extent explained by the rise of the rents already invoiced for the first quarter of FY 2011.

The total debt position resulting from the credit lines and the leasing debts remains more or less constant, the take-over of the leasing debt of the Orléans site (EUR 5.86 million) compensating for the less drawn upon credit lines.

The **debt ratio**[49] was 47.63% versus 56.4% on 31/12/2009. Montea thus preserved an investment capacity of approximately EUR 40 to 50 million versus a debt ratio of about 55%.

4.8 Allocation of profit

In its Press Release of 22 February 2010, Montea ensured the announced dividend of EUR 0.97 gross per share for the first half of 2010 and EUR 0.87 gross per share for the second half of 2010. There were no interim dividends granted during the financial year.

Based on the results of 31 December 2010, the Board of Directors of Montea Management NV proposed at the General Meeting of Shareholders paying out a gross dividend of EUR 0.97 gross per share for the first half of 2010 and EUR 0.87 gross per share for the second half of 2010. This represents a payout ratio of 98.6%. From this gross dividend, a 15% withholding tax shall be withheld.

4.9 Conclusions for the financial year 2010

At the financial level, Montea’s FY 2010 was characterised by generally good operating results considering the still difficult economic situation: the net operating result increased overall by 6.68% and a 17% decrease per share of the same result.

In this context, the rental activity and the maintenance of the occupancy rate (which climbed to 95%), was "the" priority for 2010.

[49] The debt ratio is calculated in accordance with the RD of 7 December 2010.

The pressure on the valuations, which started in the last quarter of 2008 to be maintained during the whole of 2009, has now stagnated. There is even a noticeable positive trend in the values for the French portfolio.

Montea has furthermore sold some smaller, non-strategic buildings that no longer had their place in its investment policy. Henceforth, the emphasis will be placed on large logistic units.

The successful capital increase of 2 July 2010 provided the Sicafi with the necessary oxygen to embark upon its second phase of growth. 70% of the operation's net yield was immediately invested in the purchase of a platform of 78,000 m² in Orléans, for a yield of 8.5%.

At the organisational level, in 2010, Montea set up a competency centre in Paris and strengthened its management team with the appointment of a CEO, a CCO for Belgium and a Director France.

In view of the strong operational results and the gains realised on the sites sold, Montea will propose at the General Meeting a dividend of EUR 0.97 per share for the first half of the year and of EUR 0.87 for the second half, as announced in the prospectus published following the capital increase.

4.10 Important post balance sheet date events

- **Lease agreement extension for fixed term of 15 years with Jan De Nul for 16,671 m² on the site in Aalst**

  Montea and Jan De Nul SA signed a lease agreement extension for a fixed period of 15 years for 16,671 m² on the site in Aalst. The agreement generates a rental income of EUR 437K per year. Jan De Nul SA will use the warehouse for storing building materials and boat parts.

- **Divestment of semi-industrial building in Grobbendonk (Antwerp)**

  Montea sold a semi-industrial building of 7,820 m² in Grobbendonk. The transaction was realised with Verstraete Real Estate for EUR 4.2 million and provided a capital gains of EUR 0.15 million in relation to the fair value at 31/12/2010.

4.11 Forecasts for the financial year 2011

In 2011, Montea will concentrate on the growth of its portfolio (external growth), on an improvement of the quality of the buildings (internal growth), on the diversification of its income and the divestment of a number of smaller, non-strategic buildings.

- **External growth**

Due to the growing interest from institutional investors for logistics property in its two home markets (Belgium and France), the returns are currently under pressure and this will make it more difficult for Montea to purchase A properties at acceptable yields. Montea will therefore need to capitalise on its expertise and experience in order to differentiate its external growth from the field. Thus, priority will go to:

- Sale & rent back dossiers, whereby Montea takes over existing property from companies wishing to shed their property. Montea has had a first experience in this field with the take-over of Unilever's logistics site in Vorst (2008);
- Customised projects, whereby Montea, operating in an open book system, seeks the best logistics solution for a specific end user. Montea has a first experience in similar dossiers with the construction of a new distribution centre for Coca-Cola (2010-2011);
- Collaboration with other property players, whereby Montea becomes involved at an earlier stage of the development process on the basis of its expertise and experience in the logistics market, thereby realising a portion of the development margin.
- Prospecting related acquisitions and/or acquiring portfolios of buildings that are not core investments and are the priority of various investment groups.

- **Internal growth or quality improvement**

In parallel with the external growth, Montea will be endeavouring to optimise the existing portfolio. Montea sees two major opportunities:

- Development of the land bank, whereby Montea will actively market the remaining land in the portfolio. Top priority must be given to developing the 3.5 ha in Puurs. Thereafter Montea has more opportunities to do the same in Erembodegem, Nijvel, Mechelen and Cambrai.
- Improving the quality of the portfolio, whereby Montea will perform a full review of its portfolio to gain a clear view on the potential value that can be created by a thorough adaptation/improvement of the properties to meet the expectations and demands of the market.

- **Income diversification**

With the realisation of a solar energy project for the sites in Grimbergen, Puurs, Bornem and Herentals, Montea will be diversifying its incomes in 2011. Montea thereby confirms its will to optimise sustainability and quality on the one hand, and on the other to lengthen the average period of the property portfolio and improve its profitability. In 2011, Montea will also study the feasibility of a similar project for its sites in Brussels, Wallonia and France.

- **Divestments**

Finally, Montea will divest a number of small, non-strategic properties that no longer fit its long-term strategy, for an estimated value of EUR 10 million[50].

4.12 Evolution of the Montea share

The Montea share is aimed at private and institutional investors from Belgium and overseas who are attracted by an indirect investment in logistics and semi-industrial property (industrial parks) and who aim at a high dividend return with a moderate risk profile.

The Montea share has been listed on the Euronext Brussels continuous market (MONT) since October 2006 and on the Euronext Paris (MONTP) since January 2007. It is part of the compartment C (Small Caps).

[50] The estimated future fair value.

2010 was characterised by a rise in the volume of traded shares. The average daily volume climbed by 68%, while the average number of shares increased by 22%. This is also reflected in the velocity[51] (based on the free float), which increased from 24.5% to 31.7%.

Key figures for the Montea share:

MONTEA MORE THAN WAREHOUSES — STOCK MARKET PERFORMANCE	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Share price (€)				
At close	23,49	24,89	27,00	31,99
Highest	26,89	30,99	35,25	37,00
Lowest	19,80	21,81	23,00	30,21
Average	23,83	24,69	30,84	33,82
Net assest value / share (€)				
Incl. IAS 39	22,01	23,53	28,60	31,10
Excl. IAS 39	23,14	25,53	30,26	30,80
Premium / (discount) (%)	**6,7%**	**5,8%**	**-5,6%**	**2,9%**
Dividend return (%)	**7,7%**	**8,5%**	**6,8%**	**7,4%**
Dividend (€)				
Gross	1,84	2,09	2,09	2,49
Net	1,56	1,78	1,78	2,12
Volume (in number of shares)				
Average daily volume	1.740	1.033	1.061	1.333
Annual volume	450.701	264.394	271.641	341.241
Number of shares	5.634.126	3.585.354	3.585.354	2.855.607
Market capitalisation ('000 euros)				
Market capitalisation at the end of the period	132.346	89.239	96.805	91.351
Free Float	31,3%	30,1%	30,1%	37,3%
Ratios (%)				
"Velocity"	9,8%	7,4%	7,6%	11,9%
Free Float "Velocity"	31,7%	24,5%	25,1%	32,0%

Shareholder status of Montea per 31 December 2010

Number of shares	5,634,126	
Family De Pauw	1,674,287	29.72%
Family De Smet	158,431	4.43%
Banimmo [52]	1,304,182	23.15%
Gemeentelijke Holding	644,041	11.43%
Free Float	1,762,657	31.28%

[51] Number of shares traded compared to the total number of shares.

[52] On the basis of a notification on 7 March 2011, Banimmo reported that it had 995,527 shares, representing 17.67% of the total shares.
The Belgian Federal Insurance reported on the basis of a notification on 7 March 2011, that it had 250,000 shares, representing 4.44% of the total shares.

4.13 Corporate Governance

4.13.1 Applicable legislation and reference code

This corporate governance statement contains the most important rules that the Montea Comm. VA. (**Montea** or the **Company**) has adopted the legislation and provisions on corporate governance in its practise.

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

The relevant legislation includes not only the Companies Code, but also the Act of 20 July 2004 on certain forms of collective management of investment portfolios, the Royal Decree of 10 April 1995 relating to Sicafi and the Royal Decree of 21 June 2006 on accounting , the annual and consolidated accounts of public real estate investment trusts, and amending the Royal Decree of 10 April 1995 relating to Sicafis. The Royal Decrees of 10 April 1995 and 21 June 2006 are superseded by the Royal Decree of 7 December 2010 on Sicafi.

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

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

The company and its statutory manager respect the provisions of the Belgian Corporate Governance Code and the legal recommendations on corporate governance by applying these within the statutory Manager. As Manager of the property investment company on shares, it is the Board of Directors of Montea Management NV, which collegially takes decisions concerning the values and the strategies of Montea, on the principal policy lines and its willingness to take risk. The structure of the property investment company on shares is thus considered as transparent in terms of corporate governance.

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

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

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

- pursuant to provision 4.6 of the Corporate Governance Code 2009, the mandate of director shall not be more than four years. The shareholders of the Manager have opted upon appointment of the directors to appoint on the one hand the majority of its directors for a period of 6 years. These directors are: Van Acker Gerard BVBA, represented by G. Van Acker, PSN Management BVBA, represented by P. Snoeck, DDP Management BVBA, represented by D. De Pauw, André Bosmans BVBA, represented by A. Bosmans, Stratefin Management BVBA, represented by C. Terlinden, Philip Van gestel BVBA, represented by Philip Van gestel and Gemeentelijke Holding NV, represented by C. Bourgeois. This creates the opportunity to get used to the functioning of the Sicafi and to ensure the continuity of policy in the medium term.

On the other hand, the shareholders of the Manager of the Sicafi have opted to appoint three directors, namely Mr Philip Van gestel BVBA, First Stage Management NV and Mr Eddy Hartung, for a period of 4 and 5 years, respectively. This allows the Sicafi a certain rotation of experience and expertise, should this be needed;

- the Board of Directors of the Manager of the Sicafi has decided that, given the company's size, it will not establish a separate Nomination Committee. The role of the Nomination Committee is completely incorporated by the Remunerations Committee;

- pursuant to provision 2.9 of the Belgian Corporate Governance Code 2009, the Board of Directors of the Manager must appoint a secretary who advises the Board on all governance matters. This has not happened as yet, given the limited complexity of the company's organisation.

4.13.2 Board and executive management

4.13.2.1 General

Montea's company type is a General Partnership share and was adopted on 26 September 2006 by the Commission for Banking, Finance and Insurance as Sicafi. This recognition entered into effect on 1 October 2006.

In accordance with the Belgian Code of Companies and its Articles of association, Montea is governed by a statutory Manager-partner, Montea Management NV ("Montea Management" or the "Manager"), a company which itself is severally and without limitation responsible for all commitments of the Sicafi, and which in turn is represented by its permanent representative Jo De Wolf[53].

Montea Management is governed by a Board of Directors that carries out its mission in complete independence, in accordance with the provisions of the Act and the Royal Decree on Sicafi.

The structure of the general partnership share is perfectly transparent. This means that all rules of the Royal Decree on Sicafi are applicable to its governing body, the statutory Manager Montea Management and to the directors of Montea Management.

In this regard, the Sicafi has extended the principles regarding corporate governance to the directors of the statutory Manager Montea Management.

[53] Effective 15/02/2010, Frédéric Sohet ad interim was replaced by Dirk De Pauw. This temporary appointment ended on 19/10/2010 upon the appointment of Jo De Wolf.

The Corporate Governance structure of Montea, in accordance with the Belgian Corporate Governance code 2009, can be schematically represented as follows:

- the management bodies, on two levels:
    - the statutory Manager, Montea Management NV, represented by its permanent representative, Mr Jo De Wolf;
    - the Board of Directors and the persons to whom the executive management of Montea Management NV is entrusted;

- the supervisory bodies:
    - Internal: overseeing the daily management through the effective leaders;
    - External: the auditor, the deposit holder and the Commission for Banking, Finance and Insurance.

The Manager represents the company in any legal or extrajudicial steps. Pursuant to Article 9, § 2, of the Royal Decree of 7 December 2010, the company is represented, for any action regarding access to its property within the meaning of Article 2.20° of the aforementioned Royal Decree, by the statutory Manager, who is represented by the permanent representative of the Manager, Mr Jo De Wolf[54] and at least one Director of the manager, PSN Management BVBA, represented by Mr Peter Snoeck.

4.13.2.2 Board of Directors

A. Composition of the Board of Directors

(i) Appointment

The members of the Board are appointed by the General Meeting of Montea Management NV by a general majority from a list of candidates presented by the Board of Directors on the advice of the Nomination Committee. At present, the General Meeting of the Manager is solely composed of the five children of the late Mr Pierre De Pauw, who each hold 20% of the shares.

The directors are in principle appointed to a maximum period of four years, however, in deviation from provision 4.6 of the Belgian Corporate Governance Code 2009, this limit may be waived to be able to ensure a secure rotation within the Board.

The term of office of the independent directors, however, will always be limited to a maximum of four years and their appointments are renewable only twice.

Montea shall inform the CBFA in advance of the nomination for appointment or renewal of appointment, of non-renewal of appointment or of the dismissal of directors pursuant to Article 38, §3 of the Act of 20 July 2004.

The nomination process is led by the Chairman of the Board of Directors Candidate directors or candidates for renomination as directors are nominated by the Board of Directors to the shareholders of the Manager for approval by the Nomination Committee.

[54] As of 19/10/2010.

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

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

(ii) Qualification requirements

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

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

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

Pursuant to Article 9, §1 of the Royal Decree on Sicafi, there must be at least three independent directors within the meaning of Article 526 of the Company Code. The BVBA Philippe Van gestel, represented by Philippe Van gestel, today meets the independence criteria of the aforementioned Article 526. In accordance with the transfer scheme provided for in Article 74, § 3 of the Royal Decree on Sicafi, Gerard Van Acker BVBA, with its permanent representative Gerard Van Acker, Mr Eddy Hartung and NV First Stage Management with its permanent representative Mr Hugo Van Hoof, all similarly qualify as independent directors.

(iii) Composition

The Board of Directors consists of ten members[55]:

- Jo De Wolf BVBA, represented by Mr Jo De Wolf, Managing Director and Chief Executive Officer (CEO)[56].
- Two representatives of the reference shareholder Family Pierre De Pauw (29.72% of the shares):
  - DDP Management BVBA, represented by Mr Dirk De Pauw, Executive Director, Chairman of the Investment Committee, and responsible for business development in France, and;

[55] The smooth and efficient functioning of the Board of Directors is not impeded by its relatively comprehensive composition.

[56] Effective 15/02/2010, Tehos BVBA, represented by Mr Frédéric Sohet, was replaced by DDP Management BVBA, represented by Mr Dirk De Pauw. This temporary appointment was terminated on 19/10/2010 by appointing Jo De Wolf BVBA, represented by Mr Jo Wolf.

  - PSN Management BVBA, represented by Mr Peter Snoeck (spouse of Mrs Dominika De Pauw, sister of Mr Dirk De Pauw). Peter Snoeck as Chief Operating Headquarter (COO) is also Executive Director.

- Two representatives of the reference shareholder Banimmo (23.15% of the shares on 31 December 2010):
  - the André Bosmans Management BVBA, registered in the register of legal entities of Ghent, with company number 0476.029.577 and Mr André Bosmans as permanent representative, and
  - the Stratefin Management BVBA SPRL registered in the register of legal entities of Brussels, with company number 0873.464.016 and Mr Christian Terlinden as permanent representative.

- The 'Gemeentelijke Holding' NV, with headquarters at 1000 Brussels, Bankstraat 7, registered in the register of legal entities in Brussels under number 0203.211.040, represented by its permanent representative Mr Carlos Bourgeois, appointed as director of Montea at the General Meeting of 20 May 2008, for a period of six years up until the annual meeting of 2014. This appointment was the result of the capital increase that was made to close the acquisition of the site of Unilever Belgium, wherein a series of share transactions were made (see the 2008 Annual Report for more information).

- Four independent directors:
  - the Gerard Van Acker BVBA , registered in the register of legal entities of Brussels, with company number 0474.402.353 and as permanent representative Mr Gerard Van Acker, Chairman of the Board of Directors.
  - The First Stage Management NV, registered in the register of legal entities of Antwerp, with the company number 0447.861.470 and Mr Hugo Van Hoof as its permanent representative.
  - The Philip Van Gestel BVBA, registered in the register of legal entities of Antwerp, with the company number 0477.380.649 and Mr Philip Van gestel as its permanent representative.
  - Mr Eddy Hartung.

"These independent directors complied on the date of their appointment with the independence criteria, prescribed by Article 524 § 4, 2nd paragraph of the Belgian Company Code, before the introduced modifications by the act of 17 December 2008 (B.S. 29/12/2008, ed. 3). Since their appointment no events or facts have occurred as a result of which they no longer meet these criteria. In accordance with Article 24, § 3 of this law of 17 December 2008, and in application of Article 524, 526bis and 526quater of the Belgian Company Code, they can continue to retain their seats in the quality of independent directors up to 1 July 2011. At that moment, or at any moment that their mandate might be extended, their independence would be reviewed in respect to the new 526ter of the Belgian Company Code.

At the annual General Meeting on 18 May 2010, the renewal of the mandate of BVBA Philip Van gestel was presented for a term of four years. Pursuant to this renewal, the BVBA Philip Van gestel, represented by Philip Van gestel, must comply with the independence criteria of Article 526ter of the Belgian Company Code to be able to act as independent director in accordance with Article 524, 526bis and 526quater of the Belgian Company Code. The Board of Directors has reviewed, on the advice of the Appointment and Remuneration Committee, the achievement of these criteria and can confirm that all of these are satisfied.

At the Annual Meeting on 17 May 2011, the mandates of First Stage Management NV and Mr Eddy Hartung will lapse. The Board of Directors will, upon the advice of the Appointment and Remuneration Committee, propose to extend the two mandates for independent directors for a period of two years. Additionally, the Board of Directors shall, on the advice of the Nomination and Remuneration Committee, ensure that these candidates meet the independence criteria of Article 526ter of the Belgian Company Code.

The mandate of Van Acker Gerard BVBA, represented by Gerard Van Acker, expires on 15/05/2012, however shall, upon the advice of the Nomination and Remuneration Committee, be renewed in advance for a period of two years in order to meet the independence criteria of Article 526ter of the Belgian Company Code.

(iv) Curricula

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

Van Acker Gerard BVBA, represented by Gerard Van Acker
Chairman of the Board and Independent Director
Start of mandate: 1/10/2006 – End of mandate: 15/05/2012

Gerard Van Acker, born in 1943, studied law and political and administrative science at the Vrije Universiteit Brussel.

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
   Since 2003 he has been director of the companies Accent, Jobs for People, Trust Capital, Exequtes Group, Elsyse and, Capricorn, and Chairman of the Board of Directors of Capital E, Carestre and BI3 Fund. In some of these companies he is also chairman or member of the Audit Committee and/or of the remuneration and nomination committee. During this period he has also held director mandates for Besix Group, Bofort, Carestel, Kinepolis, Real Software, Sabena Technics, Group P&V and Essent Belgium. He also holds a director mandate for many non-profit associations, such as Imec and VIB (Flemish Institute for Biotechnology). He is also chairman of Plan België. Beginning on 5 November 2008, Mr Gerard Van Acker was replaced as a director of NV Montea Management, Manager of Montea Comm VA, by the BVBA Gerard Van Acker, with Mr Gerard Van Acker as permanent representative, in accordance with Articles 38 and 39 of the Act of 20 July 2004 on certain kinds of collective management of investment portfolios.

First Stage Management NV, represented by Hugo Van Hoof
Vice-Chairman of the Board and Independent Director
Start of mandate: End of mandate: 2014 17/05/2011

Hugo Van Hoof, born in 1946, is a civil architectural engineer (KUL: Katholieke Universiteit Leuven) and obtained a diploma in applied economics from the same university.

a. The mandates that have lapsed in the past five years:
   Until May 2006 he was Division Chief at Heijmans International, Managing Director of Heijmans België and of 26 Belgian subsidiary companies Heijmans.

b. The current mandates:
   He is currently Chairman, Managing Director of Resiterra NV (a joint venture between KBC Vastgoed and private investors), Chairman of Barbarahof NV (a joint venture between Resiterra NV and BPI-CFE NV), Director of BVS-UPSI (Professional Association of the Property Sector), Sofrigam SA in France, Biominerals NV and Conforma NV in Belgium via Innovi NV as permanent representative.

At the annual Meeting on 17 May 2011 his mandate at NV First Stage Management will lapse. The Board of Directors shall, upon the advice of the Nomination and Remuneration Committee of 21 February 2011, propose a candidate for this mandate as independent director. Additionally, the Board of Directors shall, on the advice of the Nomination and Remuneration Committee, ensure that this candidate meets the independence criteria of Article 526ter of the Belgian Company Code.

Jo De Wolf BVBA, represented by Jo De Wolf
Managing Director and CEO
Start of mandate: 19/10/2010 - End of mandate: 15/02/2016

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

a. The mandates that have lapsed in the past five years:
   From 2000 to 2004 he was active in the Sicafi Leasinvest Real Estate, where he was first responsible for the commercial policy and later also responsible for the investment policy. He was also partly responsible for the Tour & Taxis development project in Brussels. In 2006 (until October 2010), he headed the real estate division of The Brussels Airport Company, where he was responsible for the redevelopment strategy and the expansion of the Brucargo logistics area at Brussels Airport.
b. The current mandates:
   As of 19 October 2010, Jo De Wolf BVBA, represented by Mr Jo De Wolf, was appointed as effective leader of Montea Comm. VA, in accordance with Article 38 of the Act of 20 July 2004 on certain forms of collective management of investment portfolios.

As of 19 October 2010, Jo De Wolf BVBA, represented by Mr Jo De Wolf, was appointed as effective leader of Montea Comm. VA, in accordance with Article 38 of the Act of 20 July 2004 on certain forms of collective management of investment portfolios.

PSN Management BVBA, represented by Peter Snoeck
Representative of the Family De Pauw - Director and COO
Start of mandate: 1/10/2006 - End of mandate: 15/05/2012

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

a. The mandates that have lapsed in the past five years:
   From 1989 to 2005, he was responsible for the executive management of the real estate companies of the Pierre De Pauw group.
b. The current mandates:
   Since 2006, Peter Snoeck has been executive director of the Manager of the Sicafi. He holds the position of COO and represents the Pierre De Pauw family on the Board of Directors.

DDP Management BVBA, represented by Dirk De Pauw
Representative of the family De Pauw - Director and Chairman of the Investment Committee (see footnote 26)
Start of mandate: 1/10/2006 - End of mandate: 15/05/2012

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

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
Since 1982 he has been managing director of the NV CLIPS in Asse. Dirk De Pauw is Director of the Sicafi manager and Chairman of the Sicafi's Investment Committee; he represents the Pierre De Pauw family on the Board of Directors.

André Bosmans Management BVBA, represented by André Bosmans
Representative of Banimmo - Director
Start of mandate: 1/10/2006 – End of mandate: 15/05/2012

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

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
Since 1996, he has been Secretary-General and member of the management committee of Banimmo. Since August 2006, he has, through his management company, been director of various companies (Banimmo, NV Conferinvest, Comulex, Immo Property Services – IPS and Lex 8). He is also director on his own behalf of the NV Grondbank The Loop, and finally, he is an independent director of NV VEDIS on his own behalf and of the NV International Commerce and Trading, through its management company.

Stratefin Management BVBA, represented by Christian Terlinden
Representative of Banimmo - Director
Start of mandate: 1/10/2006 - End of mandate: 15/05/2012

Christian Terlinden, born in 1959, holds a degree in law (UCL: Catholic University of Louvain) and applied economics (UCL); he also earned an MBA from Cornell University in the United States.

a. The mandates that have lapsed in the past five years:
From 1995 to June 2006 he was director and CFO of Sapec. He was also a director of Devimo Consult until June 2008 and of GP Beta Holding (former parent company of Banimmo);
b. The current mandates:
Since 2005, he has been Chief Financial Officer, Member of the management committee and director of Banimmo and a number of companies belonging to the Banimmo group (Tradecorp, Interpec Iberia, Sapec SGPS, Sapec Immobiliaria).

Eddy Hartung
Independent Director
Start of mandate: 1/10/2006 - End of mandate: 17/05/2011

Hartung Eddy, born in 1952, obtained a degree in law (ULB, 1975) and a business management degree at UCL (IAG) in 1983.

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
   He is Managing Director of HARMONT INVEST NV, management company and equity company (shares and investment property); Director of CETIM S.A. (Luxembourg); Manager (Gérant) of CETIM sarl (France); as permanent representative of Harmont Invest NV, Chairman of the Board of CETIM NV (Belgium); director and/or chairman of various ad hoc real estate companies in Luxembourg, Belgium and France (in the context of a private real estate fund, Immo Optimum SICAR, abbreviated as OPTIMMO, in Luxembourg): VDA SA, VDA Secundo SA and V-Holding SA in Luxembourg, Optimland Hold NV in Brussels and SAS Immo Parc Orsay, SAS Immo Secundo, SAS 21 Fortuny, SAS 107 Malesherbes, SAS 197 Malesherbes, all SAS are located in France.

At the annual Meeting on 17 May 2011 the mandate of Mr Eddy Hartung will lapse. The Board of Directors shall, upon the advice of the Nomination and Remuneration Committee of 21 February 2011, propose a candidate for this mandate as independent director. Additionally, the Board of Directors shall, on the advice of the Nomination and Remuneration Committee, ensure that this candidate meets the independence criteria of Article 526ter of the Belgian Company Code.

Philip Van gestel BVBA, represented by Philip Van gestel
Independent Director
Start of first mandate: 1/10/2006
Renewal of mandate: 18/05/2010 - End of mandate: May 2016

Philip Van gestel, born in 1958, earned a degree in applied economics, sea and transport law from the UFSIA and a D.E.S.S. (Diplôme d'Etudes Supérieures Spécialisées) in applied marketing at the Université d'Aix-Marseille.

a. The mandates that have lapsed in the past five years: none
b. The current mandates:
   Since 2004 has been Executive Chairman of Noord Natie Terminals NV (storage tanks in Antwerp), International Distribution Partners (cold stores in Antwerp), Civitavecchia Forrest and Fruit Terminal (Italy), Noord Natie Ventspils terminals (Latvia) and the Nortrop group (agencies). He holds the following mandates: Chairman of Noord Natie Holding CVBA, Chairman of Katholieke Media Fondsen (media), member of the Board of Directors of BNP Paribas Fortis Bank, Antwerp – Kempen area, Director of Acerta (Secretariat for social security matters), Director of EFICO NV and SEABRIDGE NV (coffee trade and storage). Honorary chairman of the Algemene Beroepsvereniging voor de Antwerpse Stouwers (General Association for the Antwerp Stevedores) and Judge for Commercial Matters at the Antwerp Commercial Court.

Gemeentelijke Holding NV, its permanent representative Mr Carlos Bourgeois
Director
Start of mandate: 20/05/2008 - End of mandate: 20/05/2014

Carlos Bourgeois, born in 1949, earned a degree in economics from the State University of Ghent in 1971.

a. The mandates that have lapsed in the past five years: none
b. The current mandates are as follows:
   In 2000 he was appointed Secretary-General of the Gemeentelijke Holding NV and from 2002 onwards, he has also been the executive director of the Gemeentelijke Holding NV. In addition to the director mandate for Montea, Carlos Bourgeois also holds governance mandates for DG Infra+, Dexia Immorent and Enfinity 1.

With the exception of DDP Management BVBA, represented by Mr Dirk De Pauw, Jo De Wolf BVBA, represented by Mr Jo De Wolf and PSN Management BVBA, represented by Mr Peter Snoeck, the above-mentioned are all non-executive directors. Montea confirms that the above-mentioned non-executive directors comply with provision 4.5 of the Code, which requires that non-executive directors may not perform more than 5 mandates in listed companies.

B. Duties of the Board of Directors

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

- defining the strategy of the Sicafi, its risk profile and in particular defining the sectors and the geographical area in line with the relevant legal requirements;
- approval of investment decisions in line with relevant legal requirements;
- monitoring and approval of periodic financial information;
- oversight of the executive management, particularly in light of strategy monitoring;
- approval of public offering information;
- proposal of profit distribution;
- other duties expressly assigned by the Belgian Company Code to the statutory manager (strategy and budget, annual, quarterly and half-yearly accounts, use of the authorized capital, approval of the merger/break-up reports, convening of the Ordinary and Extraordinary General Meetings, organising the decision-making bodies and appointing their members).

C. Activity Report of the Board of Directors

In 2010 the Board of Directors met 10 times. The directors' attendance at these meetings was as shown in the table below:

Name	Function	Administrator, represented by	End date of mandate	Attendance list in 2010
Van Acker Gerard SPRL, represented by Gerard Van Acker	Chairman	Independant Administrator	May 2012	10/10
First stage management SA, represented by par Hugo Van Hoof	Vice-president	Independant Administrator	May 2011	10/10
Jo De Wolf SPRL, represented by Jo De Wolf	Delegated Administrator and CEO (*)	Delegated Administrator	May 2016	1/10
André Bosmans Management SPRL, represented by André Bosmans	Administrator	Banimmo	May 2012	10/10
Stratefin Management SPRL, represented by Christian Terlinden	Administrator	Banimmo	May 2012	9/10
Holding Communal, represented by Carlos Bourgeois	Administrator	Holding Communal	May 2012	7/10
DDP Management SPRL, represented by Dirk De Pauw	Administrator	Family De Pauw	May 2012	10/10
PSN Management SPRL, represented by Peter Snoeck	Administrator and COO	Family De Pauw	May 2012	10/10
Eddy Hartung	Independant Administrator	Independant Administrator	May 2011	10/10
Philip Van gestel SPRL, represented by Philip Van gestel	Independant Administrator	Independant Administrator	May 2010	10/10

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

- review and discussion of the report of the Remuneration and Nomination Committee
- review and discussion of the reports of the Audit Committee;
- review and discussion of the reports of the Investment Committee;
- deliberation and decisions on investments and divestments on the advice of the Investment Committee;
- deliberation and decisions on the quarterly, half-yearly and annual statutory and consolidated financial statements and press releases;
- discussion and approval of the annual budget
- evaluating and monitoring the strategy.

D. Operation of the Board of Directors

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

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

The Board of Directors assesses the effectiveness of its committees.

After each committee meeting the Board of Directors receives a report on that committee's findings and recommendations.

In between meetings, ad hoc information is sent to the directors and any director may demand any information at first request at any time through the Chairman of the Board of Directors.

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

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

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

E. Chairman of the Board of Directors

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

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

The Chairman has the special duty to:

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

F. Professional development of directors

Professional development of directors is guaranteed by:

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

G. Evaluation of directors

The evaluation of the directors is done at different levels:

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

4.13.2.3 Audit Committee

A. Composition of the audit committee

(i) Set-up

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

(ii) Composition

The audit committee consists of the following members:

- First Stage Management NV, represented by Hugo Van Hoof, chairman of the audit committee, independent director;
- Van Acker Gerard BVBA, represented by Gerard Van Acker, vice-chairman, independent director;
- Mr Eddy Hartung, independent director.

According to Article 526bis of the Belgian Company Code, at least one member of the Audit Committee must have the necessary expertise in the field of accountancy and auditing. We refer to the wide experience and expertise of Van Acker Gerard BVBA, represented by Gerard Van Acker. Mr Gerard Van Acker has the relevant experience mentioned below:

- With the establishment of the Accounting Standards Commission, member for several years and thereafter honorary member;
- (Former) chairman or member of several audit committees in listed and unlisted companies, as well as non-profit organizations.

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

B. Duties of Audit Committee

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

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

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

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

C. Audit Committee activity report

In 2010 the Audit Committee was convened four times. The members' attendance was as shown in the table below:

Name	Function	Attendance list in 2010
First stage management SA, represented by Hugo Van Hoof	Chairman	4/4
Van Acker Gerard SPRL, represented by Gerard Van Acker	Independant Administrator	4/4
Eddy Hartung	Independant Administrator	4/4

At these meetings the issues dealt with included the following:

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

At one of those meetings, previous points were also discussed with the auditor. At all meetings, previous points were also discussed with the CFO.

D. Evaluation of the Audit Committee

The most important criteria for evaluating the Audit Committee and its members are:

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

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

4.13.2.4 Remuneration and Nomination Committee

A. Composition of Remuneration and Nomination Committee

(i) Set-up

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

(ii) Composition

The Remuneration and Nomination Committee consists of the following members:

- Van Acker Gerard BVBA, represented by Gerard Van Acker, chairman of the committee, independent director;
- Stratefin Management BVBA, represented by Christian Terlinden, non-executive director;
- Mr Eddy Hartung, independent director.

This composition ensures that the committee possesses the necessary expertise in the field of remuneration policy.

B. Duties of the Remuneration and Nomination Committee

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

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

C. Activity report of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee met twice in 2010: The members' attendance was as shown in the table below:

Name	Function	Attendance list in 2010
Van Acker Gerard SPRL, represented by Gerard Van Acker	Chairman	1/1
Stratefin Management SPRL, represented by Christian Terlinden	Independant Administrator	1/1
Eddy Hartung	Independant Administrator	1/1

At these meetings the following issues were discussed:

- evaluation of the management and discussion of the goals for 2010;
- discussion and evaluation of the overall staff policy;
- discussion and approval of CEO appointment.

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

D. Evaluation of the Remuneration and Nomination Committee

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

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

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

4.13.2.5 Investment Committee

A. Composition of the investment committee

(i) Set-up

The Board of Directors has established an Investment Committee with an eye towards obtaining professional advice on investment projects.

(ii) Composition

The Investment Committee consists of the following parties[57]:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee, Director and responsible for business development in France;
- Jo De Wolf BVBA, represented by Mr Jo De Wolf, Managing Director and Chief Executive Officer (CEO)[58];
- PSN Management BVBA, represented by Mr Peter Snoeck, Director and Chief Operating Officer (COO);
- Amaury De Crombrugghe BVBA, represented by Mr Amaury De Crombrugghe, responsible for investments of the reference shareholder Banimmo;
- First Stage Management NV, represented by Hugo Van Hoof, Director;
- Peter Verlinde (CFO);
- Jean de Beaufort (Directeur Général de France).

B. Duties of the Investment Committee

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

C. Investment Committee activity report

In 2010, the Investment Committee met nine times. The members' attendance was as shown in the table below:

Name	Function	Attendance list in 2010
DDP Management SPRL, represented by Dirk De Pauw	Chairman (*)	9/9
Jo De Wolf SPRL, represented by Jo De Wolf	Member (**)	3/9
First stage management SA, represented by Hugo Van Hoof	Member (***)	7/9
PSN Management SPRL, represented by Peter Snoeck	Member	9/9
Peter Verlinde	Member (**)	3/9
Jean de Beaufort	Member (**)	3/9
Amaury de Crombrugghe SPRL, represented by Amaury de Crombrugghe	Member	9/9

member from 15/02/2010 to 19/10/2010 due to position as CEO ad int. during this period
(**) as of 19/10/2010
(***) Chairman from 15/02/2010 to 19/10/2010; member as of 19/10/2010

57 On 1 January 2011 the executive management was completed upon the appointment of Peter De Muynck, in the position of commercial director (CCO). See press release dated 25 November 2010.

58 From 15/02/2010 to 19/10/2010, DDP Management BVBA, represented by Mr Dirk De Pauw, was employed as CEO ad interim of the Sicafi. During this period, NV First Stage Management, represented by Mr Hugo Van Hoof, was temporarily appointed as chairman of the Investment Committee.

4.13.2.6 Executive management and executive board of the statutory Manager

A. Composition of the executive management and executive board of the statutory Manager

(i) Set-up

The Board of Directors has chosen against establishing a Management Committee in the sense provided in the Belgian Company Code. The Board of Directors has entrusted the executive and operational management of Montea to the executive management.

On 31 December 2010, the executive management consisted of[59]:

(i) Jo De Wolf BVBA, represented by Mr Jo De Wolf, in the position of CEO[60]
(ii) PSN Management BVBA, represented by Mr Peter Snoeck, in the position of COO;
(iii) Peter Verlinde, in the position of CFO;
(iv) Jean de Beaufort, in the position of Director France

Jo De Wolf BVBA, represented by Mr Jo De Wolf and PSN Management BVBA, represented by Mr Peter Snoeck, both qualify as effective leaders in accordance with Article 38 of the Act of 20 July 2004 on certain forms of collective management of investment portfolios.

B. Duties of the executive management and daily management of the statutory Manager

The executive management is responsible for the executive board of Montea, which implies functions and powers, including the following:

- preparation of decisions that must be taken by the Board in order to fulfil its obligations and the timely delivery of the information pertaining thereto;
- implementation of the decisions of the Board of Directors;
- establishment of internal controls, subject to the supervisory role of the Board, based on that which is approved by the Board;
- proposing complete, timely, reliable and accurate preparation of the annual financial statements to the Board;
- preparation of the publication of the annual financial statements and other material financial and non-financial information;
- proposing a balanced and comprehensible assessment of the financial situation to the Board;
- accountability to the Board regarding the performance of its duties;
- executive management of Montea generally.

The executive management is specifically responsible for property management, financing property, the overall management of staff and staff policy, preparation of all legally required information, financial and otherwise, and reporting and providing all required information to the public or public authorities.

[59] On 1 January 2011 the executive management was completed upon the appointment of Peter De Muynck, in the position of commercial director (CCO). See press release dated 25 November 2010.

[60] Effective 15/02/2010 Tehos BVBA, represented by Mr Frédéric Sohet, was replaced by DDP Management BVBA, represented by Mr Dirk De Pauw. This temporary appointment was terminated on 19/10/2010 by appointing Jo De Wolf BVBA, represented by Mr Jo Wolf.

C. Functioning of the executive management and executive board of the statutory Manager

The executive management works closely together and in constant consultation. Important decisions are taken by consensus. When the executive management does not reach an agreement, the decision is left to the Board

The executive management meets weekly. An agenda is drawn up in advance of each meeting, which must be sent to all members of the executive management in a timely manner. On this agenda are, inter alia, the operational decisions regarding the executive management, the status of current projects and leases and evaluation of new projects under study.

The executive management regularly reports to the Board on the fulfilment of its mission.

The executive management provides the Board with all relevant business and financial information. These include: key figures, an analytic presentation of the results versus the budget, a summary of the evolution of the property portfolio, the consolidated YTD financial statement and details on the consolidated YTD financial statement.

Proposals for decisions that the Board must take are explained to the Board of Directors by the CEO.

D. Evaluation of the executive management and executive board of the statutory Manager

The executive management is evaluated by the Board of Directors on the basis of performance and objectives.

4.13.3 Remuneration Report

4.13.3.1 Remuneration for the Statutory Manager

The articles of association of the Manager make provision for remuneration of the contract of Montea Management NV as statutory Manager of the Sicafi. This remuneration consists of two parts: a fixed part and a variable part.

The fixed part of the remuneration of the Manager is established every year by the Annual General Meeting of the Sicafi. This lump sum cannot be less than EUR 15,000 per year.

The variable statutory portion is equal to 0.25% of the amount equal to the sum of the adjusted results[61] and of the net gains on disposal of property not exempt from the mandatory payment. The Manager is entitled to reimbursement of the actual costs incurred, directly related to his/her mission and of which sufficient proof is provided.

During the financial year ending on 31 December 2010, the fee of the Manager was EUR 441,067 (fixed and variable parts). This amount corresponds to the total costs of the Board of Directors.

[61] The corrected result = Net income + Depreciation + Amortization - Reversal of losses - Reversals transferred and discounted rent +/- Other non-monetary items +/- Result of sold property +/- Variations in the fair value of property.

4.13.3.2 Remuneration policy for the Board of Directors and its committees

The continuity principle is applied for non-executive directors. They are reimbursed in the form of attendance fees per Board of Directors meeting attended and for those of committees within the Board of Directors. This payment is made by Montea Management NV.

This disbursement of "attendance fees" does not apply to managing directors, the operational director or the Chairman of the Investment Committee. They are separately compensated for their duties.
In accordance with the principles regarding Corporate Governance, the compensation of directors is proportionate to their responsibilities and to the time they devote to their functions.

The amount for the attendance fees for non-executive directors is approved every year through the General Meeting on the proposal of the Board of Directors, prepared by the Remuneration Committee. The attendance fee for FY 2010 for the above-mentioned directors was established at EUR 1,000 per meeting for all directors who actually participate in the Board of Directors.

The Chairman of the Board receives an additional annual fee of EUR 50,000.

Members of the specialized committees within the Board of Directors (Audit Committee, Remuneration and Nomination Committee) receive an additional attendance fee for each committee meeting actually attended. The attendance fees for FY 2010 were set at: EUR 500 per meeting for the chairman of the committee and EUR 300 per meeting for members.

All members of the Board are also covered by a civil liability insurance for directors, whose total premium of EUR 16,816.32 for all directors together is borne by Montea Comm. VA.

There are no additional fees (company car, pension, options, mobile phones etc.) paid to the directors.

The non-executive directors are not eligible for the award of variable compensation.

For directors, this means that for FY 2010, they received the following compensation:

Name	Function	Administrator, representative of	Board of Directors Annual fixed remuneration	Board of Directors Presence fee	Audit Committee Presence fee	Remuneration Committee Presence fee	Total
Van Acker Gerard SPRL, represented by Gerard Van Acker	Chairman	Independant administrator	50.000,00 €	10.000,00 €	1.200,00 €	1.000,00 €	**62.200,00 €**
First Stage Management SA, represented by Hugo Van Hoof	Vice-President	Independant administrator		10.000,00 €	2.000,00 €		**12.000,00 €**
Jo De Wolf SPRL, represented by Jo De Wolf	Delegated Administrator and CEO	Delegated Administrator					**0,00 €**
André Bosmans Management SPRL, represented by André Bosmans	Administrator	Banimmo		10.000,00 €			**10.000,00 €**
Stratefin Management SPRL, represented by Christian Terlinden	Administrator	Banimmo		10.000,00 €		600,00 €	**10.600,00 €**
Holding Communal, represented by Carlos Bourgeois	Administrator	Holding Communal		5.000,00 €			**5.000,00 €**
DDP Management SPRL, represented by Dirk De Pauw	Administrator	Family De Pauw					**0,00 €**
PSN Management SPRL, represented by Peter Snoeck	Administrator and COO	Family De Pauw					**0,00 €**
Eddy Hartung	Independant administrator	Independant administrator		10.000,00 €	1.200,00 €	600,00 €	**11.800,00 €**
Philip Van gestel SPRL, represented by Philip Van gestel	Independant administrator	Independant administrator		10.000,00 €			**10.000,00 €**
			50.000,00 €	**65.000,00 €**	**4.400,00 €**	**2.200,00 €**	**121.600,00 €**

4.13.3.3 Remuneration policy for the Investment Committee

Only Amaury de Crombrugghe BVBA and First Stage Management NV receive a compensation of EUR 1,000 per meeting attended. During the period in which First Stage Management NV acted as chairman of the Investment Committee, the compensation was EUR 2,000 for meetings attended.

4.13.3.4 Remuneration policy for executive management

Members of executive management who are also directors receive no remuneration for the performance of their directorship.

The remuneration for people responsible for the executive board consists of two parts: a fixed part and a variable part. The amount of these two parts is determined by the Board of Directors, taking into account the responsibilities and the time required for these functions, as well as the industry standard practice.

The fixed remuneration of members of the executive management may not be determined based on the executed operations and transactions by Montea or its subsidiaries.

Annually the board of directors decides, on the proposal of the remuneration committee, on the variable remuneration to which the members of the executive management may be entitled with respect to their activities for the next financial year. In this way, the board determines the amounts of variable compensation and performance criteria upon which these benefits are conditional. Where appropriate, the provisions of Article 520bis, 520ter and 525 of the Belgian Company Code are followed.

If they are eligible for variable compensation, then the criteria, that partly or wholly let the variable compensation depend on the results, must exclusively be related to the consolidated net income, excluding any changes in fair value of assets and hedging instruments.

The variable remuneration of the CEO was set at the beginning of FY 2010 by the Remuneration Committee based on:

- the development of the vision or continued growth of the company;
- the smooth running of the transition;
- the establishment of the team in France and restructuring of the team in Belgium;
- the successful capital increase during FY 2010.

The variable remuneration of the other members of the executive management was set at the beginning of FY 2010 by the Remuneration Committee based on:

- a successful capital increase during FY 2010;
- the realization of the projected cash flow forecasts;
- the creation of a policy for sustainable development;
- the continued development of the property management team.

The management agreement signed between the CEO and Montea provides no additional compensation for early termination of the agreement.

The management agreements and employment contracts of the other members of the executive management do, at termination of the agreement, provide for the granting of an one-off equivalent compensation from 3 to 12 months. The employment agreements contain no deviation from the legal provisions regarding employment agreements.

The contracts of the executive management do not provide any recovery clauses regarding bonuses.

No indemnity may be attributed according to a specific operation or transaction by Montea or its subsidiaries.

During the financial year ending on 31 December 2010, the executive management received the following fixed and variable compensation:

Nom	Period	Fixed remuneration	Variable remuneration	Pension compensation	Other renumerations and advantages (***)	Total
CEO (*)		210.808,97 €	71.000,00 €	Nihil	1.125,00 €	**282.933,97 €**
Other members of executive managment (**)		299.000,00 €	37.500,00 €	Nihil	12.418,12 €	**348.918,12 €**
		509.808,97 €	**108.500,00 €**	**Nihil**	**13.543,12 €**	**631.852,09 €**

(*) As of 15/02/2010, Tehos BVBA, represented by Mr Frédéric Sohet, was replaced by DDP Management BVBA, represented by Mr Dirk De Pauw. This temporary appointment was terminated on 19/10/2010 by appointing Jo De Wolf BVBA, represented by Mr Jo Wolf. The annual CEO compensation shown is the sum of the fees for these three people.
(**) Mr Jean De Beaufort, in office beginning on 1 August 2010
(***) Other components include the benefits for hospitalisation insurance, the company car and mobile phone.

At the remuneration committee meeting of 24 January 2011, the following objectives for 2011 and 2012 for executive management were discussed and recorded:

- for the CEO:
  - external growth of the portfolio by the implementation of the proposed investment plan;
  - internal growth of the portfolio by the design and implementation of the proposed investment plans for increasing the quality of the existing portfolio;
  - sustaining the occupancy rate at the previous year's level;
  - the development of the property management in France;

- for the other members of the executive management:
  - continued growth of the portfolio through the implementation of the proposed investment plans;
  - the development of the sustainable development plans for the existing portfolio;
  - the implementation of the proposed divestment plan;
  - the rental of vacancies in Belgium and France;
  - the continued development of investor relations.

4.13.4 Report on the internal audit and risk management systems

4.13.4.1 General

The board of directors of the Manager of the Company is responsible for evaluating the risks inherent to the Company and for monitoring the effectiveness of the internal control.

The executive management of the Company is in turn responsible for establishing a risk management system and the effectiveness of the internal control.

Montea organises the management of internal controls and of risks of the Company on the basis of:

- the determination of its audit environment (the overall legal, financial and operational frameworks);
- the determination and ranking of the main risks[62] to which the Company is subject;
- the analysis of the degree to which the Company is managing these risks.

There is also a special emphasis on the reliability of the process of reporting and financial communication.

4.13.4.2 The audit environment

The major characteristics of the audit environment consist in:

- The risk culture:
  Montea operates with the utmost prudence to generate stable and recurring revenues.

- A clear description of the Company's mission;
  Montea is a leading listed Sicafi in semi-industrial and logistics property. Montea aims to build a diversified property portfolio to generate stable recurring revenues. Montea is guided in this by the importance of the logistics world in Belgium and France.

- Defining the role of the different governing bodies:
  Montea has a Board of Directors, an Audit Committee, a Remuneration and Nomination Committee and an Investment Committee. The Audit Committee is specifically tasked with the internal control and risk management of the Company. For financial reporting, the Company is assisted by an external consultant for matters concerning consolidation and accounting practices. For matters of accountancy of the French companies, the Company is assisted by a third party, Primexis.

- Organisation of the Company:
  The Company is organized into several sections, which are displayed in an organizational chart. Each person in the organization knows what powers he or she will be assigned.

- Measures to sufficient competency:
  The Company ensures that it has the sufficient competency on the one hand by:
  - the directors (see below); given the experience the directors possess regarding the necessary skills in the context of their performance of their mandate, including in the field of accountancy and general financial matters and the logistics market;
  - the executive management and staff: filling the various positions is guaranteed by:
    - a recruitment process based on defined profiles;
    - an evaluation policy and adequate compensation based on achievable and measurable goals;
    - appropriate training for all positions within the company.

[62] The description of these risks can be found under section 1: "Risk Factors".

4.13.4.3 Risk analysis and audit procedures

Based on the prioritization of risks, there is a twice-yearly evaluation of the main risks of the Company. The description of these risks can be found under section "Risk Factors" in this report.

The specific audit procedures of the Company may be broken down into the following categories:

- Audit procedures on a legal basis:
  Each transaction of purchase and sale of property can be verified with regard to the origin, the parties, the nature and the time it was performed on the basis of notarial deeds. An accompanying compliance check is always done with the articles of association.

- Audit procedures based on internal procedures:
  - the signing of the sale/purchase contracts and leases by the permanent representative of the Manager and at least one of the directors of the Manager;
  - approval of incoming invoices by at least two people (officer and the manager);
  - approval of outgoing payments by at least 2 people (CFO and CEO).

- Audit procedures on the financial activities:
  - the Company is assisted by an external consultant regarding consolidation and accounting practices;
  - a systematic overview is made of the deviations between actual figures and the budget and the actual figures for the previous year;
  - Ad hoc spot checks are performed depending on the materiality.

- Audit procedures in terms of key financial risks such as:
  - consulting external databases regarding the creditworthiness of clients;
  - the pro-active monitoring of the interest risks for which the Company is assisted by external consultants on hedging.

4.13.4.4 Financial information and communication

The overall communication of the company is suited to the size of the Company. This is fundamentally based on overall staff communication, internal employee meetings and general e-mail traffic.

The process of financial information is collected on a quarterly, semi-annual and annual basis, based on a retro plan. The internal accountancy team in Belgium and the external office in France provide the accounting figures. These figures are consolidated and verified by the auditing team that reports to the CFO.

4.13.4.5 Explanation and evaluation of the internal audit

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

- the Audit Committee;
- the Auditor in the context of his semi-annual and annual audit of the financial figures.

4.13.5 Other persons involved

4.13.5.1 Auditor

The Auditor is appointed by the General Meeting of shareholders, and is chosen from the list of auditors approved by the CBFA. The Auditor is Ernst & Young Bedrijfsrevisoren, with registered office at 1831 Diegem, De Kleetlaan 2, represented by Ms Christel Weymeersch.

In accordance with the Belgian Company Code, the Auditor must perform the following duties. These duties are mainly related to the audit of accounting information in the annual financial statements.

1. The Auditor exercises supervision over the financial statements and the consolidated financial statements and makes a detailed written report on these annually.

2. A special report by the auditor is furthermore required in the following cases:
   - for contribution in kind;
   - for quasi-contribution;
   - when issuing shares below the par value of the old shares;
   - in the event of reduction or waiver of the right to a capital increase or the issuance of convertible bonds or warrants;
   - in the event of conflict of interest of a director (no separate report is necessary but the information should be included in the auditor's annual report);
   - in the event of power advantage given to an influential shareholder of a listed company (no separate report is necessary but the information should be included in the auditor's annual report);
   - when changing the purpose of the company;
   - when converting the company into another company type;
   - with mergers and divisions;
   - when proposing to dissolve the company and the conclusion of the liquidation.

The Auditor furthermore cooperates with the supervision by the CBFA and shall agree to:

1. make sure in advance that the collective investment undertaking has taken the appropriate measures for the administrative, accounting, financial and technical organisation and for the internal audit in compliance with this Act of 20 July 2004, and that the implementation thereof include decisions and regulations and management rules or articles of association;
2. confirm that the annual and semi-annual reports and quarterly financial statements delivered by the collective investment undertaking, under Article 76 § 1 and Article § 81 of this Act of 20 July 2004, are correct and in accordance with the established rules;
3. periodically report to the CBFA or, at its request, make a special report on the organization, the activities and financial structure of the collective investment undertaking;
4. report to the CBFA as soon as he becomes aware of:
   a) decisions, facts or developments that may significantly affect or influence the position of the collective investment undertaking financially or in terms of its administrative, accounting, financial or technical organisation or its internal control;
   b) decisions or facts that may indicate the violation of the Belgian Code of Companies, the articles of association, the law of 20 July 2004 and decisions and regulations to be implemented thereof;
   c) other facts or decisions that may lead to a refusal to certify the accounts or to the creation of a reservation.

For the financial year ending on 31 December 2009, the fixed fee from the auditor Ernst & Young Bedrijfsrevisoren, represented by Ms Christel Weymeersch, for the investigation and auditing of the statutory and consolidated accounts of the Montea group amounted to EUR 37,000 (excl. VAT). Besides the mentioned fees, no other fees paid are to the Auditor.

4.13.5.2 Property expertise

Article 6 of the Royal Decree of 7 December 2010, regarding Sicafis, provides that the Sicafi's property should be valued by one or more independent property experts. The expert shall act in full independence and have the necessary professional reliability in real estate valuation and appropriate experience and has a suitable organisation for the fulfilment of its missions. The expert is appointed for a renewable term of three years. He may only be charged with the valuation of a particular property for a maximum period of three years.

The experts are “Crombrugghe & Partners”, Herman-Debrouxlaan 54, 1160 Brussels, for the assets in Belgium, and “Drivers Jonas France”, 11 rue Scribe, 75009 Paris, for property located in France.

On 31/12/2010, these experts were appointed for an initial period of three years with tacit renewal of one year. The last extension runs to 31 December 2012. Montea is currently seeking to appoint experts for a renewable term of three years.

These experts will determine and report the market value of the property in compliance with the applicable legal provisions for the valuation of the properties of the Sicafi, which the expert shall take into account. The agreements between the parties remain subject and subordinate to the provisions of the Royal Decree of 7 December 2010 regarding Sicafis, and in general to all the Sicafi-applicable legal provisions, and to all current legal provisions, applicable to the Sicafi, that may supplement or supersede them.

The fees of the property experts are calculated on the basis of a fixed cost per site in France and a variable cost depending on the value of the portfolio on the valuation date in Belgium. The experts may also receive fees in connection with specific assignments.

Pursuant to Article 6, § 1, last paragraph of the Royal Decree of 7 December 2010, the remuneration of the expert may be neither directly nor indirectly related to the value of the property submitted for his expertise.

Pursuant to Article 74, § 2, first paragraph of the aforementioned Royal Decree, the Sicafi has 12 months time to ensure that the remuneration of the expert is neither directly nor indirectly related to the value of the property submitted for his expertise. Montea is currently working to ensure that it meets this provision.

For the financial year ending on 31 December 2010, the total fees that were paid under these contracts were EUR 142.996.54 (excluding VAT) in Belgium and EUR 23,561.90 (excluding VAT) in France.

4.13.5.3 Depository bank

In accordance with Article 12 of the Royal Decree of 10 April 1995 on Sicafi, ING Belgium was chosen as the depository bank.

For the financial year ending on 31 December 2010, its remuneration amounted to EUR 16,578.98. The remit of this depository bank includes:

- the function of depositary under the Royal Decree of 10 April 1995 on Sicafi. The bank hereby accepts the duties of that position and related responsibilities, in accordance with the provisions of the same Royal Decree;
- the obligation of the bank to make sure that the Sicafi directly receives due proceeds from the sale of assets;
- custody of all securities and cash;
- the custody of all issuances and first authentic copies of deeds relating to real estate of the Sicafi and the documents that show the mortgage status of the goods. For property located outside Belgium, the depository bank will keep custody of similar documents;
- notification of all documents relating to its mandate as depository of the authorized staff of the CBFA.

4.13.6 Audit - Internal supervision - Supervision of the executive board

The supervision of the executive management, in accordance with the Belgian Corporate Governance Code 2009, is the responsibility of the full Board of Directors of the Statutory Manager. In fulfilling this supervisory remit, the Board of Directors is assisted by two individuals, namely the Chairman of the Board of Directors of the Manager and Mr Eddy Hartung, who jointly collect the information required by the full Board of Directors for its deliberations and planning issues.

This supervision does not check the content of any acts by the persons responsible for executive management.

4.13.7 Activities in the field of research and development

Montea has no activities in the field of research and development.

4.13.8 Code of Conduct

The Montea code of conduct explicitly forbids members of civil society bodies and employees to accept any fee, cash or in kind, or any personal benefit that is being offered because of the members' professional relationships with the company.

4.13.9 Prevention of market abuse

In its Corporate Governance Charter, Montea has special regulations to prevent market abuse.

It was within the framework of these special regulations for the prevention of market abuse that Mr Peter Verlinde (CFO)[63] was appointed Compliance Officer of Montea.

[63] The Board of Directors of Montea Management NV unanimously decided on 15/03/2010 that Mr Peter Verlinde, effective 15/02/2010, would be appointed as Compliance Officer, to replace Mr Frédéric Sohet.

His job is to monitor compliance with these regulations and, more generally, with all applicable statutory and regulatory provisions.

4.13.10 Conflicts of Interest

In accordance with Article 523 of the Belgian Company Code, any director who, directly or indirectly, holds a real estate interest that conflicts with a decision or action falling under the jurisdiction of the Board, must disclose this to the other members of the Board and must abstain from the deliberations of the Board.

In accordance with Article 524 of the Belgian Company Code, any decision or operation relating to the relations between the company and an affiliated company (other than the subsidiaries) and between the subsidiaries of the company and an affiliated company (other than a subsidiary), must be the subject of a special report to be prepared by three independent directors who are assisted by an independent expert. During the year 2009, the Board of Directors did not need to apply the procedures in Articles 523 and 524 of the Code of Companies.

In accordance with Article 18 of the Royal Decree of 7 December 2010, the Commission for Banking, Finance and Insurance must be informed when an operation should result in any advantage for certain parties listed in this Article. The Sicafi should report the importance of the operation and the fact that the proposed operation is situated within the investment field. These operations must also be made on market conditions and should be made public immediately. Pursuant to Article 31, § 2 of Royal Decree of 7 December 2010, the fair value, as determined by the expert in a transaction with the listed parties in Article 18, shall be the maximum price when the Sicafi acquires property or the minimum price when the Sicafi disposes property. It should also be explained in the annual report.

During the financial year Montea conducted no transactions within the meaning of Article 18 of the Royal Decree of 7 December 2010, nor within the meaning of the Royal Decree of 10 April 1995.

4.13.11 Transparency Reporting

Any person who directly or indirectly acquires voting securities of the company, should declare to the Commission for Banking, Finance and Insurance, as well as to the company, the number of securities that he/she owns, when voting rights pertaining to the voting rights securities that he/she holds, actively or passively exceed the statutory threshold of 3% of the total voting rights pertaining to the securities of the company. The same notification is also required to transfer, directly or indirectly, voting rights securities, if as a result, the voting rights fall below this 3% threshold. The provisions of Articles 6 to 17 of the Act of 2 May 2007, on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, shall apply to the aforementioned quotas.

This provision is without prejudice to the obligation to notify in case the legal thresholds[64] of 5%, 10%, 15%, etc., each time at intervals of 5% points, are reached or fall below that threshold.

[64] Act of May 2, 2007 concerning the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market.

4.13.12 Protection against public takeover bids - Elements that may have an impact in the event of a public takeover bid (in accordance with Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market)[65]

4.13.12.1 Capital structure (on 31 December 2010)

On 2 July 2010, after the public offer to subscribe to the capital increase and the successful private placing of the scrips, the existing shareholders and new investors committed to subscribe to 100% of the public offering.

Following this capital increase and issuance of 2,048,772 new shares on 2 July 2010, in the context of the public capital increase in cash with preferential subscription rights, the share capital of Montea amounted to EUR 107,932,202.

The capital is henceforth represented by 5,634,126 shares. There are no privileged shares. Each of these shares confer one vote at the General Meeting and these shares represent therefore the denominator for purposes of notification in case of reaching, exceeding or falling below the statutory or regulatory thresholds (transparency regulations).

4.13.12.2 Decision-making bodies

Montea is headed by a Manager, Montea Management NV, in its capacity as managing partner. Montea Management NV was appointed statutory as of 1 October 2006 for a period of 10 years. The main consequence of the fact that Montea is a general partnership is that the Manager, Montea Management NV, has, under the articles of association, extensive powers and even a veto right regarding important decisions and statute amendments[66].

Montea Management NV for the performance of the contract as Manager for and on behalf of the company, is represented by a permanent representative in accordance with Article 61 para 2 of the Belgian Company Code. The Manager may submit his/her resignation at any time.

The mandate of Manager can only be revoked by a court order after a claim by a General Meeting of Montea on the basis of reasonable grounds is established.

When the general meeting must decide on this issue, the Manager shall not vote. The Manager continues to exercise his duties until his resignation, following a court decision, which has the force of res judicata. The Manager must be organized in such a way that, in the framework of its Board of Directors, at least two individuals in a group are jointly responsible for monitoring the person(s) responsible for the executive management of operations in the interest of Montea.

The members of the supervisory bodies of the Manager need to possess the professional reliability and the required experience as prescribed by the Royal Decree on Sicafi and the law on certain forms of collective management of investment portfolios of 20 July 2004.

[65] Unless stated otherwise in the following paragraph, Montea confirms that the other elements of Article 34 of the Royal decision of November 14, 2007 do not apply.

[66] See also Article 28 of the articles of association of Montea Comm. VA concerning the decision-making.

Respecting the members of the supervisory body or executive committee of the Manager, in case of loss of the professional reliability and the required experience, as required by the Royal Decree on Sicafi, the Manager or the auditor(s) must convene a General Meeting of Montea Comm.VA with on the agenda the possible adoption of the loss of these requirements and the actions to be taken.

If one or more members of the bodies entrusted with the management or the executive management of the Manager no longer meet the above requirements, the Manager must replace them within the month. When this period has expired, a General Meeting of Montea must be convened, as described above, without prejudice to the measures that can be taken by the Commission for Banking, Finance and Insurance in connection with the exercise of its powers.

The mission of the Manager consists, in particular, of taking all actions that are useful or necessary for achieving the civic objectives of Montea, with the exception of those that are reserved by law or under the articles of association for the General Meeting of Montea. The Manager may increase the capital of Montea within the limits of the authorised capital.

4.13.12.3 Authorised capital

The Manager has the explicit authorisation of increasing the share capital one or more times, to a maximum amount of EUR 62,000,000, and in accordance with the procedures approved by the Manager and in accordance with the rules established by the Belgian Company Code and the Royal Decree on Sicafi. Pursuant to Article 7 of the Montea Comm. VA articles of association, this authorisation is granted for a period of 5 years (until 14/10/2011). These capital increases may be in cash, by contribution in kind or by the conversion of reserves.

4.13.12.4 Buyback of shares

Montea can repurchase its own shares or pledge these in accordance with a decision by the General Meeting, pursuant to the provisions of the Belgian Company Code. The same Meeting also sets the conditions for the disposal of these shares.

4.13.12.5 Contractual conditions

There are no significant agreements to which Montea is party and that are liable, have been modified or have expired, when the monitoring of the issuer would change as a result of a public takeover bid.

4.13.13 Montea articles of association

The most recent version dates back to the Extraordinary General Meeting of 2 July 2010 and can be consulted on the website www.montea.com.

5. CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS AS OF 31 DECEMBER 2010

5.1 Consolidated balance sheet as of 31 December 2010

			(EUR x 1.000)	Comment	31/12/2010 Conso	31/12/2009 Conso	31/12/2008 Conso
I.			**NON-CURRENT ASSETS**		**236.466**	**207.364**	**211.128**
	A.		Goodwill				
	B.		Intangible assets	16	83	107	107
	C.		Investment properties (incl. Development projects)	17	233.452	206.253	210.789
	E.		Other tangible assets	18	995	237	226
	F.		Financial fixed assets	19	1.359	0	0
	G.		Financial lease receivables		0	0	0
	H.		Participations consolidated with the equity method		0	0	0
	I.		Trade receivables and other non-current assets	20	576	767	6
	J.		Deffered taxes (assets)		0	0	0
II.			**CURRENT ASSETS**		**22.333**	**8.900**	**13.153**
	A.		Assets held for sale	21	0	0	0
	B.		Current financial assets		0	0	0
	C.		Financial lease receivables		0	0	0
	D.		Trade receivables	22	6.215	3.112	5.524
	E.		Tax receivables adn other current assets	23	1.409	1.136	1.086
	F.		Cash and cash equivalents	24	14.119	4.077	5.126
	G.		Deffered charges and accrued income	25	590	575	1.418
			TOTAL ASSETS		**258.799**	**216.264**	**224.281**
			SHAREHOLDERS' EQUITY		**124.107**	**84.469**	**102.644**
I.			**Shareholders' equity attributable to shareholders of parent company**		**124.006**	**84.381**	**102.549**
	A.		Share capital	26	107.329	68.964	84.352
	B.		Share premiums	26	543	0	0
	C.		Purchased own shares (-)		0	0	0
	D.		Reserves		16.460	25.603	33.533
		a.	Statutory reserves		30	30	30
		b.	Unavailable reserves		1	1	1
		c.	Untaxed reserves		0	0	0
		d.	Available reserves	27	16.429	25.572	33.502
	E.		Result	28	8.211	-3.043	-7.756
	F.		Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties		-8.537	-7.143	-7.580
	G.		Change in fair value of financial seets and liabilities		0	0	0
	H.		Exchange rate differences		0	0	0
II.			**Minority interests**	29	**101**	**88**	**95**
			LIABILITIES		**134.692**	**131.795**	**121.637**
I.			**Non-current liabilities**		**69.539**	**126.796**	**54.593**
	A.		Provisions		0	0	0
	B.		Non-current financial debts		61.424	118.413	47.733
		a.	Credit institutions	30	53.275	113.942	42.681
		b.	Financial lease		0	0	0
		c.	Other	30	8.150	4.471	5.052
	C.		Other non-current financial liabilities	31	7.746	8.030	5.940
	D.		Trade debts and other non-current debts	32	0	0	343
	E.		Other non-current liabilities	32	369	354	354
	F.		Deferred taxes - liabilities	32	0	0	224
		a.	Exit tax		0	0	0
		b.	Other		0	0	224
II.			**Current liabilities**		**65.153**	**4.999**	**67.044**
	A.		Provisions		0	0	0
	B.		Current financial debts		56.781	581	55.730
		a.	Credit institutions	30	55.000	0	55.180
		b.	Financial lease		0	0	0
		c.	Other	30	1.781	581	550
	C.		Other current financial liabilities		0	0	0
	D.		Trade debts and other current debts	33	3.264	2.486	7.920
		a.	Exit tax	33	-35	-33	5.225
		b.	Other	33	3.298	2.519	2.695
	E.		Other current liabilities	33	785	198	106
	F.		Accrued charges and deferred income	34	4.323	1.733	3.288
			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**258.799**	**216.264**	**224.281**

5.1.1 Consolidated summary of realised and non-realised results before profit distribution as of 31 December 2010

	(EUR x 1.000) (EUR x 1.000)	Comment	31/12/2010 12 months	31/12/2009 12 months	31/12/2008 12 months
I.	Rental Income	1	17.097	16.334	14.024
II.	Write-back of lease payments sold and discounted		0	0	0
III.	Rental relates charges		0	0	0
	NET RENTAL INCOME		**17.097**	**16.334**	**14.024**
IV.	Recovery of property expenses		160	0	0
V.	Recovery of charges and taxes normally payable by tenants on let properties	2	3.215	2.456	2.003
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		0	0	0
VII.	Charges and taxes normally payable by tenants on let properties	2	-3.754	-2.829	-2.199
VIII.	Other rental-related income and expenses			0	0
	PROPERTY RESULT		**16.718**	**15.962**	**13.828**
IX.	Technical costs	3	-248	-199	-330
X.	Commercial costs	4	-93	-76	-76
XI.	Charges and taxes of unlet properties	5	0	0	-2
XII.	Property management costs	6	-520	-411	-226
XIII.	Other property charges	7	-111	-116	-79
	TOTAL PROPERTY CHARGES		**-972**	**-802**	**-712**
	OPERATING PROPERTY RESULT		**15.746**	**15.160**	**13.115**
XIV.	General costs	8	-2.455	-2.052	-1.977
XV.	Other operating income and expenses	9	-73	317	345
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**13.218**	**13.425**	**11.483**
XVI.	Result on disposals of investment properties	10	548	0	636
XVII.	Result on disposals of other non-financial assets		0	0	0
XVIII.	Result in the fair value of investment properties	11	-1.906	-16.033	-10.046
	OPERATING RESULT		**11.860**	**-2.608**	**2.072**
	FINANCIAL RESULT		**-3.637**	**-8.064**	**-9.800**
	RESULT BEFORE TAXES		**8.223**	**-10.672**	**-7.728**
	TAXES		**0**	**-9**	**-28**
	NET RESULT		**8.224**	**-10.682**	**-7.756**
	NET CURRENT RESULT (3)		**9.582**	**5.352**	**1.655**
	NET CURRENT RESULT (excl. IAS 39) (4)		**7.938**	**7.441**	**8.446**
	Number of shares entitled in the result of the period		4.610	3.585.354	3.585.354
	NET RESULT PER SHARE		**1,78**	**-2,98**	**-2,16**
	NET CURRENT RESULT PER SHARE		**2,08**	**1,49**	**0,46**
	NET CURRENT RESULT PER SHARE (excl. IAS 39)		**1,72**	**2,08**	**2,36**

(1) The net operating result equals the net result, exclusive of the impact of the result on the portfolio (code XVI, code XVII and code XVIII of the statement of results)
(2) The net operating result (excl. IAS 39) equals the net operating result excl. of the impact of variations in the interest rate hedging instruments

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000)	31/12/2010 12 months	31/12/2009 12 months	31/12/2008 12 months
Net result	**8.224**	**-10.682**	**-7.756**
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investments investment properties	-1394	437	-2912,3181
Change in the effective part of the fair value of authorised cash flow hedging instruments	0	0	0
Comprehensive income	**6.830**	**-10.245**	**-10.669**
Attributable to:			
Equity holders of the parent company	6.817	-10.238	-10.672
Non-controlling interests	12	-7	4

5.1.2 Consolidated cash flow summary as of 31 December 2010

MONTEA
MORE THAN WAREHOUSES

(EUR x 1.000)	31/12/2010 12 mois	31/12/2009 12 mois	31/12/2008 12 mois
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**4.077**	**5.126**	**2.095**
Net Result	8.224	-10.682	**-7.756**
Non-cash elements to be added / dedcuted from the result	**5.197**	**26.758**	**19.242**
Depreciations and write-downs	**222**	**265**	**51**
Depreciations/write-downs (or wirte-back) on intangible and tangible fixes assets (+/-)	166	111	44
Write-downs on current assets (+)	73	153	7
Write-back of write-downs on current assets (-)	-17		
Other non-cash elements	**4.976**	**26.494**	**19.191**
Change in the fair value of investement properties (+/-)	1.906	16.033	10.046
IAS 39 impact	-1.643	2.089	6.792
Gain on disposal of investment properties	-548	0	-636
interest paid	5.369	6.250	3.487
interest received	-108	2.122	-499
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**13.421**	**16.077**	**11.486**
Change in working capital requirements	**699**	**-4.606**	**2.153**
Movements in asset items	**-3.256**	**2.290**	**-4.629**
Trade receivables	-3.159	2.259	-4.312
Tax receivables	-273	233	1.250
Other non-current assets	0	-283	-255
Other current assets	191	-761	0
Deferred charges and accrued income	-15	842	-1.312
Movement in liability items	**3.954**	**-6.896**	**6.782**
Trade debts	778	39	52
Taxes, social charges and salary debts	587	-5.473	4.232
Other current liabilities	0	92	-103
Accrued charges and deferred income	2.590	-1.554	2.601
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**18.197**	**16.597**	**15.733**
Investment activities	**-29.457**	**-11.619**	**-78.754**
Acquisition of intangible assets	-7	-26	-113
Investment properties and development projects	-37.595	-11.497	-81.107
Other tangible assets	-152	-96	-196
Disposal of investment properties	8.297	0	2.663
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**-29.457**	**-11.619**	**-78.754**
FREE CASH FLOW (A+B)	**-11.260**	**4.978**	**-63.020**
Change in financial liabilities and financial debts	**-6.034**	**6.593**	**50.302**
Increase (+)/Decrease(-) in financial debts	-789	15.531	53.171
Increase (+)/Decrease(-) in other financial liabilities	0	-224	-223
Increase(+)/Decrease(-) in trade debts and other non-current liabilities	16	-343	343
Interest paid	-5.369	-6.250	-3.487
Interest received	108	-2.122	499
Change in other liabilities	**0**	**0**	**577**
Increase(+)/Decrease(-) in other debts	0	0	577
Change in shareholders' equity	**31.414**	**-7.493**	**17.267**
Increase(+)/Decrease(-) in share capital	38.907	0	21.973
Deividends paid	-7.493	-7.493	-4.703
NET FINANCIAL CASH FLOW (C)	**25.380**	**-901**	**68.147**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A+B+C)	**14.119**	**4.077**	**5.126**

5.1.3 Summary of the variation in the consolidated equity capital as of 31 December 2010

	Capital	Primes d'émission	Réserves	Résultat	Variation de la juste valeur des instruments financiers	Déduction des frais et droits de mutation	Intérêts minoritaires	Capitaux prpres
ON 31/12/2008	**84.352**	**0**	**33.533**	**-7.756**	**0**	**-7.580**	**95**	**102.644**
Elements directly recognized in Shareholders' equity	**0**	**0**	**-437**	**0**	**0**	**437**	**0**	**0**
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties			-437			437		0
Subtotal	**84.352**	**0**	**33.096**	**-7.756**	**0**	**-7.143**	**95**	**102.644**
Capital decrease	-15.388			15.388				0
Dividends			-7.493					-7.493
Result of last year								0
Result for the financial year				-10.682				-10.682
Minority interests				7			-7	0
ON 31/12/2009	**68.964**	**0**	**25.603**	**-3.043**	**0**	**-7.143**	**88**	**84.469**
Elements directly recognized in Shareholders' equity	**38.365**	**543**	**1.393**	**-13**	**0**	**-1.394**	**13**	**38.907**
Capital Increase	38.365	543						38.907
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties			1.394			-1.394		0
Minority Interests				-13			13	0
Subtotal	**107.329**	**543**	**26.996**	**-3.056**	**0**	**-8.537**	**101**	**123.376**
Dividends			-7.493					-7.493
Result of last year			-3.043	3.043				0
Result for the financial year				8.224				8.224
ON 31/12/2010	**107.329**	**543**	**16.460**	**8.211**	**0**	**-8.537**	**101**	**124.107**

We refer to the press release of 2 April 2010 relating to the correction in the presentation of the consolidated financial statements at 31 December 2009, with no impact on the equity of the company. In the press release of 25 February 2010, Montea presented its annual financial results for 2009. It was found that a correction to the balance sheet was needed, which however had no impact on the equity capital at 31 December 2009. This has been corrected in this annual report.

Below can be seen the differences in detail. The figures below that are reported under “Amended figures (Annual Report)” were therefore omitted from this annual report.

(EUR in thousands)	**Press release 18/02/2010 Page. 12 (1)**	**Amended figures (Annual Report) (2)**	**Difference (1)-(2)**
Capital	68.964	68.964	0
Reserves	33.100	25.603	7.497
Result	-10.541	-3.043	-7.498
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties	-7.143	-7.143	0
Minority interests	88	88	0
Total Shareholders’ Equity	**84.469**	**84.469**	**0**

(1)-(2): Difference between page 12 of the press release of 25 February 2010 and the figures published in this annual report. The difference is largely due to the dividend that was written off of the result and not of the reserves.

5.1.4 Appendices to the consolidated financial statements as of 31 December 2010

5.1.4.1 Background

5.1.4.1.1 Statement of compliance

The financial statements of the company are prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), with those approved by the EU, with those issued by the International Accounting Standards Board (IASB) and with those interpreted by the International Financial Interpretations Committee of the IASB. The consolidated financial statements are prepared on the basis of historical cost except for the investment property (including the projects) and financial instruments that are booked at fair value assets. When the figures are indicated in thousands of euro, there may be slight rounding-off differences.

5.1.4.1.2 Consolidation principles

Subsidiaries

Subsidiaries are entities over which the company exercises control. By "control" over a company is meant the power by law or in fact to exert a decisive influence on the appointment of the majority of directors or managers or on the orientation of the policy (for more information on "control" refer to Article 5 to 9 of the Belgian Company Code). The financial statements of subsidiaries are included into the consolidated annual accounts from the date of acquisition up to the end of the company's exercise of control. Where necessary, the valuation of the subsidiaries is amended to be consistent with the principles adopted by the group management. The financial statements of subsidiaries apply to the same accounting period as that of the consolidating company. The minority interests are the interests in the subsidiaries that are not held directly or indirectly by the group.

Jointly controlled entities

Jointly controlled entities are the companies over which the group exercises joint control. The consolidated financial statements include the Group's share in the acquired gains and losses of jointly controlled entities in accordance with the equity method. This is applicable from the date on which the joint control is exercised up to the date on which it finishes. The financial statements of the jointly controlled entities comprise the same accounting period as that of the consolidating company.

Intercompany transactions

Intra-group balances and transactions and any unrealized profits within the group are eliminated in proportion to the Group's interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of value loss ("impairment").

5.1.4.2 Use of estimates and assessments

The preparation of consolidated financial statements in accordance with IFRS requires good management to make assessments, estimates and assumptions that may apply to the policies and regulations, and reporting the assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical events and various factors that are considered reasonable in such circumstances. The actual results may deviate from these estimates. The estimates and underlying assumptions are revised on an ongoing basis. Revision and accounting estimates are recognized in the period in which the estimate is revised, both when the estimate impacts the audited financial year and when the estimate impacts the future. As of 31 December 2010, there are no significant assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet, which would carry a significant risk of material adjustment to the book value of assets and liabilities for the next financial year.

5.1.5 Valuation rules

5.1.5.1 Going concern

Despite the negative result during the two successive years, shown in the annual financial statement at the end of the financial year, the financial statement has been established in the assumption of continuation of the activities of the company. The Board of Directors of the Manager confirms, in accordance with the Belgian legal obligations, that the application of the valuation rules can be withdrawn, in the assumption of the continuity of the Sicafi, since the company possesses sufficient liquid assets and is able to support its current operational costs.

5.1.5.2 Investment property

Investment properties comprise all lands and buildings that can be leased and which (wholly or partly) generate rental income, including buildings where a limited portion is held for the firm's own use. In accordance with IAS 40, investment property is valued at fair value. An external, independent expert, De Crombrugghe & Partners in Belgium and Drivers Jonas in France[67] make a quarterly valuation of the property portfolio. Any gain or loss, after the acquisition of a building, as a result of a change in fair value is booked in the income statement. The valuation is carried out in accordance with the method of incorporation of rental income as set forth in the International Valuation Standards 2005, published by the International Valuation Standards Committee.

The fair value corresponds to the price a third party investor would be willing to pay for each of the buildings in the portfolio acquisition. The fair value should reflect the current leases, the current cash flows and reasonable assumptions regarding the expected rental income and expenses. The sale of an investment property is usually subject to payment to the public authorities of the registration fees or a tax on added value. As to the extent of these registration rights, the Belgian Association of Asset Managers (BEAMA) published a communication on this issue on 8 February 2006. After analyzing a large number of transactions it was decided that the impact of the acquisition costs on significant investment property that exceeds a value of EUR 2,500,000, shall be limited to 2.5%. The investment value corresponds to the fair value with an additional 2.5% for acquisition costs.

[67] Drivers Jonas observes the valuation regulations as defined by De Crombrugghe & Partners and the Sicafi.

The fair value is thus to be calculated by dividing the value less legal charges by 1.025. Items below the threshold of EUR 2,500,000 remain subject to the usual registration fee and their fair value therefore corresponds with the value exclusive of registration, notary and VAT, and taking into account the current leases. The impact on the fair value of the estimated cost to change rights and notional transfer of the investment property is shown as a separate section of shareholders' equity (section I.F.). The net change in fair value of investment property is shown in the income statement under the section XVIII. The share of the actual change in the estimated cost to change rights and notional transfer is annually adjusted under the above heading IF in equity in favour of or against the reserves section of equity (section ID).

5.1.5.3 Project developments

Property to be constructed or developed for future use as investment property is recorded under the heading “investment properties” (incl. project developments) and will be valued at fair value.

All costs directly related to the development are capitalized, and the directly attributable interest expenses are capitalized in accordance with the provisions of IAS 23-financial costs.

5.1.5.4 Other tangible current assets

All tangible current assets which neither meet the definition of investment property, nor the definition of development project have been catalogued under this section. Other tangible current assets are initially recorded at cost and valued in accordance with the cost model. Grants are deducted from the cost. Additional costs are only capitalised if the future economic benefits related to tangible current assets increase for the company. Other tangible current assets are depreciated on the basis of the linear depreciation method. The following rates will apply on an annual basis:

- plant, machinery and equipment: 20%-25%
- furniture and rolling stock: 20%
- IT equipment: 33%
- real estate for own use: 2%

If the asset is subject to a special value loss, the book value is compared to the recoverable value. If the latter is lower, a special write-in will be taken dependent on the outcome for the difference.

5.1.5.5 Long-term receivables

Long-term receivables are valued on the basis of their discounted value according to the prevailing market rate at the time of their issuance. A reduction is booked where there is uncertainty regarding the full payment of the claim at maturity.

5.1.5.6 Financial current assets

Financial current assets are valued at the purchase price or contribution value. The claims and guarantees for the receivables are instead booked at face value. A reduction is made in the case of a permanent write-down or devaluation.

5.1.5.7 Cash and cash equivalents

Cash and cash equivalents include bank accounts, cash and short-term investments.

5.1.5.8 Equity

The capital includes net cash obtained from creation, merger or capital increase whereby the direct external costs are deducted (such as registration fees, notary and publication costs, etc.) The difference between the fair value of the property and the investment value of the property as determined by the external experts, is included in the section "Impact on fair value of estimated change rights and costs to the notional transfer of investment property" of the equity.. If the company proceeds to buy back own shares, the amount paid, including directly attributable costs, is deducted from equity (restricted reserves). Dividends are a part of retained earnings until the General Shareholders Meeting grants dividends.

5.1.5.9 Provisions

A provision is made if the company has a legal or contractual obligation as a result of an event from the past and where it is probable that a cash outflow will be required to meet the obligation. Provisions are valued at the discounted value of expected future cash flows to the market rate.

5.1.5.10 Debts

Trade and other debts are valued at their face value on the balance sheet date. Interest-bearing debts are initially recorded at cost, less any directly attributable costs. Then the difference between the book value and the refundable amount is included in the income statement over the period of the loan using the actual interest method.

5.1.5.11 Revenues

Revenues include gross rental income and proceeds resulting from the services and the management of the buildings. Revenue is measured at the fair value of the indemnity that is received or is entitled. Revenue is recorded only from the time that it is sufficiently certain that the economic benefits will accrue to the company. Gratuity costs and benefits granted to the tenants are recognized to reduce the rental income over the term of the lease, the period between the entry into force and the first break option. Indemnification for early termination of lease is immediately included in the income statement.

5.1.5.12 Costs

The costs are measured at the fair value of the indemnity that is paid or owed.

Executed works in the buildings

Concerning work executed in the buildings, a distinction is made between:

- maintenance and repairs: these are costs that do not increase the expected future economic benefits of the building, and as such are integrally dependent on the outcome of the period in which they are paid;

- extensive renovation work: these are costs as a result of occasional work on the building, which will significantly increase the expected economic benefits of the building. The direct costs attributable to such works as the materials, adoption work, architect fees, etc., are capitalised.
- Rental advantages: this is provided by the lessor to the lessee to convince the latter to rent existing or additional rooms. These costs are spread over the period from the commencement of the lease to the first notice and may be deducted from the rental income.

Commissions paid to real estate brokers

Commissions regarding the rental of buildings are charged against profits in the period in which they were paid. Commissions relating to the purchase of buildings, registration fees and other additional costs are considered as part of the purchase price of the building and are consequently capitalised. Commissions paid by selling buildings are deducted from the selling price obtained for the realized gain or loss to be determined.

General expenses

General expenses are expenses associated with the management and overall operation of the Sicafi. These include general administrative costs, staff costs for general management, and depreciation of assets used for general management.

5.1.5.13 Financial result

The financial result consists on the one hand of interest costs on loans and associated costs, and on the other hand of the investment income and value variations of hedging instruments. Interest income is recognised pro rata temporis in the income statement. Dividend income is booked in the income statement on the day the dividend is granted.

5.1.5.14 Taxation and exit fees

The tax on the profit for the year comprises the current tax burden. The tax on profit or loss is recognized in the income statement with the exception of the elements recorded directly in equity. Deferred tax assets and liabilities are recorded based on the liability method for all temporary differences between the taxable basis and book value for financial reporting purposes, for both assets and liabilities. Deferred tax assets are only recognized if it is probable that these could be compared against taxable profits in the future.

The exit fee is the tax on the capital gains resulting from a merger, division, contribution in kind or transfer of a Sicafi with a company that is not Sicafi[68].

If the latter is incorporated for the first time in the consolidation of the Group, a provision for exit fees is included together with a revaluation value equal to the difference between the fair value of the building at the time of acquisition and book value. The exit tax is generally payable by the contributor of a property or company but the Sicafi must record these due to the fact that the tax is only assessed after a certain time. This tax is deducted from the value of the property or company to be transferred.

[68] The exit fee is the tax on the difference between the fair value and book value and is 16.5% + crisis tax.

Any subsequent adjustment of the exit fee liability is included in the income statement. The amount of the exit tax can vary even after the transfer or merger from which this variation may arise.

5.1.5.15 Derivative financial instruments

Montea provides loans to financial institutions with a variable interest rate. The Sicafi uses financial hedging instruments of the IRS type (Interest Rate Swaps) to hedge against the risk of increases to these variable interest rates. In so doing, the loans linked to variable interest rates are swapped against a fixed interest rate. In accordance with its financial policy and in application of its regulations, Montea holds no derivative instruments nor would it issue any for speculative purposes.

The hedging instruments do not satisfy the conditions for the type of "hedging" as defined in IAS 39, whereby all movements in the real value of the instrument are included in the income statement. The market-to-market balance sheet date is used to determine the fair value.

5.1.5.16 Off balance sheet rights and obligations

These rights and obligations are valued at face value based on the amount stated in the contract. If there is no face value or if valuation is not possible, the rights and obligations are reported as token entries.

5.1.5.17 New standards and interpretations not yet applied

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and published by the International Accounting Standards Board (IASB). Montea has included the amended version of the IFRS standards, which are effective for the period starting on 1 January 2010.

The following new standards, new changes and new interpretations were incumbent upon Montea to apply as of 1 January 2010, however these had no impact on the current consolidated financial statements:

- IFRS 3 “Business Combinations” and an amended version of IAS 27 "Consolidated and Separate Financial Statements";
- IFRIC Interpretation 15 "Contracts for the Construction of Real Estate”;
- IFRIC Interpretation 16 “Hedges of a Net Investment in a Foreign Operation";
- IFRIC Interpretation 17 "Distributions of Non-cash Assets to Owners”;
- IFRIC Interpretation 18 "Transfers of Assets from Customers";
- amendment of IAS 23 standard "Borrowing Costs";
- amendment of the IFRS 2 standard "Share-based Payment: Vesting Conditions and Cancellations”;
- amendments to the IAS 32 and IAS 1 standards, "Puttable Financial Instruments and Obligations Arising on Liquidation"
- Improvement of 19 IFRS standards published on 22 May 2008 (of the 20 improved standards only IAS 40 was pertinent to Montea);
- amendments to standards IFRS 1 and IAS 27 "Cost of an investment in a subsidiary, an entity which is jointly controlled or an associated capital shareholding”;

- amendment of the IAS 39 standard "Financial Instruments: Recognition and Measurement": In Recognition of Eligible Hedged Items";
- amendment of IAS 39 standard "Reclassification of Financial Assets - Effective Date and Transition";
- amendment of IFRIC Interpretation 9 and IAS 39 standard "Embedded Derivatives";
- Improvement of 2 IFRS standards and 2 IFRIC interpretations issued on 16 April 2009.

The new standards and new amendments below are mandatory for Montea as of 1 January 2010, and have had an impact on the consolidated financial statements:

- amendment of IAS 1 standard "Presentation of Financial Statements" (this change has caused the addition of the summary of realised and non-realised income in the current consolidated financial statements, after the consolidated income statement);
- amendment of IAS 40 standard "Investment Property" issued on 22 May 2008 (this change has led to the merger of the headings "I.C. Investment Property" and "I.D. Project Developments" of the balance sheet. As of now, there is only the heading "I.C. Investment property".
- IFRS 8 standard "Operating Segments" (this new standard, which supersedes IAS 14, has no other impact on the consolidated financial accounts than did the adjustment of the entries in note 3);
- amendment of the IFRS 7 standard "Financial Instruments: Disclosures"

Certain new standards, amendments and interpretations to existing standards have been issued and will be mandatory in the financial year beginning on or after 1 July 2010. These amendments, which the group had not applied earlier, are the following:

- improvement of 10 IFRS standards and of 2 IFRIC interpretations issued on 16 April 2009;
- amendment of the IFRS 2 standard "Share-based Payment";
- amendment of the IFRS 1 standard "Limited Exemption of First-time Adopters of the obligation to furnish comparative disclosures through IFRS 7;
- amendment of the IFRS 1 standard "Additional Exemptions for First-time Adopters";
- amendment of IAS 32 standard "Classification of Rights Issues";
- new IFRS standard 9 "Financial Instruments" (applicable on 1 July 2013, subject to approval by the EU);
- amendment of IFRIC Interpretation 14 "Prepayments of a Minimum Funding Requirement";
- new IFRIC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments";
- amendment of IAS 24 standard "Related Party Disclosures";
- Improvement of 6 IFRS standards and 1 interpretation issued in May 2010;

Montea is currently determining what possible effects introduction of the above changes might have.

5.1.6 Financial appendices to the consolidated financial statements as of 31 December 2010

Note 1: Rental income

(x 1.000 EUR)

RENTAL INCOME		31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Belgium		**11.111**	**11.826**	**11.487**
Aalst	Tragel 48-58	1.757	1.904	1.841
Aartselaar	Helstraat 47	259	210	210
Berchem	Vosstraat 200	207	214	207
Bornem	Industrieweg 4-24	363	396	471
Buggenhout	Kalkestraat 7	33	151	147
Grimbergen	Eppegemsestwg 31-33	1.012	1.012	1.012
Laken	Emiel Bockstaellaan 74	231	229	223
Moorsel	Waverstraat 3	330	301	317
Vilvoorde	Schaarbeeklei 207-213	122	328	391
Heverlee	Ambachtenlaan 34			
Hoboken	Smallandlaan 7	218	218	210
Meer	Europastraat 28	321	317	269
Puurs	Rijksweg 85 89	0	58	260
Schoten	Brechtsebaan 4	0	91	89
Schoten	Jagersdreef 1	0	196	221
Grobbendonk	Bouwelven 16	347	350	377
Herentals	Toekomstlaan 33	699	698	674
Puurs	Schoonmansveld 18	711	707	681
Nivelles	Rue de la Technique 11	699	698	614
Erembodegem	Industrielaan 27	802	689	731
Mechelen	Zandvoortstraat 16	483	687	783
Vorst	Humaniteitslaan 292	1.371	1.361	1.024
Milmort	Avenue du Parc Industriel	1.032	1.012	733
Compensation de rupture		116		
France		**5.986**	**4.509**	**2.538**
Savigny-le-Temple	Rue du Chrome 2	360	443	825
Feuqueires	Zoning Industriel du moulin	331	330	322
Bondoufle	Rue Henrie Dunant 9-11	218	217	63
St Priest	Chemin de la Fouilousse	655	285	
Cambrai	P.d. Activité Actipole	534	525	494
Roissy	Rue de la Belle Etoile 383	828	1.001	419
Decinnes	Rue a Rimbaud 1	342	341	83
Alfortville	Le Techniparc	250	245	58
Le Mesnil Amelot	Rue du Gué 1-3	1.123	1.121	272
Orléans	Rue des Genêts 660	1.345		
TOTAL		**17.097**	**16.334**	**14.024**

Montea leases its investment properties under leases. The revenue generated by those leases appears under this heading. Above you will find a list of rental income return per site.

The rental income increased in 2010 by 4.67% to EUR 17.097K. This increase is the net result of increased rental income in France with EUR 1,477K (32.8%) that compensated for the loss of rental income in Belgium (EUR 715K or 6.05%).

The decrease in rental income in Belgium is mainly the result of the decrease in rental income on the sites in Aalst (departure of the client Culobel), Mechelen (departure of the client DHL), in addition to the loss of rental income following the divestments (Brechtsebaan Schoten, Schoten Jagersdreef, Buggenhout and Grobbendonk). The decrease in rental income in Mechelen and Aalst was offset by a one-time termination fee of EUR 116K.

The increase in rental income in France is mainly the result of the new site purchased in Orléans and the full annual rent on the Saint-Priest site (site purchased in 2009).

Note 2: Rental charges and taxes on rented building taken by the owner

(x 1.000 EUR)

RENTAL CHARGES AND TAXES ON RENTED BUILDINGS TAKEN BY THE OWNER	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Recovery of charges and taxes normally payable by tenants on let properties	**3.215**	**2.456**	**2.003**
Reinvoicing of rental charges	1.477	1.664	1.198
Reinvoicing of taxes	1.738	792	804
Charges and Taxes normally payable by tenants on let properties normally taken by the tenant	**-3.754**	**-2.829**	**-2.199**
Rental charges invoiced to the owner	-1.268	-996	-1.105
Taxes	-2.487	-1.833	-1.095
TOTAL	**-539**	**-373**	**-196**

The increase in net impact of EUR 539K is mainly due to the partial vacancy of the property in Savigny-Le-Temple, the office buildings at the Erembodegem site and the partial vacancy at the Mechelen site (by the departure of DHL), the affected property for which is borne by the Sicafi.

Note 3: Technical costs

(x 1.000 EUR)

TECHNICAL COSTS	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Recurring costs	**-248**	**-199**	**-324**
Maintenance and repairs		-7	-26
Insurance costs	-248	-192	-298
Non-recurring costs	**0**	**0**	**-6**
Expenses relating to the improvement of the equipment in the buildings	0		
Losses through claims covered by insurance contracts	0		-6
TOTAL	**-248**	**-199**	**-330**

During 2010 Montea began setting up an investment plan whereby Montea moved forward on capitalization of expenses for renovation and improvement works.

Montea's technical costs include insurance premiums that could not be passed on to clients due to contractual reasons or by the vacation of these sites. The increase in these costs in this context is due to the partial vacancy at the Mechelen site (DHL) and the partial vacancy at the Savigny-Le-Temple site.

Note 4: Commercial costs

(x 1.000 EUR)

COMMERCIAL COSTS	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Brokers' fee	-39	-27	-5
Publicity	0	-6	-7
Expertise costs	-53	-44	-64
TOTAL	**-93**	**-76**	**-76**

The increase in brokerage commissions and assessment costs are mainly due to increased hiring activity during 2010.

Note 5: Charges and taxes of unlet property

(x 1.000 EUR)

CHARGES AND TAXES OF UNLET PROPERTY	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Utilities	0		-6
Maintenance	0		
Property taxes	0		4
TOTAL	**0**	**0**	**-2**

Note 6: Property management costs

(x 1.000 EUR)

PROPERTY MANAGEMENT COSTS	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Internal property management costs	-520	-411	-220
Exteral property management costs	0	0	-6
TOTAL	**-520**	**-411**	**-226**

These costs include both the costs related to staff responsible for the management of and for marketing the property and also costs that are directly attributable to the management of the real estate.

The increase of this amount relates to the increased volume of maintenance projects during 2010 (resulting in a higher amount transferred from the staff costs to "property management") and the strengthening of the operational team.

Note 7: Other property costs

(x 1.000 EUR)

OTHER PROPERTY COSTS	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Concession rights	-78	-78	-76
Other	-33	-38	-3
TOTAL	**-111**	**-116**	**-79**

The concession rights include the costs of concession on the ground at the Grimbergen site where DHL is our tenant. This concession income will end on 30 June 2017.

Note 8: General costs of the company

(x 1.000 EUR)

GENERAL COSTS OF THE COMPANY	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Office costs	-199	-98	-109
Fees paid to third parties	-627	-576	-628
Reals estate expertise	*-167*	*-142*	*-88*
Lagal advisors	*-90*	*-163*	*-189*
accounting and financial advisors	*-175*	*-192*	*-207*
Auditors	*-41*	*-52*	*-46*
Fees to third parties	*-30*	*-52*	*-75*
Other	*-124*	*26*	*-23*
Quatation fees	-111	-115	-165
Public relations, communication and advertising	-169	-151	-234
Personnel costs	-762	-522	-475
Fees business manager	-366	-326	-316
Depreciations and amortizations	-222	-265	-51
TOTAL	**-2.455**	**-2.052**	**-1.977**

General expenses are primarily costs related to the executive management and the costs incurred in the context of the liabilities for listed companies. The fees of the Auditor, Ernst & Young Registered Auditors, represented by Christel Weymeersch, with respect to the fees as part of its statutory mandate to review and revision of the company and consolidated accounts of Montea were EUR 37,000 (excl. VAT) (see auditors).

The 19.6% increase in the general costs of the company is primarily due to the increase in staff and general office expenses.

During 2010 Montea proceeded to strengthen the business development team with the appointment of Peter Demuynck, responsible for business development in Belgium and commercial representative. In addition, Jean De Beaufort was appointed Director France and a competency centre was also set up in Paris.

Besides the fees of the auditor, real estate estimators, the fees for the Board of Directors, the statutory Manager and the fees for the expansion of the property portfolio, there were no other significant fees due in 2010.

Note 9: Other operating income and expenses

(x 1.000 EUR)

OTHER OPERATING INCOME AND EXPENSES	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Ohter operating income	58	395	383
Other operational costs	-131	-78	-38
TOTAL	**-73**	**317**	**345**

The decrease in other operating income and expenses compared to 2009 is mainly due to the fact that a non-recurring gain in that year took place which consisted of receiving a bank guarantee following the bankruptcy of the client IIG at the Erembodegem site.

This lease ran until 31/12/2017, generating an annual rental income of EUR 400K. As part of the bankruptcy, the Sicafi received EUR 200K in the form of a bank guarantee. This was used for the payment of outstanding invoices (EUR 96K). The remaining amount (EUR 104K) was included in "Other operating income".

Note 10: Result on disposal of investment properties

(x 1.000 EUR)

RESULT ON DISPOSAL OF INVESTMENT PROPERTIES	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Net excess value of disinvestments	548	0	636
TOTAL	**548**	**0**	**636**

The net value of sold property consists of the realized capital gain compared to the fair value of four sites: Brechtsebaan Schoten, Schoten Jagersdreef, Buggenhout and Grobbendonk.

Note 11: Result in the fair value of investment properties

(x 1.000 EUR)

RESULT IN THE FAIR VALUE OF INVESTMENT PROPERTIES	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Positive variations in the fair value of investment prpoperties	3.046	1.294	1.131
Negative variations in the fair value of investment prpoperties	-4.952	-17.328	-11.177
TOTAL	**-1.906**	**-16.033**	**-10.046**

Because of the general economic context, 2009 was marked by severe negative changes in fair value of investment properties. During 2010, the net decrease in the change in fair value was primarily the effect of:

- the decrease in the change in fair value by:
  - the partial vacancy at the site of Bornem and Milmort;
  - the investments in the sites at Mechelen, Erembodegem and Milmort that had not yet been fully expressed in the positive change in fair value. Montea is nevertheless confident that these investments will have a positive impact in the future;
  - the upcoming vacancy on the Nivelles site (contract expired 31/12/2010);

- the increase in the change in fair value by:
  - the positive evolution of the valuations of the most recent acquisitions (Orléans and Saint-Priest);
  - the general decline of return on investment in France. The gross investment yield (defined as the initial yield on the estimated rental values) on the French portfolio fell from 8.66% to 8.23%.

Note 12: Financial income

(x 1.000 EUR)

FINANCIAL INCOME	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Received interests and dividends	10	20	93
Interest received from financial hedge instruments		155	406
Variations in the fair value of the hedge instruments	2.515		
Other financial income	98	118	2
TOTAL	**2.624**	**293**	**500**

The increase in financial income is mainly due to the positive change in the fair value of hedging instruments, especially in the last quarter of 2010. This variation has no impact on the net operating income. Please refer to note 14 for more information about the valuation of hedging instruments.

Other financial income is mainly due to the interest levied on the invoiced supplemental work on the Cambrai site in France. These pieces were invoiced according to an agreed amortization table by Montea Comm. VA to the existing tenant. For more information regarding this transaction, please refer to note 20.

Note 13: Financial costs

(x 1.000 EUR)

FINANCIAL COSTS	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Interest costs	-1.638	-3.248	-3.474
Interest costs from financial hedge instruments	-3.731	-3.002	-13
Variations in the fair value of the hedge instruments	-872	-2.089	-6.792
Other financial costs	-19	-17	-22
TOTAL	**-6.260**	**-8.357**	**-10.300**

The interest expenses and costs from financial instruments are found in the statement of results under section XX. The variations in the fair value of financial hedging instruments are included in the statement of results under section XXI ("other financial costs") and under section XIX ("Financial income"). Please refer also to note 12 "Financial income".

The average financial cost during the financial year was 4.44% (this is the percentage of bank financing, including bank margins, bearing in mind the financial hedging instruments and financing costs for lease liabilities). The decrease in the average funding cost is both the effect of margins Montea did not have to pay because of fewer credit lines and the relatively higher proportion of lease liabilities with a lower average financial cost. At the end of the year, the debt on the credit lines was 99.7% hedged by IRS (Interest Rate Swaps") type hedging instruments.

The decrease in negative changes in fair value of the hedging instruments is due to the increase in long-term interest rates during 2010. In that year, Montea saw a net positive change in the fair value of the hedging instruments of EUR 1,643K (bearing in mind note 12).

Note 14: Fair value of the hedging instruments

(x 1.000 EUR)

FAIR VALUE OF THE HEDGING INSTRUMENTS	Duration	Nominal amount	Interest	Fair value 2010	Fair value 2009	Fair value variation
IRS	15/05/2012	27.249	4,31%	-1.271	-1.823	552
Multi-Callable Swap	15/09/2017	13.425	3,82%	-1.381	-1.225	-156
IRS	01/09/2018	25.000	4,49%	-3.229	-2.693	-536
Multi-Callable Swap	01/09/2018	10.000	4,11%	-1.228	-1.047	-181
Forward IRS	01/10/2020	10.000	2,77%	393	0	393
Forward IRS	30/05/2019	10.000	3,07%	139	0	139
IRS	01/10/2011	32.000	3,71%	-636	-1.240	604
Forward IRS	01/10/2019	10.000	2,66%	360	0	360
Forward IRS	01/10/2020	10.000	2,77%	385	0	385
Forward IRS	30/05/2017	10.000	2,82%	82	0	82
TOTAL		**157.674**		**-6.386**	**-8.028**	**1.642**

1) The sum of the positive changes in the fair value is EUR 2,515K. The sum of the negative changes in fair value is EUR 873K.

The amount of the fair value of the hedging instruments on 31/12/2010 can be found under the other non-current financial commitments to the liabilities and under financial current assets on the balance sheet. These two categories together represent a net debt position of EUR 6,386K.

Montea currently has two multi-callable swaps in its portfolio for a total amount of EUR 23,425K. These instruments may, after a period of 3 years for the IRS instrument of EUR 13,425K and after a period of 5 years for the IRS instrument of EUR 10,000K, be terminated by the bank at any time and without any condition.

During the year, Montea proceeded to sign five forward contracts (3 contracts going into effect on 1/10/2011 and 2 contracts going into effect on 30/05/2012). By entering into these five forward contracts, the average hedging cost will drop from 4.09% to 3.82% on 1/10/2011 and to 3.53% on 30/5/2012 (factoring in a constant perimeter).

Note 15: Company taxes

(x 1.000 EUR)

COMPANY TAXES	31/12/2010 (12 months)	31/12/2009 (12 months)	31/12/2008 (12 months)
Actual company taxes (profit)	0	-9	-28
TOTAL	**0**	**-9**	**-28**

Note 16: Intangible assets

INTANGIBLE ASSETS	(x EUR 1.000)
ON 31/12/2008	**107**
Acquisitions	27
Depreciations	-27
ON 31/12/2009	**107**
Acquisitions	7
Depreciations	-31
ON 31/12/2010	**83**

This section lists the amounts of intangible current assets for own use. These intangible current assets primarily include the licensing and development costs for property management and accounting software.

Note 17: Investment properties and development projects

INVESTMENT PROPERTIES AND DEVELOPMENT PROJECTS	Investment properties	Development projects	Total
ON 31/12/2008	**210.789**	**0**	**210.789**
Investments	**11.497**	**0**	**11.497**
- new investments	9.155	0	9.155
- verwervingen via aandelentransacties	0		0
- overboeking van projectontwikkelingen	0		0
- other investment	2.161		2.161
- eigen personeel	181		181
- intercalaire interesten	0		0
- overboeking activa aangehouden voor verkoop	0		0
Divestments	**0**		**0**
Increase/decrease of the fair value	**-16.033**		**-16.033**
ON 31/12/2009	**206.253**	**0**	**206.253**
Investments	**35.122**	**1.202**	**36.324**
- new investments	34.041		**34.041**
- verwervingen via aandelentransacties	0		0
- overboeking van projectontwikkelingen	0	1.202	1.202
- other investment	1.780		1.780
- eigen personeel	41		41
- intercalaire interesten	0		0
- overboeking activa aangehouden voor verkoop	0		0
	-740		-740
Divestments	**-7.765**		**-7.765**
Increase/decrease of the fair value	**-1.360**		**-1.360**
ON 31/12/2010	**232.250**	**1.202**	**233.452**

The increase in investment properties is mainly due to the investment of Saint-Cyr-en-Val in France.

The divestments include the fair value of the four sites that were sold during 2010 on which a capital gain of EUR 548K was made. Please see note 10 for more information on these capital gains.

Project development includes the costs incurred for the Coca-Cola project. The completion of this "built to suit" project is expected by September 2011.

Note 18: Other intangible assets

OTHER INTANGIBLE ASSETS	(x EUR 1.000)
ON 31/12/2008	**226**
Acquisition value 1/01/2009	**581**
Acquisitons of the financial year	95
Divestments of the financial year	-315
Acquisition value 31/12/2009	**361**
Depreciations 1/01/2009	**355**
Depreciations of the financial year	84
Divestments of the financial year	-315
Depreciations 31/12/2009	**124**
ON 31/12/2009	**237**
Acquisition value 1/01/2010	**361**
Acquisitons of the financial year	910
Divestments of the financial year	-17
Acquisition value 31/12/2010	**1.253**
Depreciations 1/01/2010	**124**
Depreciations of the financial year	152
Divestments of the financial year	-17
Depreciations 31/12/2010	**259**
ON 31/12/2010	**995**

The increase in other intangible assets includes mainly the transfer of the investment for own use for a sum of EUR 740K. During 2010 the Montea offices moved whereby Montea proceeded to transfer the fair value of these offices from the heading "Investment property" to this heading. Please see also note 17.

Note 19: Financial fixed assets

FINANCIAL FIXED ASSETS	(x EUR 1.000)
ON 31/12/2008	**0**
Assets held till the end of the period	**0**
Participations	0
Faire value of assets	**0**
Hedge instruments	0
ON 31/12/2009	**0**
Assets held till the end of the period	**0**
Participations	0
Faire value of assets	**1.359**
Hedge instruments	1.359
ON 31/12/2010	**1.359**

Financial fixed assets relate solely to the positive valuation of the hedging instruments. The negative valuation of hedging instruments can be found in note 31.

Note 20: Trade receivables and other non-current assets

TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS	(x EUR 1.000)
ON 31/12/2008	**6**
Guarantees paid in cash	0
Préfinancement site Cambrai	761
ON 31/12/2009	**767**
Guarantees paid in cash	15
Pre-financing site Cambrai	-206
ON 31/12/2010	**576**

This amount relates to a non-current receivable against the tenant at the Cambrai site as payment of the invoiced supplemental work. On acquisition of the Cambrai site in 2008, Montea carried out investments amounting to EUR 1,150K. These works were invoiced on a quarterly basis and are paid off according to an agreed amortization table.

The non-current receivable is reported under this heading. The current receivables can be found under "tax receivables and other current assets" (see note 23). Financial returns on these transactions are listed under the financial income heading. The total receivable, including interest, will be paid off on 28 February 2014.

Note 21: Property held for sale

PROPERTY HELD FOR SALE	(x EUR 1/000)
OP 31/12/2008	**0**
	0
OP 31/12/2009	**0**
	0
OP 31/12/2010	**0**

Note 22: Current trade receivables

(x EUR 1.000)

CURRENT TRADE RECEIVABLES	31/12/2010	31/12/2009	31/12/2008
Trade receivables - gross	6.685	3.614	5.872
Provisions for doubtfull accounts	-470	-502	-348
	6.215	**3.112**	**5.524**

DOUBTFULL DEBTORS	(x EUR 1.000)
ON 1/10/2006	**329**
Change in doubtfull debtors	12
ON 31/12/2007	**341**
Change in doubtfull debtors	14
ON 31/12/2008	**355**
Change in doubtfull debtors	147
ON 31/12/2009	**502**
Change in doubtfull debtors	-32
ON 31/12/2010	**470**

PROVISION FOR DOUBTFULL DEBTORS	(x EUR 1.000)
ON 1/10/2006	**329**
Change in provision for doubtfull debtors	12
ON 31/12/2007	**341**
Change in provision for doubtfull debtors	7
ON 31/12/2008	**348**
Change in provision for doubtfull debtors	154
ON 31/12/2009	**502**
Change in provision for doubtfull debtors	-32
ON 31/12/2010	**470**

As of 31 December 2010, the gross trade receivables amounted to EUR 6,685K, of which EUR 1,443K was to be invoiced, EUR 75K for payments received, EUR 470K for dubious debtors (which are fully provided for) and EUR 4,696K for trade receivables.

In order to minimize the overdue accounts receivable, Montea manages its clients in an efficient manner. Montea's clients are subject to regular credit analyses. Similarly, Montea will always subject potential new clients to a credit analysis, before closing new contracts.

The decrease in the provision for dubious receivables, amounting to EUR 32K, is mainly explained by:

- accounting of the dubious receivable (booked in 2009) due to an legal ruling;
- accounting of the dubious receivable provisioned due to an ongoing lawsuit.

Note 23: Tax receivables and other current assets

(x EUR 1.000)

TAX RECEIVABLES AND OTHER CURRENT ASSETS	31/12/2010	31/12/2009	31/12/2008
TAXES	**410**	**307**	**540**
Value added taxes	282	178	374
Exit tax			
Company taxes	129	129	166
OTHER CURRENT ASSETS	**998**	**829**	**546**
TOTAL	**1.409**	**1.136**	**1.086**

The amount of the taxes consists largely of VAT to be recovered.

The amount of other current assets include for the most part the prepayments to the notary on the recent acquisition of sites, mainly in France (EUR 361K), the short-term receivables relating to the financing on the Cambrai site (EUR 206K - see note 20) and the receivable (provision for payment of invoices) against the statutory Manager of Montea Comm. VA, being Montea Management NV (EUR 250K).

Note 24: Cash and cash equivalents

(x EUR 1.000)

CASH AND CASH EQUIVALENTS	31/12/2010	31/12/2009	31/12/2008
Cash at banks	5.681	4.075	4.752
Bank deposits	8.406	0	350
Cheques to be cashed	31	3	24
TOTAL	**14.119**	**4.077**	**5.126**

Note 25: Transistory accounts - Assets

(x EUR 1.000)

TRANSITORY ACCOUNTS - ASSETS	31/12/2010	31/12/2009	31/12/2008
Incurred income of real estate		385	1.272
Prepaid costs of real estate			
Other	590	190	146
TOTAL	**590**	**575**	**1.418**

The decrease in the entry “capitalized costs in terms of projects" is fully explained by the transfer from the already created start-up costs for the Coca-Cola project to Investment properties.

The entry "Other", amounting to EUR 590K, consists mainly of brokerage commissions already paid, which are spread over the term of the leases and the already prepaid capital and interest payments of the lease liabilities for the Orléans project.

Note 26: Shared capital and shares

SHARED CAPITAL AND SHARES	(x EUR 1.000)	Nombre d'actions
Issued capital on 31/12/2007	62.380	2.855.607
ON 31/12/2007	**62.380**	**2.855.607**
Capital increase on 25 March 2008	21.972	729.747
ON 31/12/2008	**84.352**	**3.585.354**
Capital decrease	-15.388	0
ON 31/12/2009	**68.964**	**3.585.354**
Capital Increase on 2 July 2010	38.907	2.048.772
ON 31/12/2010	**107.871**	**5.634.126**

We refer to the management report for more details on the capital increase.

Following the capital increase, the subscription price of new shares was EUR 19.50, while the par value at that time amounted to EUR 19.24. The difference between the two (EUR 0.26 x 2,048,772 shares) is included under the heading subscription premium (EUR 543K).

Note 27: Available reserves

AVAILABLE RESERVES	(x EUR 1.000)
OP 31/12/2008	**33.502**
Impact on the fair value of estimated costs resulting from the hypothetical disposal of investment properties	-437
Capital decrease	
Dividends	-7.493
Transfered result 31/12/2008	
Minority interests	
ON 31/12/2009	**25.572**
Impact on the fair value of estimated costs resulting from the hypothetical disposal of investment properties	1.394
Capital decrease	0
Dividends	-7.493
Transfered result 31/12/2009	-3.043
Minority interests	-1
ON 31/12/2010	**16.429**

Note 28: Result

(x EUR 1.000)

RESULT	TRANSFERED RESULT	RESULT OF THE FINANCIAL YEAR	RESULT
ON 31/12/2008	**0**	**-7.756**	**-7.756**
Capital decrease		15.388	15.388
Result 12 months		-10.682	-10.682
Minority interests		7	7
ON 31/12/2009	**0**	**-3.043**	**-3.043**
Result 12 months	3.043	8.224	11.267
Minority interests	0	-13	-13
ON 31/12/2010	**3.043**	**5.168**	**8.211**

Note 29: Minority participations

MINORITY PARTICIPATIONS	(x EUR 1.000)
ON 31/12/2008	**95**
5% of the result of SCI 3R on 31/12/2009	-7
ON 31/12/2009	**88**
5% of the result of SCI 3R on 31/12/2010	13
ON 31/12/2010	**101**

Note 30: Financial liabilities

(x EUR 1.000)

FINANCIAL LIABILITIES	31/12/2010	31/12/2009	31/12/2008
NON-CURRENT FINANCIAL LIABILITIES	**61.424**	**118.413**	**47.733**
Banks	**53.275**	**113.942**	**42.681**
Bilateral creditlines	53.000	113.750	42.500
3R	275	192	181
Financial leasing	**0**		
Other	**8.150**	**4.471**	**5.052**
CURRENT FINANCIAL LIABILITIES	**56.781**	**581**	**55.730**
Banks	**55.000**	**0**	**55.180**
Bilateral creditlines	55.000		55.180
Financial leasing	**0**		
Other	**1.781**	**581**	**550**
TOTAL	**118.205**	**118.994**	**103.463**

Montea's financial liabilities consist, first, of bilateral credit lines amounting to EUR 108,000K at 3 Belgian financial institutions. On 31/12/2010 Montea had a total of EUR 115,000K in contracted credit lines, of which 93.9% (or EUR 108,000K) is included. The difference to last year is the transfer of EUR 55,000K of these credit lines to current credit, since this expired on 30/09/2010 and 31/12/2010.

The amount of bank guarantees rose through the deposited bank guarantee from Overseas in France.

The heading "Other" under current and non-current financial liabilities concerns the open debts for the building of Orléans and Roissy in France and Milmort in Belgium. These debts are transferred debts at the time of their respective acquisition in 2010, 2008 and 2008.

Note 31: Other non-current financial liabilities

(x EUR 1.000)

OTHER NON-CURRENT FINANCIAL LIABILITIES	31/12/2010	31/12/2009	31/12/2008
Financial instruments	7.746	8.030	5.940
Other	0		
TOTAL	7.746	8.030	5.940

The other non-current financial liabilities consist solely of the negative valuation of the interest coverage instruments on 31/12/2010. In note 19, under financial current assets, are the positive changes in the value of interest hedging instruments. On balance, the interest hedging instruments on 31/12/2010 had a negative value of EUR 6,387K.

Note 32: Trade debts, other non-current liabilities and deferred taxes

(x EUR 1.000)

TRADE DEBTS AND OTHER NON-CURRENT LIABILITIES	31/12/2010	31/12/2009	31/12/08
Trade Debts and other non-current liabilities	0	0	343
TOTAL	0	0	343

OTHER NON-CURRENT LIABILITIES	31/12/2010	31/12/2009	31/12/08
Guarantees	369	353,66691	354
TOTAL	369	354	354

DEFERRED TAXES	31/12/2010	31/12/2009	31/12/08
Deferred taxes	0	0	224
TOTAL	0	0	224

Note 33: Trade debts and other current debts and liabilities

(x EUR 1.000)

TRADE DEBTS AND OTHER CURRENT DEBTS	31/12/2010	31/12/2009	31/12/2008
Exit tax	**-35**	**-33**	**5.225**
Other	**3.298**	**2.519**	**2.695**
Suppliers	**2.194**	**1.916**	**1.877**
Taxes, social debts and payroll	**1.104**	**603**	**818**
Taxes	991	504	769
Social debts	26	43	49
Payroll debts	6	0	0
Other	81	56	
TOTAL	3.264	2.486	7.920

(x EUR 1.000)

OTHER CURRENT LIABILITES	31/12/2010	31/12/2009	31/12/2008
Dividends	21	24	22
Related parties	0		
Intercompany debts	209	172	75
Other	555	3	9
TOTAL	785	198	106

The increase in heading "other" under "other current liabilities" is primarily the result of the booked liability at an additional charge which, if certain conditions were met, must be paid to Sirius contractually.

In 2009, Montea acquired a property portfolio from a property company in France. It was stipulated in this contract that a charge had to be paid if no contract was terminated by the end of 2010. At the end of 2010, this was also the case, and Montea proceeded to pay the supplemental fee of EUR 472K in the first quarter of 2011.

Note 34: Transitory accounts – Liabilities

(x EUR 1.000)

TRANSITORY ACCOUNTS - LIABILITES	31/12/2010	31/12/2009	31/12/2008
Pre-invoicing of rental income	3.631	1.047	2.741
Incurred, not paid interest charges	692	686	547
TOTAL	**4.323**	**1.733**	**3.288**

The increase in deferred charges and deferred income consists primarily of rental income billed in advance that relate to the first quarter of 2011. This increase must be seen together with the increase of current trade receivables.

5.1.7 Auditor's report on the consolidated financial statements for the year ended 31 December 2010

In accordance with legal requirements, we report to you on the performance of our audit mandate. This report includes our opinion on the consolidated financial statements together with the required additional comments.

UNQUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of Montea and its subsidiaries (together "the Group") for the year ended 31 December 2010, prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2010, the consolidated income statements, consolidated cash flow statements, consolidated statements of changes in equity and the consolidated profit and loss statements for the year then ended, and the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to € 258,799K and the consolidated profit for the year, Group share, is € 8,211K.

RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE PREPARATION AND FAIR PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free of material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

RESPONSIBILITY OF THE AUDITOR

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the Institute of Auditors. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected in this audit depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole.

Finally, we have obtained from the Board of Directors and the responsible officers of the Group the explanations and information necessary for our audit.
We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the group's net worth and financial situation as of 31 December 2010, and of its results and cash flows for the year then ended in accordance with the IFRS as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

ADDITIONAL COMMENTS

The preparation and content of the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to supplement our report with the following additional comments, which do not modify our audit opinion on the consolidated financial statements:

- The consolidated annual report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the group is facing, or of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development.

We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 17 March 2011

Ernst & Young Bedrijfsrevisoren/Auditors BCVBA
Auditor
represented by

Christel Weymeersch
Partner

5.1.8 Segment information

With regard to the obligation of segment information, the company applies IAS 14.

Geographically, the current portfolio is located in Belgium and France. The Sicafi directs and coordinates its affairs on its geographic area and thus also reports according to geographic segmentation. The following tables show the balance sheet and appropriation of the result according to the geographic segmentation.

(EUR x 1.000)	31/12/2010 BE	31/12/2010 FR	31/12/2010 Elim.	31/12/2010 Conso
NON-CURRENT ASSETS	**144.058**	**92.408**	**0**	**236.466**
Goodwill	0	0	0	0
Intangible assets	83	0	0	83
Property Investments (incl. Project Developments)	141.605	91.847	0	233.452
Other tangible assets	995	0	0	995
Financial fixed assets	1.359	0	0	1.359
Financial lease receivables	0	0	0	0
Participations consolidated with the equity method	0	0	0	0
Trade receivables and other non-current method	15	561	0	576
Deferred taxes (assets)	0	0	0	0
CURRENT ASSETS	**107.472**	**5.411**	**-90.550**	**22.333**
Assets held for sale	0	0	0	0
Current financial assets	0	0	0	0
Financial lease receivables	0	0	0	0
Trade receivables	2.873	3.342	0	6.215
Tax receivables and other non-current assets	83.976	857	-83.425	1.409
Cash and cash equivaltens	13.345	775	0	14.119
Differed charges and accrued income	7.278	438	-7.126	590
TOTAL ASSETS	**251.530**	**97.819**	**-90.550**	**258.799**
SHAREHOLDERS' EQUITY	**128.371**	**-4.265**	**0**	**124.107**
Shareholders' equity attributable to shareholders of parent company	**128.371**	**-4.365**	**0**	**124.006**
Share Capital	107.329	0	0	107.329
Share premiums	543	0	0	543
Purchased own shares (-)	0	0	0	0
Reserves	29.832	4.662	0	34.494
Result	-5.457	-4.365	0	-9.823
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties	-3.875	-4.662	0	-8.537
Change in fair value of financial assets and liabilities	0	0	0	0
Axchange rate differences	0	0	0	0
MINORITY INTERESTS	**0**	**101**	**0**	**101**
LIABILITES	**123.159**	**102.083**	**-90.550**	**256.161**
Non-curent liabilites	**63.982**	**5.557**	**0**	**130.964**
Provisions	0	0	0	0
Non-current financial debts	56.237	5.188	0	61.424
Other non-current financial liabilities	7.746	0	0	7.746
Trade debts of other non-current debts	0	0	0	0
Other non-current liabilites	0	369	0	369
Deferred taxes - liabilities	0	0	0	0
Current labilities	**59.177**	**96.526**	**-90.550**	**125.197**
Provisions	0	0	0	0
Current financial debts	55.408	1.372	0	56.781
Other current financial liabilities	0	0	0	0
Trade debts of other current debts	1.436	1.828	0	3.264
Other current liabilites	21	91.315	-90.550	785
Accrued charges and deferred income	2.312	2.011	0	4.323
TOTALSHAREHOLDERS' EQUITY AND LIABILITES	**251.530**	**97.819**	**-90.550**	**258.799**

(1) the column "elim" concerns the elimination bookings following the elimination of the current accounts between the company in Belgium and France.

(EUR x 1.000)	31/12/2010 BE	31/12/2010 FR	31/12/2010 CONSO
NET RENTAL INCOME	**11.111**	**5.986**	**17.097**
PROPERTY RESULT	**10.956**	**5.762**	**16.718**
TOTAL PROPERTY CHARGES	**-904**	**-67**	**-972**
OPERATING PROPERTY RESULT	**10.052**	**5.694**	**15.746**
General costs	-2.009	-446	-2.455
Other operating income and expenses	-50	-23	-73
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**7.993**	**5.225**	**13.218**
Result on disposals of investment properties	548	0	548
Result on disposals of other non-financial assets	0	0	0
Result in the fair value of investment properties	-4.662	2.756	-1.906
OPERATING RESULT	**3.879**	**7.981**	**11.860**
FINANCIAL RESULT	**-626**	**-3.010**	**-3.637**
RESULT BEFORE TAXES	**3.253**	**4.971**	**8.223**
TAXES	**0**	**0**	**0**
NET RESULT	**3.253**	**4.971**	**8.224**
NET CURRENT RESULT	**5.724**	**2.215**	**7.938**
Number of shares entitled in the result of the period			4.609.740
NET RESULT PER SHARE			**1,78**
NET CURRENT RESULT PER SHARE			**1,72**

In addition to the geographic segmentation, Montea also makes use of occupational segmentation in terms of the client base in order to spread their risk. Since risk spreading is very important in these times, the Sicafi also makes the distinction in the current portfolio between the market for logistics and that for semi-industrial property. However for this segment information, the management believes that there is no distinction between business concerns, as both the nature of service and the distinctive character regarding the type of clients are not materially different.

5.1.9 Financial risk management

Exposure to foreign exchange, interest rates, liquidity and credit risks, can arise in the exercise of Montea's normal commercial activities. The company analyzes and reviews all risks and hereby defines the strategies in order to manage the economic impact on the performance of the CEIC. The results of this analysis and proposed strategies are reviewed and approved by the Board of Directors on a regular basis.

5.1.10 Interest rate risk

The current and fixed financial liabilities of Montea consist solely of current liabilities with floating interest. The Sicafi uses financial hedging instruments of the IRS (Interest Rate Swaps) type to cover the interest rate risk. In note 14 there is an overview of the fair value of hedging instruments. An increase or decrease of 100 basis points in the interest rates of our liabilities with floating interest rates would mean an increase or decrease in the market value of financial hedging instruments by EUR 7.61 million and EUR 5.17 million, respectively. This sensitivity is not a cash element and would have no impact on net operating profit, but rather on the net result.

On 31/12/2010 the interest rate risk was 99.7% hedged so that an increase/decrease in interest rates could have a minimal impact on the Sicafi's result. With an increase or decrease of 100 basis points, the annual interest burden for the company would only rise or fall by EUR 4K.

5.1.11 Credit risk

The credit risk is the risk of financial loss to the Sicafi if a client or counterparty fails to meet its contractual obligations. The management has a credit policy and the exposure to credit risk is managed on a continuous basis. Each new tenant must be independently examined for creditworthiness before the Sicafi makes a lease offer, taking into account a rental guarantee of 3 or 6 months.

5.1.12 Exchange rate risk

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

5.1.13 Liquidity risk

In note 30 there is an overview of the financial liabilities with their respective maturities. The company manages its liquidity risk by making sufficient credit resources[69] available to reconcile both receipts and payments as much as possible.

5.1.14 Transactions between affiliated companies

(x EUR 1.000)

TRANSACTIONS BETWEEN AFFILIATED COMPANIES	31/12/2010	31/12/2009	31/12/2008
Director fees invoiced by teh statutory manager Montea Management NV	481	470	509
Acquisition of the building of Savigny-Le-Têmple from Affine	0		73
Current account with Montea management NV	250	114	64
Current account with Familie De Pauw	110	43	43
Guaranteed rent with Familie De Pauw	0	67	139
Direct fees to D. De Pauw and P. Snoeck	0		58
Concerto Développement	0		7.000
Banimmo sale of offices based upon the Unilever deal	0		25.500
TOTAL	**841**	**695**	**33.386**

(1) For more information concerning this transaction, please refer to our prospectus dated 27 September 2006.
(2) Development company from which Montea Comm. VA purchased the site in Cambrai. This transaction was 100% completed through the issuance of shares to Affine SA. In 2009, Affine SA sold its shares to Banimmo.

The current account with Montea Management NV contains only the advances from Montea Comm. VA to its Manager, who is supervised on a continuous basis. No interest is calculated for material reasons. It will however be the case starting from 2011.

5.1.15 Off balance sheet obligations

Montea has the right to buy the remaining 5% of the shares of SCI 3R by the end of 2012. This 5% is still owned by the current tenant, Debflex SA, which was the previous owner.

The SCI 3R was the beneficiary of a leasing contract concluded on 25 July 1995. This contract fell under the SICOMI system.

Fundamentally, the companies which fall under the SICOMI system are obliged to realise their rental or leasing achievements in function of the companies which actually rent the rented buildings: they can therefore not apply a clause of sublease (Inst. 28 May 1970, 4H-11-70, No. 12).

[69] On 31/12/2010, Montea had EUR 115 million of credit lines, of which EUR 108 million is already included. This means that Montea still had EUR 7 million available. If on 31/12/2010, Montea had included all existing lines of credit, the debt ratio would be 49.02%.

The Administrative legal doctrine, however, makes an exception in the application of a sublease between two companies, if these are part of the same group or if these are related to each other in the sense of Article 145 of the "CGI". It is for this reason that the company DEBFLEX initially still had a shareholding of 10% in the company SCI 3R, until the time of raising of the purchase option of the building.

Additionally, the maintaining of subsidies, that are attributed by virtue of the financing of the building by "DRIRE" of PICARDIE, became dependent upon the continuing participation DEBLEX in the SCI 3R for 5% (confirmed by "DRIRE" as of 13 August 2007).

Consequently, the participation of DEBFLEX in the SCI 3R was reduced from 10% to 5%.

5.1.16 Other important liabilities

There have been to date no major agreements concluded that do not fit into the normal business of the Sicafi, of which the Montea group forms a part.

5.2 5.2 Statutory financial accounts in shortened form of Montea Comm. VA as of 31 December 2010

In accordance with the provisions in Article 105 of the Belgian Company Code, the financial statements of Montea Comm. VA is presented as follows in shortened format.

5.2.1 Balance sheet as of 31 December 2010 (in thousands of EUR)

BALANCE SHEET	IFRS - 31/12/2010 12 months	IFRS - 31/12/2009 12 months	IFRS - 31/12/2008 12 months
ASSETS			
NON-CURRENT ASSETS	**204.043**	**172.842**	**183.716**
A. Goodwill			
B. Intangible non-current assets	83,237	107	107
C. Property investements (incl. Project developments)	184.165	159.255	164.539
E. Other tangible non-current assets	995	237	226
F. Financial non-current assets	18.784	13.242	18.843
G. Financial lease receivables			
H. Trade receivables and other non-current assets	15	1	1
I. Deferred taxes - Assets			
CURRENT ASSETS	**51.956**	**41.119**	**38.172**
A. Assets held for sale			
B. Current financial assets			
C. Financial lease receivables			
D. Trade receivables	4.274	1.825	3.972
E. Tax receivables and other current assets	33.971	37.599	31.785
F. Cash and cash equivalents	13.191	1.154	2.163
G. Differed charges and accrued income	519	540	252
TOTAL ASSETS	**255.999**	**213.961**	**221.888**

BILAN	IFRS - 31/12/2010	IFRS - 31/12/2009	IFRS - 31/12/2008
LIABILITIES			
SHAREHOLDERS' EQUITY	**123.858**	**84.234**	**102.395**
A. Capital	107.329	68.964	84.352
Share premiumsPrimes d'émission	543		
C. Purchased own shares (-)			
D. Reserves	19.862	22.898	30.437
E. Result		-3.195	-7.915
F. Impact sonthe fair value of estimated transaction costs resulting from the hypthetical disposal of investment properties (-)	-3.875	-4.434	-4.480
G. Change in fair value of financial assets and liabilities			
H. Exchange rate differences			
LIABILITIES	**132.141**	**129.727**	**119.494**
NON-CURRENT LIABILITIES	**124.087**	**126.360**	**53.591**
A. Provisions			
B. Non-current financial debts	116.341	118.330	47.651
a. Credit institutions	108.192	113.859	42.599
b. Financial lease	8.150	4.471	5.052
c. Other			
C. Other non-current financial liabilities	7.746	8.030	5.940
D. Trade debts and other non-current debts			
E. Other non-current liabilities			
F. Deferred taxes - liabilities			
a. Exit tax			
b. Other			
CURRENT LIABILITIES	**8.054**	**3.368**	**65.903**
A. Provisions			
B. Current financial debts	1.781	581	55.730
a. Credit institutions			55.180
b. Financial lease	1.781	581	550
c. Other			
C. Other current financial liabilities			
D. Trade debts and other current debts	2.096	1.520	6.936
a. Exit tax	-27	0	5.233
b. Other	2.123	1.520	1.703
E. Other current liabilities	922	365	442
F. Transitory accounts	3.256	901	2.795
TOTALLIABILITIES AND SHAREHOLDERS' EQUITY	**255.999**	**213.961**	**221.888**

5.2.2 Profit and loss account as of 31 December 2010 (in thousands of EUR)

PROFIT AND LOSS ACCOUNT	IFRS - 31/12/2010 12 months	IFRS - 31/12/2009 12 months	IFRS - 31/12/2008 12 months
I. Rental income (+)	12.996	12.523	11.826
II. Write-back of lease payments sold and discounted (+)			
III. Rental related charges (+/-)		-153	
NET RENTAL INCOME	**12.996**	**12.370**	**11.826**
IV. Recovery of property expenses (+)	160		
V. Recovery of charges and taxes normally payable by tenants an let properties (+)	2.310	1.678	1.166
VI. Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease (-)			
VII. Charges and taxes normally payable by tenants on let properties (-)	-2.569	-1.847	-1.279
VIII. Other charges and taxes on let properties (+/-)			
PROPERTY RESULT	**12.898**	**12.201**	**11.713**
IX. Technical costs (-)	-248	-199	-330
X. Commercial costs (-)	-93	-76	-76
XI. Charges and taxes of unlet properties (-)			-2
XII. Management property (-)	-485	-376	-213
XIII. Other property charges (-)	-111	-116	-77
TOTAL PROPERTY CHARGES	**-937**	**-768**	**-697**
OPERATING PROPERTY RESULT	**11.961**	**11.433**	**11.016**
XIV. General costs (-)	-2.274	-1.806	-1.876
XV. Other operating income and expenses (+/-)	-51	441	349
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**9.635**	**10.068**	**9.490**
XVI. Result on sale of investment properties (+/-)	548		636
XVII. Result on sale of other non financial assets (+/-)			
XVIII. Result in the fair value of investment properties (+/-)	519	-14.115	-9.189
OPERATIONG RESULT	**10.702**	**-4.047**	**936**
XIX. Financial income (+)	3.764	1.741	1.814
XX. Interest charges (-)	-5.369	-6.250	-3.826
XXI. Other financial charges (-)	-886	-2.102	-6.811
FINANCIAL RESULT	**-2.491**	**-6.611**	**-8.823**
RESULT BEFORE TAXES	**8.211**	**-10.658**	**-7.888**
XXII. Company taxes (-)	0	-9	-28
XXIII. Exit tax (-)			
TAXES	**0**	**-9**	**-28**
NET RESULT	**8.211**	**-10.668**	**-7.915**
Number of shares entitled in the result on the period	4.610	3.585	3.585
NET CURRENT RESULT PER SHARE IN EURO	**1,78**	**-2,98**	**-2,21**

5.2.3 Proposition for appropriation as of 31 December 2009 (in thousands of EUR)

PROPOSITION FOR APPROPRIATION	IFRS - 31/12/2010 12 months	IFRS - 31/12/2009 12 months	IFRS - 31/12/2008 12 months
APPROPRIATION OF THE NET RESULT	**8.211**	**-10.668**	**-7.915**
Payable interim dividend			
APPROPRIATION OF THE NET RESULT	**8.211**	**-10.668**	**-7.915**

APPROPRIATION OF THE NET RESULT	IFRS - 31/12/2010	IFRS - 31/12/2009	IFRS - 31/12/2008
A. NET RESULT	**5.016**	**-18.583**	**-7.915**
Appropriation of the result of the financial year	8.211	-10.668	-7.915
Net result carried forward from last year	-3.195	-7.915	
B. WITHDRAWAL FROM EQUITY	**3.363**	**22.881**	**7.493**
from the reserves / result	3.363	7.493	7.493
from the capital		15.388	
C. TRANSFER TO EQUITY			
to the reserves			
D. RESULT TO BE CARRIED FORWARD		**-3.195**	**-7.915**
Carried forward result	0	-3.195	-7.915
E. PAY OUT RESULT	**8.379**	**7.493**	**7.493**
Pay out dividends	8.379	7.493	7.493

The dividend to be distributed under heading E. corresponds to a gross dividend of EUR 0.97 per share for the first half of 2010 and of EUR 0.87 per share for the second half of 2010.

5.2.4 Pay-out obligations as of 31 December 2010 (in thousands of EUR)

PAY OUT OBLIGATONS	IFRS - 31/12/2010 12 months	IFRS - 31/12/2009 12 months	IFRS - 31/12/2008 12 months
NET RESULT	**8.211**	**-10.682**	**-7.756**
+ amortization	166	111	44
+ write-down	56	153	7
+/- other non monetary elements	-1.643	2.089	6.792
+/- result sale property	-548		-636
+/- variation in fair value property	1.906	16.033	10.046
ADJUSTED RESULT	**8.148**	**7.706**	**8.497**
Pay out obligations	335	0	636
RESULT	**8.483**	**7.706**	**9.133**
PAY OUT: RESULT x 80%	**6.786**	**6.165**	**7.306**
of which was already paid under the form of interim dividend			
MINIMUM PAY OUT DIVIDEND	**6.786**	**6.165**	**7.306**

As a Sicafi, Montea is obliged to pay out a dividend of EUR 6,786K. As previously mentioned, Montea will proceed to pay out a dividend of EUR 8,379K, which is 98.8% of the total result that is subject to pay out.

As a company, Montea is also subject to Article 617 of the Belgian Company Code whereby Montea may pay out no dividends if the net asset value, as a result of the pay out, may not be below the amount of the legally undistributable reserves.

On 31/12/2010, the difference between the net asset value and the legally non-distributable reserves was EUR 15,473K. This amount is thus sufficient to ensure the proposed dividend of EUR 8,379K.

6. GENERAL INFORMATION

Montea Comm. VA is a real estate company (Belgian company: property investment company, French company listing: SIIC) specialised in logistics and semi-industrial real estate in Belgium and France. Montea has been listed on the NYSE Euronext Bruxelles since October 2006 and on the Euronext Paris since December 2006. The activities of Montea as a property investment company began on 1 October 2006, by joining different property portfolios. The company aims to become a leading player on this growing market. In this context, Montea aims to give its clients flexible, innovative real estate solutions, thereby creating value for her shareholders.
Montea is a member of AFILOG (the French Association of Logistics Operators), of Logistics in Wallonia and of the VIL (Flanders Institute for Logistics).

6.1 Name of the company

Montea is a public real estate investment company with fixed capital under Belgian law or a public Sicafi under Belgian law.

Its French company listing is SIIC (Société d’Investissements Immobiliers Cotée).

6.1.1 Registered and Administrative office

The registered and administrative office in Belgium is at B-9320 Erembodegem (Aalst) Industrielaan 27. The headquarters of the permanent listing in France established on 1 October 2010 are located at F-75008 Paris, 18- 20 Place de la Madeleine.

6.1.2 Register of legal entities

The company is registered in the Register of Legal Entities (Dutch: RPR) of Dendermonde under the number 0417.186.211. Its VAT number is BE 0417.186.211.

The permanent listing in France is registered in the "registre du commerce et des sociétés" of Paris under the number 497 673 145. Its VAT number is FR 06497 673 145.

6.1.3 Founding, company type and publication

The General Partnership share under Belgian law, Montea[70] was formed on 26 February 1977 in the form of a limited company under the name Parou, according to a deed executed before Notary Eric Loncin in Puurs, published in the Annexes to the Belgian Official Gazette on 16 March 1977, under number 836-1. Since 1 October 2006, Montea has been recognized as a public property investment company with fixed capital under Belgian law, or abbreviated public Sicafi under Belgian law, registered with the Banking Finance and Insurance Commission. It is subject to the legal system of investment companies with fixed capital as defined in Article 19 of the Act of 20 July 2004 on certain forms of collective management of investment portfolios.

The articles of association have been amended several times and last amended on 2 July 2010 pursuant to a deed executed before Notary Vincent Vroninks, notary in Ixelles.

The company makes a public call on savings within the meaning of Article 438 of the Code of Companies.

6.1.4 Duration

The company was established for an indefinite duration.

6.1.5 Financial year

The financial year starts on 1 January and ends on 31 December of every year, except for the first fiscal year that started on 1 October 2006 and closed on 31 December 2007 and thus lasted 15 months.

6.1.6 Places where the public documents can be consulted

The articles of association of the company can be found at the Registry of the Commercial Court of Dendermonde and at the Montea headquarters and on the website www.montea.com.

The statutory and consolidated accounts of Montea were deposited at the National Bank of Belgium, in accordance with statutory provisions. The decisions regarding appointment and dismissal of members of the Board, are published in the annexes to the Belgian Official Gazette.

[70] On 26 February 1977, the NV Parou was established by Mr Pierre De Pauw, Mrs Marie-Christine De Pauw, Mr Albert De Pauw, Mr Jozef Roumieux, Mr Lucas Roumieux, Mr Joseph Molleman and Mrs Maria Biesemans. In 2006 the name was changed to Montea NV. By 1 October 2006 the public limited company was converted into a limited partnership on shares.

The meeting notices of the General Meetings are published in the annexes to the Belgian Official Gazette and in two financial newspapers. These meeting notes and all documents relating to the General Meetings are also available on the website www.montea.com.

All press releases and other financial information distributed by Montea can be found on the website www.montea.com. The annual reports can be obtained at the registered office of the company or can be viewed on the website www.montea.com. Each year, they are sent to the shareholders and to the individuals requesting them. The annual reports include the reports of the property expert and of the auditor.

6.2 Registered capital

On 2 July 2010, after the public offer to subscribe to the capital increase and the successful private placement of the scrips, the existing shareholders and new investors committed to subscribe to 100% of the public offering.

Following this capital increase and issuance of 2,048,772 new shares on 2 July 2010 as part of the public in-cash capital increase with preferential rights for an amount of EUR 39,951,054 (i.e. EUR 39,418,373.28 share capital and EUR 532,680.72 issue premium), the share capital of Montea as of 2 July 2010 was EUR 108,382,735.61.

The capital is now represented by 5,634,126 completely common shares. There are no privileged shares. Each of these shares confer a vote at the General Meeting and these shares represent therefore the denominator for purposes of notification in case of reaching, exceeding or falling below the statutory or regulatory barriers (transparency regulations).

The Manager is authorised to approve increases to the registered capital on the dates and the conditions established by him one or more times, amounting to EUR 62,000,000. This authorisation is valid for a period of five years from the publication (24/10/2006) of the minutes of the extraordinary General Meeting of one October two thousand and six. This authorisation is renewable.

To date, there has been no use of the authorised capital so that the full amount of EUR 62,000,000 can be used by the manager as part of the authorised capital.

6.3 Explanations

6.3.1 Responsible persons

The Board of Directors of Montea Management NV states that:

- the financial statements prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial situation and results of the issuer and its consolidated companies;
- the annual financial report includes a fair summary of the development and performance of the company and the position of the issuer and the companies included in the consolidation, as well as a description of the principal risks and uncertainties that they face.

The statutory Manager of Montea Comm. VA is responsible for the information provided in this annual financial report. The statutory Manager has verified this information to the best of his ability. He certifies that, to his knowledge, the information contained in this annual financial report is in accordance with the facts, and that no information or data have been omitted, whereby the disclosure of which would change the purpose of this annual financial report.

6.3.2 Third-party information

Montea certifies that the information provided by the experts and the recognised auditor was faithfully reproduced. To the extent Montea is aware of and able to ensure this in the light of information published by third parties, no fact was omitted whereby the information shown could be wrong or misleading[71].

6.3.3 Forward-looking statements

This annual report includes forward-looking statements. Such statements are based on estimates and forecasts of the company and naturally contain unknown risks, uncertainties and other factors that could result in the results, financial situation, performance and current achievements being different from those expressed or implicitly indicated in these forward-looking statements. Given these uncertainties the forward-looking statements provide no guarantee.

6.3.4 Arbitration procedures

Despite the lawsuit with Bolckmans (mentioned in "Information regarding the current lawsuit - formal objection and submission of a counterclaim with damages and interest by Montea" in the management report), the Board of Directors of Montea Management NV states that there is no litigation or arbitration proceeding which might have a relevant influence on the financial status or on the profitability of Montea and that, to their knowledge, no facts or circumstances that could give rise to such government interventions, litigation or arbitration proceedings exist..

6.3.5 Statements on Directors

The Board of Directors of Montea Management NV states that to their knowledge:

- During the previous five years (i) no single director was convicted of fraud, (ii) there was no director, in the capacity of member of the administrative, managerial or supervisory body, involved in a bankruptcy, suspension or dissolution, (iii) no director was accused and/or the subject of a public official nominative sentence pronounced by a statutory or regulatory body, and (iv) there was no director declared incompetent by a court to act as a member of the administrative, managerial or supervisory body of an issuer of financial instruments or to intervene in the management or administration of the affairs of an issuer or in connection with the management or the exercise of the activities of an issuing institution. Montea points out that one of its directors, for events prior to his post in Montea and without connection with Montea, had been the subject of a final administrative penalty in relation to Article 25, first paragraph, 1°, a) of the Act of 2 August 2002 on the supervision of the financial sector and financial services. This penalty was the subject of a non-personal notice. By "directors" are also meant the permanent representatives of the directors-legal entities.

[71] Montea hereby confirms that it has received permission for publishing the information of third parties in this report.

- No employment contract was concluded with the directors providing for the payment of compensation by the end of the contract. There is a management contract between the Montea Management NV and the directors providing for the payment of a fee[72].
- The directors do not own shares of Montea.
- The fact that up to now, no options for shares of Montea have been confirmed.

After 31 December 2010, there has been no significant change in the financial and trading position of the group for which audited financial information is published.

6.4 Group structure

The Montea Group in 2009 included the following companies:

Montea Management NV
Industrielaan 27, bus 6, B-9320 Erembodegem (Aalst)
RCB Dendermonde 882,872,026 **|** VAT BE0882.872.026

On 1 October 2006, this company was appointed as Manager and in this capacity manages Montea Comm. VA and its subsidiaries. The company's purpose, in Belgium and abroad, in its own name or on behalf of third parties, for its own account or on behalf of third parties, is to perform actions that are necessary or useful for achieving the civic purpose of Montea Comm. VA. The company, as Manager of Montea Comm. VA, acts in the exclusive interest of all shareholders. The company assesses a fee from the CEIC each year for the carrying out of its functions[73].

Montea Comm. VA
Industrielaan 27, bus 6, B-9320 Erembodegem (Aalst)
SIRET business registration number: RPR-RCB Dendermonde 417.186.211 **|** VAT BE0417.186.211

Montea SCA[74] (Branch office)
Registered office: 4 Square Eduard VII, FR-75009 Paris
As of 1 October 2010, the registered and administrative office is located at FR-75008 Paris, 18-20 Place de la Madeleine.
SIRET business registration number: RCS PARIS 497 673 145 00023 **|** VAT FR06497673145

In order to expand its real estate activity in France, Montea established a branch office under the name Montea SCA, which also acquired the SIIC status as of 24 April 2007. Through this permanent establishment, Montea holds shares in seven French companies

SCI[75] Montea France:
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS PARIS 493 288 948 00018 **|** VAT FR33493288948

SCI 3R
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS NANTERRE 400 790 366 **|** VAT FR44400790366

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[72] See chapter "Executive Management and executive board of the statutory Manager"
[73] See chapter "Remuneration of the statutory Manager and the Board of Directors".
[74] Société d'Investissements Immobiliers Cotée.
[75] Société Civile Immobilière or civil property company.

By 1 October 2007 Montea had acquired, via its French permanent establishment, 95% of the shares in the French company SCI 3R for approximately EUR 1.8 million. SCI 3R owns a warehouse in Feuquières near Amiens that is let to Debflex for a fixed period of 9 years. The agreement was carried out through the purchase of shares of the company holding the leasing for the building. In the final quarter of 2007, the option for purchasing the building was also drawn up by SCI 3R[76].

SCI Actipole Cambrai
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS NANTERRE 501 414 254 **|** VAT FR45501414254

SCI Sagittaire
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS PARIS 433 787 967 **|** BTW FR79433787967

SCI Saxo
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS PARIS 485 123 129 **|** VAT FR23485123129

SCI Sévigné
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS PARIS 438 357 659 **|** VAT FR48438357659

SCI Socrate
Registered office: 77 Esplanade du Général De Gaulle, 92914 Paris La Défense Cedex
SIRET business registration number: RCS PARIS 481 979 292 **|** VAT FR16481979292

Group structure

Montea Management NV:	0% (1 share)
Montea SCA:	100%
SCI Actipole Cambrai:	100%
SCI Sagittaire:	100%
SCI Montea France:	100%
SCI 3R:	95%
SCI Saxo:	100%
SCI Sévigné:	100%
SCI Socrate:	100%

[76] The current tenant Debflex is still owner of 5% of the shares of SCI 3R.

6.5 Reference shareholders

All shareholders have the same voting rights. Each share gives the right to one vote.

Major holdings about which Montea was briefed in application of the transparency legislation are posted on www.montea.com. Based on the transparency disclosures that Montea has received, the shareholding structure of Montea is, as of 31 December 2010, as follows[77]:

Shareholders	Shares	Percentage
Pierre De Pauw Family	1,674,287	29.72%
Banimmo NV	1,304,182	23.15%
Gemeentelijke Holding	644,041	11.43%
De Smet Family	248,959	4.42%
Public	1,762,657	31.28%
TOTAL	**5,634,126**	**100.00%**

As a statutory manager Montea Management NV has, in accordance with Article 659 of the Belgian Company Code, a veto against decisions of the General Meeting representing the interests of the Company to third parties or which relate to amending the articles of association.

The silent partners are responsible for the debts and losses of Montea only up to the sum of their contribution, on condition that they do not carry out any act of management.

Typical of the limited partnership with shares is that the statutory Manager has a veto on all important decisions of the General Meeting.

6.6 Family relationships between shareholders, directors and effective leaders

A. Family De Pauw

The Family De Pauw consists of:

- Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw (brother and four sisters);
- the De Pauw joint ownership;
- The NV Montea Management, controlled by the five aforementioned De Pauw siblings.

They own 29.72% of the voting rights of Montea Comm. VA.

The family De Pauw acts in concert. This is also shown in the notifications made to the CBFA, in press releases and this information can also be found on the Montea website.

[77] On the basis of a notification on 7 March 2011, Banimmo reported that it had 995,527 shares, representing 17.67% of the total shares.
The Belgian Federal Insurance reported on the basis of a notification on 7 March 2011, that it had 250,000 shares, representing 4.44% of the total shares.

Dirk De Pauw is permanent representative of BVBA DDP Management, as already mentioned in the annual report. The BVBA DDP Management is director of the Montea Management NV.

Peter Snoeck is permanent representative of BVBA PSN MANAGEMENT, as already mentioned in the annual report. Peter Snoeck is the husband of Dominika De Pauw.

B. Family De Smet

The Family De Smet consists of:

- the cousins Erik De Smet and Guy De Smet
- De Smet Investments NV (Erik and Guy De Smet control the De Smet Investments NV).

They own 4.42% of the voting rights of Montea Comm. VA. VA.

The Family De Smet act in concert as shown by the notification that was given to the CBFA and in the information that can be found on the Montea website.

6.7 Articles of Association

The most recent version dates from the Extraordinary General Meeting of 7 July 2010 and can be consulted on the website www.montea.com.

6.8 The Sicafi in Belgium and the Société d'Investissements Immobiliers Cotée (SIIC) in France

The Sicafi in Belgium

The Sicafi (investment company with fixed capital – Sicafi) introduced by the law of 4 December 1990, enables the creation of institutions in Belgium for investment in real estate, as for in many other countries: Real Estate Investments Trusts (REITs) in the United States, Fiscal Investment (FBI) in the Netherlands, G-REITs in Germany, Sociétés d'Investissements Immobiliers Cotées (SIIC) in France and the UK-REITs in the United Kingdom. In Belgium, the legal framework for Sicafis has been in place since 1990, although many of the rights and obligations of this investment instrument were not specifically defined until 1995. This investment instrument was created by the public authorities to enable private investors to also have access to the professional property market and to invest in property projects, which were previously the preserve of institutional investors. The statute was the subject of a Royal Implementing Decree of 10 April 1995, superseded by the Royal Decree of 7 December 2010 relating to Sicafis. The Law of 21 December 1994 containing social and various provisions, established the fiscal aspects of the recognition of the existing companies.

The major characteristics of the Sicafi are:

- company with fixed capital and fixed number of shares;
- listing on the stock market;
- activities confined to investment property; at secondary title, the company may also invest its assets in securities;
- risk spreading: a maximum of 20% of the consolidated assets of the company may be invested in property that constitutes a single complex of buildings;

- the (individual and consolidated) debt is limited to 65% of the (statutory and consolidated) assets, the allocation of securities and mortgages is limited to 50% of the total fair value of the property of the Sicafi and its subsidiaries and to 75% of the value of a specific property;
- very strict rules regarding conflicts of interest;
- regular assessment of property by an independent property expert ;
- entry of the buildings at their fair value, no depreciations;
- the results (rental income and capital gains on sales less the operating costs and financial expenses) are exempt from corporation tax for the Sicafi (but not the subsidiaries thereof), but not from taxes and the irregular and favourable benefits;
- at least 80% of the amount of the adjusted result[78] and net gains on sale of property is not exempt from the payment obligation and must be paid;
- any decrease in debt ratio during the financial year may however be deducted from the mandatory amount to be paid;
- withholding tax of 15%, exempt for individuals residing in Belgium;

The companies seeking recognition as a Sicafi or those which merge with a Sicafi, are subject to a special tax (exit fee), which is equal to a liquidation tax on the net unrealized capital gains and on the exempted reserves of 16.5% (increased by a crisis contribution of 3%, or 16.995% in total).

The Société d'Investissements Immobiliers Cotées (SIIC) in France

Montea is also a SIIC (Société d'Investissements Immobiliers Cotées) in France and is also listed on the Second Market of Euronext Paris, the second listing after Euronext Brussels. In France, Montea opted for the SIIC status in 2007 to enjoy the benefits associated with the status of Sicafi in this country as well. The tax characteristics of the Sicafi and SIIC are quite similar: for example, they are both exempt from corporation tax on annual income and realised capital gains. The profits from activities other than leasing or selling real estate are subject to corporation tax. When the status of Sicafi or SIIC is obtained, the company must pay a single tax charge, or "exit fee" This is calculated based on the difference between the investment value of the portfolio and the tax book value of the property. The exit fee, which applies to SIIC is 16.5%. The payment of the exit fee for SIIC is spread over four years, with the payment of an initial tranche of 15% after the first year. In Belgium, at least 80% of the operating profits have to be distributed In France this percentage is 85%, but only after deduction of depreciation. The provisions relating to the payment of capital gains on the sale of real estate differ substantially. In Belgium, a minimum of 80% has to be distributed unless it is reinvested. For SIICs however, at least 50% of the profits have to be distributed at the end of the year following that in which it was earned. Also with regard to SIICs, dividends from subsidiaries which are exempt from corporate taxation have to be entirely distributed during the year when they are received. In terms of the shareholding structure, at least 30% of the shares in Sicafis have to be "free float", i.e. shares which are available for trading. In France, it has to be 40%. SIICs are not restricted to a maximum debt ratio. Sicafis on the other hand previously had a maximum debt ratio of 50%, which has now been raised to 65% by the Royal Decree of 21 June 2006.

[78] Calculated on the basis of the schedule specified in Section B of the Annex to the Royal Decree of 21 June 2006.

7. Glossary

Classification 1510
French regulations on fire safety for warehouses, concerning the following aspects: (i) fire resistance of structural elements, (ii) fire resistance of secondary elements and (iii) overall behaviour of structures in fire.

Royal Decree on Sicafi
Royal Decree of 7 December 2010 on Sicafi, *B.S.* of 28 December 2010.

Royal Decree on Accounting
Royal Decree of 21 June 2006 on accounting, annual statements and consolidated statements of public Sicafis.

IPO
Public offer of Montea shares that ended in admission of such shares to Euronext Brussels on 17 October 2006

Montea
Montea Comm. VA, a general partnership with share capital with registered office at Industrielaan 27, 9320 Erembodegem and registered in the Dendermonde Register of Legal Entities under the number of 0417.186.211.

Montea Management
Montea Management NV, a limited liability company with registered office at Industrielaan 27, 9320 Erembodegem and registered in the Dendermonde Register of Legal Entities under the number of 0882.872.026.