MONTEA

MORE THAN WAREHOUSES

ANNUAL REPORT 2011

A YEAR OF CONSOLIDATION

Table of Contents

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 is a key player in this market. In this context, Montea offers its clients more than real estate. Montea offers flexibl and innovative real estate solutions. In this context its creating value for her shareholders.

On 31 December 2011, the property portfolio represented a fair value of EUR 246.99 million and a surface of 460.913 m² across 31 sites. Montea Comm. VA has been listed on the NYSE Euronext Brussels (MONT) and Paris (MONTP) since late 2006.

Montea shares are aimed at Belgian and foreign individual and institutional investors looking for an indirect investment in logistics and semi-industrial property and who are seeking to achieve a high dividend yield while incurring a moderate risk.

Montea Comm. VA | Industrielaan 27 – Bus 6 | B-9320 Erembodegem (Aalst)
Tel: +32 (0) 53 82 62 62 | Fax: +32 (0) 82 62 62 61| www.montea.com
RPR-RCB Dendermonde | VAT BE 0417 186 211

SEND US YOUR QUESTIONS OR COMMENTS: investorsrelation@montea.com
DESIGN AND IMPLEMENTATION: www.frigolite.be

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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.

The data in this document correspond with reality and no details have been left out that would otherwise modify the intent of the registration document.

1. Risk factors

Montea has set itself the goal of developing a solid, diversified portfolio of property aimed at generating stable rental income and resulting in a dependable, growing dividend for its shareholders.

As an investor in logistics property, Montea operates its business in a constantly evolving market. This naturally involves a number of risks. If these risks were to become a reality, it could have an adverse effect on Montea's business, its financial situation and its prospects. Montea takes these risks into account as part of its investment decisions.

Both Montea's management and the Board of Directors monitor the risks mentioned above on a continuous basis. As a result, management has outlined a policy of caution that can be adjusted where necessary[1]. This report contains a non-exhaustive list of risks. This means that there may be other risks, hitherto unknown and/or improbable, that could have an unfavourable effect on Montea's business and financial position.

1.1 Market risks

1.1.1 Risks associated with the economic climate and the real estate market

Montea's business is subject to the influence of economic cycles. 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 companies in the sector of logistics and semi-industrial properties. They may also have an impact on the company's funding sources for investments.

1.1.2 Risks associated with the property market

Rent levels, vacancies and the value of buildings are affected significantly by supply and demand in the market in relation to the sale and lease of property. The main risks to which the company is exposed stem from keeping the occupancy rate up to the required mark and taking advantage of the opportunity to maintain rent levels – and hence also the value of the buildings – when new lease agreements are entered into or when existing leases are renewed.

Montea seeks to minimize the impact of these risks on its results and on the value of its portfolio through:

- the geographical diversification of its property portfolio;
- the diversification of its type of buildings;
- the diversification of its customers;
- the investment policy in quality buildings,
- the development of flexible real estate solutions for its customers.

Based on the real estate portfolio as of 31 December 2011, no single client-tenant makes up more than 20% of its total rental income, nor does any single unit of property make up more than 20% of the portfolio. The value of the largest unit of property in the portfolio represents 14.3% of the total fair value of the portfolio (Saint-Cyr-en-Val site in Orléans – France).

[1] For more information about Montea's strategy, please see point 5.1 in this annual report. The policy implemented by Montea will be adjusted where necessary, based on the risk factors described.

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%[6] threshold.

Montea also intends to continue expanding its assets so that the relative importance of each building in its portfolio is limited.

Montea's growth strategy guarantees optimal risk sharing[7] 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)

1.1.3 Risk of inflation

When interest rates are fixed, Montea only has limited exposure to the risk of inflation hence the rental income is indexed annually (based on the health index). With a variation of 100 basis points, the impact of the index can be estimated at EUR 0.2 million.

By contrast, if there is a rise in nominal interest rates, low inflation results in a rise in real interest rates. This creates a major risk by increasing finance charges in a way that happens more quickly than revenue can be indexed. Montea has taken appropriate measures in this area to cover itself against risks of this type.

1.2 Risks associated with Montea’s property portfolio

Montea’s board of directors and management are fully aware of the importance of developing sound management practices and maintaining a quality portfolio. For this reason, Montea imposes strict, clear-cut criteria regarding the enhancing and upgrading of buildings, its commercial and technical management and investments and divestments. The aim of these criteria is to restrict vacancy level, as well as push up the value of Montea’s property assets.

[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).
[6] For more information about the 20% rule, please see article 39 of the RD of 7 December 2010 on sicafi; B.O.G. 28 December 2010, referred to below as the RD on sicafi.
[7] Montea will, in the interest of its shareholders, provide the necessary diversification in terms of its tenants.

1.2.1 Rental risks

Montea's entire turnover consists of the rent generated by leases to third parties. Non-payment by tenants and a decrease in the occupancy rate may have a negative impact on results. Montea is also exposed to the risk of a loss of rent associated with the departure of tenants at the end of their lease. When we take account of the current financial climate and if new tenants are found, it may be that the new leases generate lower rents than the current ones. This may affect the company's turnover and cashflows.

In the past three financial years, no lease agreements have been terminated prematurely, either by Montea itself or by tenants. As a result, no compensation for termination has been received.

When signing a new lease agreement and/or renewing an existing lease, in certain cases Montea offers rent-free availability for the period of any works to be carried out, depending on the fixed term of the contract and the space being rented.

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

The vast majority of leases contain 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[8]. 100% of the current leases in France and 98%[9] 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.

Montea is only itself active to a limited extent as real estate developer within the context of an alliance with third parties (project developers, land owners, etc.). Over the past year, Montea has developed one built-to-suit project for Coca-Cola Belgium NV in Heppignies (Belgium) (for more information see chapter 4.3.2. Development activities during the year 2011, in this report). 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.

[8] ICC – indice de coûts de construction.
[9] The DHL lease at the Grimbergen site provides no clause relating to the annual indexing.

1.2.2 Management of the real estate portfolio

The Montea team, responsible for the daily management of the buildings, handles the technical management of the property portfolio and presents efficient and flexible solutions in order to improve the quality of the portfolio. Moreover, the team will make every effort to proactively minimise any possible vacancies.

The internal 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. The team submits an annual maintenance and renovation schedule to the Board of Directors for the purpose of securing optimal long-term portfolio profitability.

In 2011, a total of EUR 0.1 million were spent on maintenance costs. Moreover, an amount of EUR 2.5 million was invested in improvements to the existing portfolio.

In view of the fact that Montea has a relatively small team, when certain key members of staff leave, the company is exposed to an organizational risk. The unexpected departure of some employees may have adverse effects on the company's development. Should this situation occur, Montea is able to make up for these key functions temporarily by appealing to outsourcing.

1.2.3 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.

Montea conducts a policy of ongoing maintenance and refurbishment for its property portfolio in order to maintain or even increase existing rents, as well as to make it easier to lease the space again. Despite these measures, there is still the risk of the buildings losing value.

Montea also invests in projects that are in the development phase, which enables it to ensure the good quality of the buildings in the long term. Preparing and monitoring building works and large-scale refurbishment works are a/o part of the package of tasks undertaken by the Project Management team under the responsibility of the COO.

1.2.4 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.

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

On 31 December 2011, the insured value of the property portfolio amounted to EUR 284[11] million in Belgium and France. This covers the full fair value of the portfolio on the same date.

During 2011, an entire premium of EUR 335K 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 60% of the total.

1.3 Financial risks

1.3.1 Financial risks 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.

1.3.2 Debt structure

At 31 December 2011, Montea's consolidated debt ratio was 49.90%[12] on a consolidated level and 49.95% on a statutory basis. Given the maximum allowed debt ratio of 65%, Montea still has a consolidated debt capacity of EUR 40 million given constant assets (i.e. without any growth in the property portfolio). Looked at the other way round, the operating balance sheet structure, if all other parameters remain constant, would be able to absorb a 25% reduction in the value of the property portfolio before reaching the maximum debt ratio of 65%.

A sicafi specialized in logistics property, such as Montea has no problem with a debt ratio of 55%. This means that the sicafi can allow the portfolio to grow by EUR 30 million, fully funded by debt.

When the consolidated debt ratio exceeds 50%, a financial plan needs to be drawn up with an implementation diagram containing a description of the measures that will be taken to prevent the ratio exceeding 65%[13]. As of 31 December 2011, the consolidated debt ratio was 49.90%, meaning that Montea is not required to draw up a financial plan and the implementation diagram that goes with it.

1.3.3 Liquidity risk

Montea maintains a healthy, sustainable relationship with its banking partners (ING, Belfius, BNP Paribas Fortis and KBC), which constitute a diversified group of leading European financial establishments. This spread guarantees attractive financial market terms.

The funding risk, which consists mainly of the sicafi having a shortfall of cash resources, is restricted by:

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[11] The entire portfolio in Belgium is insured by Montea itself. 8 sites in France, with a total fair value of EUR 57.8 million are insured directly by Montea. The other 5 sites are insured by the lessee, the largest of which is the Saint-Cyr-en-Val site in Orléans, for a fair value of EUR 35.4 million.

[12] The debt ratio is calculated in accordance with article 53 § 2 of the RD on sicafi.

[13] Art. 54 of the RD on sicafi.

- spreading Montea’s financial debt across four leading European financial establishments (ING, Belfius, BNP Paribas Fortis and KBC), each of which funds approximately one-quarter of Montea’s financial debt;
- the term of the financial debt: during 2011, Montea finalised the refinancing of its total existing debt (EUR 70 million) with an average term of 4.8 years. Montea is currently analysing its debt position with its financial establishments so that it can be ready, prior to its lines of credit becoming due for repayment, to refinance its debt on terms in line with the current market.

As of 31 December 2011, Montea had lines of credit totalling EUR 125 million, of which EUR 122.5 million was already drawn down. During 2012, EUR 25 million of these lines of credit will become due for repayment. For more information about Montea’s funding structure, please refer to point 5.5 of this annual report.

In note 32 there is an overview of the financial liabilities with their respective maturities. The company manages its liquidity risk by making sufficient credit resources[14] available and by reconciling both receipts and payments as much as possible.

Taking account of the legal status of sicafi and given the nature of the assets in which Montea invests, the risk of the lines of credit not being renewed (except in the event of unforeseen circumstances) is small, even in the context of a tightening of credit terms. On the other hand, it is indeed the case that if market conditions worsen compared with previous years, there is a possible risk of an increase in credit margins after the due date.

There is also a risk of the bilateral lines of credit being terminated as a result of the cancellation, termination or review of the funding contracts as the result of not complying with the covenants stipulated at the time of signing these funding contracts.

Montea’s undertakings with its financial establishments are in line with the marketplace and provide, among other things, that that the debt ratio (under the terms of the RD on sicafi) does not exceed the ceiling of 60%.

As a result, should the company not comply with its obligations and, more generally, should it remain in default under the terms of these contracts, it is exposed to the risk of forced repayment. Although, based on current circumstances and the outlook that can reasonably be made, the company is unaware of any elements that might point to any of its undertakings not being honoured, the risk of non-compliance with its covenants cannot be excluded.

To prevent a liquidity problem in the future, Montea is currently taking action to secure in good time the funding required for the further growth of the portfolio. The sicafi currently foresees no problem in securing further sources of funding. In so doing, maintaining the balance between the cost of funding, as well as the term and diversification of the funding sources, is always to the fore.

Montea’s current borrowing capacity is a further EUR 40 million, taking it to a debt ratio of 65% (the legal ceiling) or EUR 27 million for a debt ratio of 60% (covenants with the 4 banks).[15]

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[14] On 31/12/2011, Montea had EUR 125 million of credit lines, of which EUR 122.5 is already included. This means that Montea still had EUR 2.5 million available. If on 31/12/2011, Montea had included all existing lines of credit, the debt ratio would be 50.36%.

[15] Assuming constant asset levels (i.e. with no growth in the portfolio).

A sicafi specialized in logistics property, such as Montea has no problem with a debt ratio of 55%. This means that the sicafi can allow the portfolio to grow by EUR 30 million, fully funded by debt.

1.3.4 Risks associated with changes in interest rates

With the exception of its lease agreements, Montea enters into all of its financial debts at a variable interest rate (EURIBOR 3 months). This enables it to benefit from any low interest rates that may be available. 93.6% of its financial debt consists of lines of credit with variable interest rates.

To hedge the risk of increases in interest rates, Montea conducts a policy whereby part of its financial debt is covered by interest rate hedging instruments. This prudential policy prevents a rise in nominal interest rates without a simultaneous growth in inflation, resulting in an increase in real interest rates. Any rise in real interest rates cannot be offset by an increase in rental income through indexation. It is also a fact that there is always a time lapse between a rise in nominal interest rates and the indexation of rental income.

Hence the risk of rising interest rates is hedged by IRS (“Interest Rate Swaps”). 100% of the funding entered into by Montea is at a variable rate of interest. Montea conducts a policy whereby at least 75% of its drawn down bank funding is covered by the use of IRS-type hedging instruments (in which the variable interest rate is swapped with a fixed rate). As of 31/12/2011, the total debt position with a variable interest rate of EUR 122.5 million was covered 86.3% by IRS-type hedging instruments, with maturity dates between 2012 and 2021. This means that 13.7% (or EUR 16.8 million) of the total EUR 122.5 million is exposed to variable interest rates. Based on the existing debt position at 31 December 2011 and the shorter-term interest rates in effect at the time, a 10 basis points rise in short-term interest rates would only mean a small increase in total funding costs (EUR +60K).

Montea has a further financial debt of EUR 8.32 million in relation to its current lease agreements (6.4% of the total financial debt). These 7 leases (for 3 sites) expire between 2014 and 2017. At the time, these agreements were entered into with a fixed annuity per quarter (including interest charges).

Taking account of the lines of credit with variable interest rates, the hedging instruments and fixed interest rates on the lease agreements, the average interest charge in 2011 was 4.35% [16] (including bank margins).

Moreover has each variation of the interest curve an influence on the fair value of the IRS. Montea books a negative variation on the fair value of the hedging instruments when the interest rates are lower than the applied ratio of the IRS interest rates. These negative variations can influence the net result but have no influence on the net current result.

In note 16 there is an overview of the fair value of hedging instruments. An increase or decrease of 10 basis points in the interest rates of our debts with floating interest rates would mean an increase or decrease in the market value of financial hedging instruments by EUR 0.6 million. This sensitivity is not a cash element and would have no impact on the net current result, but rather on the net result.

[16] This finance cost is an average over the whole year, including lease debts in France and Belgium. It is calculated based on the total finance cost in relation to the average start and end balance of the debt burden for 2011.

1.3.5 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.

1.3.6 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.

1.4 Regulatory risks

1.4.1 Environmental permits

Montea or the tenants have the necessary environmental permits for the operation of all certified installations in its buildings[17]. They are modified if (changes to) the law, the type of operation or the technical characteristics require this.

1.4.2 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.

1.4.3 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 21%[18].

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.

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[17] 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.

[18] For taxpayers with moveable income (interest and dividends) in excess of EUR 20,020, there is an additional levy of 4% on that moveable income on the portion above EUR 20,020. This tax does not apply to interest and dividends that are subject to the advance levy of 25%. It also does not apply for liquidation bonuses and income from regulated savings accounts. For more information, please refer to the Ministry of Finance website at http://minfin.fgov.be/portail2/nl/current/spokesperson-11-12-23-05.htm.

2. LETTER TO THE SHAREHOLDERS

2011 A Year of Consolidation

Dear Shareholders,

It is our pleasure to send this letter out to you, along with the annual report for Montea's fifth financial year of business.

In 2007, our annual report was given the title of "A year of dedication and creativity", in reference to our values and commitments. In 2008, which we called "A year of growth", we saw our property portfolio grow by more than 50%. 2009 was "A year of challenges" during which Montea succeeded in achieving the goals it had set itself – despite the economic crisis – as well as paying a dividend that was in line with the one paid in 2008. 2010 was a year of new opportunities for Montea. With the successful capital raising in mid-2010, new investment opportunities in France and the expansion of the management team, the foundations were laid for a new chapter in Montea's story of growth, making it "A year of new perspectives".

In 2011, Montea was successful in expanding its portfolio still further with the purchase of a logistics building in Marennes – Lyon and the completion of a new built-to-suit distribution centre for Coca-Cola in Charleroi. Montea also finished the solar panel project at 4 of its sites. Montea focused on adding a new development pipeline, which is expected to produce its first results in 2012. In addition to growth, we also focused on monitoring the performance of the existing portfolio and Montea was able to maintain an occupancy rate in excess of 95% throughout the entire year. A third major achievement in 2011 was the refinancing of financial bank debt that fell due in 2011.

Over past months, Montea has succeeded in refinancing the whole of its expired bank debt of EUR 70 million (61% of total bank debt). By reducing its finance charges, combined with achieving a better spread of its debt in time and across the number of financial establishments involved, Montea has lowered its risk profile, which will have a positive impact on net returns.

See here the reasons why we have called our annual report for 2011 "A year of consolidation".

The fair value of our property portfolio was EUR 246.99 million at 31 December 2011. Montea took a major step forward in establishing itself in France with the purchase of "class A" logistics platform in Marennes – Lyon, leased for 9 years to the logistics service-provider, Norbert Dentressangle. Montea also underlined its role as a specialist in logistics real estate by handing over the built-to-suit project of a new sustainable distribution centre for Coca-Cola in Heppignies (Charleroi). We also worked on diversifying our income streams by investing in solar panels at 4 sites in Flanders. This investment represents approximately EUR 0.7 million of revenue per year, generating a net return of 10.5% per annum.

Our property portfolio, totalling 460,913 m², is spread across 31 different sites. It yields an average gross return of 8.50%, based on our lease contracts with 50 tenants, both large and small, that operate in a wide variety of sectors, ranging from logistics (DHL, Fedex, Chronopost, Norbert Dentressangle) and industrial products (BF Goodrich, Brossette, Jan De Nul) to fast-moving consumer goods (Unilever, H&M, Barry Callebaut).

In addition to the investment operations mentioned above, Montea continued to devote attention during the financial year to the management of its existing property assets.

The net rental income amounts to EUR 19.28 million, which corresponds to an increase of 13.1% compared with 2010. Montea signed new lease contracts and renewed existing ones for more than 54,000 m² of space. This is evidence that Montea demonstrated definite commercial effectiveness against what was a tough economic background. The new and renewed leases also resulted in a boost of the occupancy rate to 96.45%.

On 29 February 2012 Montea has been informed of a judgment of 21 February 2012 where Montea is obliged to modify its consolidated results as of 31 December 2011. This modification consists of a provision of EUR 1.2 million that must be taken in the consolidated and statutory results as of 31 December 2011. We refer to chapter 3 of this annual report for further information on this event after year-end and the impact of this at the reading of this annual report.

The operating margin amounts to 75.26% for 2011 compared to 77.56% for the same period last year. Without the adjustment (see chapter 3) the operating magin rose to 81.48%, which was up 3.92% compared with the previous year.

The consolidated debt ratio rose from 47.63% to 49.90% as a result of the debt incurred to fund the Coca-Cola project and the solar panels in Belgium, as well as for the purchase of the site in Marennes (France). 86.3% of the financial debt owed to the banks was also covered by contracts that guarantee a fixed funding ratio of 4.11%[19] for the future.

Finally, we would like to focus your attention further on two additional elements in the results that also have an effect on the net result of EUR -0.3 million, but not on the net current result of EUR 9.04 million (and hence also not on the dividend). This has to do with the 1.8% (or EUR 4.42 million) negative change in fair value of the property portfolio (IAS 40, valued by independent property assessors). There was also a significant negative change in fair value of the sicafi's hedging instruments (IAS 39) recorded as the result of movements in interest rates during the financial year (EUR 4.92 million, absorbed in full in the result).

Based on the above, the net result was EUR -0.3 million. If account is not taken of the non-cash elements arising from the application of the accounting standards relating to hedging instruments and investment properties and if account is not taken of the adjustment (see chapter 3), the net current result is EUR 10.24 million, an increase of 29.0% compared with the year before.

Based on the rectification of the consolidated results as of 31/12/2011 (see chapter 3) amount to:

- the consolidated net result EUR -293K;
- the consolidated net current result EUR 9.044K;
- the consolidated shareholders' equity EUR 117.001K.

[19] This finance charge is the annual runrate of the bank debt, based on the refinancing carried out and hedging measures implemented, taking the short-term interest rate at 31 December 2011.

Despite the current constraints of the accentuated economic and financial crisis that has gripped the world over the past few months, the Montea Board of Directors will propose to the ordinary general meeting that the same gross dividend of EUR 1.84 per share that was paid in 2010 be paid for the full 2011 year.

Finally, the Board would like to thank the entire Montea team for its unflagging efforts and the sound performance recorded in 2011.

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

3. Contribution of buildings agreement following the market flotation

At the time of the market flotation in 2006, joining agreements were entered into with various third parties. In 2008, a writ was issued against Montea by one of these third parties[20] because this party believed it was entitled to the contribution of certain buildings. At the time, Montea refused this contribution because it was of the opinion that the contractual terms for this to be the case had not been fulfilled. Thereupon, the party in question lodged a claim against Montea for EUR 5.1 million in capital. In its ruling handed down on 28 April 2009, the Commercial Court in Brussels ruled in favour of Montea. In the ruling handed down on 21 February 2012 and received by Montea on 29 February 2012, the Court of Appeal in Brussels found partly in favour of the other party and awarded it compensation of EUR 961K in capital.

Montea is taking advice as to whether to lodge an appeal in cassation. If Montea should decide an appeal in cassation, this must happen within a period of 3 months afer pronouncement of the judgement.

Based on the details stated above, Montea has had to adjust its consolidated results[21] at 31 December 2011. This adjustment consists of including a provision in the consolidated and statutory results at 31 December 2011 of EUR 1,200K (capital of EUR 961K and EUR 239K in interest charges and court costs).

Based on this adjustment:

- ✓ the consolidated net result at 31 December 2011 is modified from EUR 907K to EUR -293K;
- ✓ the consolidated net current result at 31 December 2011 is modified from EUR 10,244K to EUR 9,044K (on account of payment of the amount owed being scheduled for the forthcoming period);
- ✓ consolidated shareholders' equity at 31 December 2011 is modified from EUR 118,201K to EUR 117,001K.

Notwithstanding these adjustments resulting from the court ruling mentioned above, Montea Management SA's Board of Directors decided on 1 March 2012 to maintain the proposed dividend per share of EUR 1.84 already announced, which will be submitted to the general meeting on 15 May 2012.

[20] For more information, please refer to our annual reports under the point "Information regarding the current lawsuit" (2010 annual report on page 21, 2009 annual report on page 53 and 2008 annual report on page 53), as well as the press release dated 16/2/2012 (on page 20) or visit www.montea.com.

[21] For more information, please refer to the press release of 16th February 2012 or visit www.montea.com.

4. KEY FIGURES

		BE	FR	2011	2010	2009
Number of sites		**18**	**13**	**31**	**30**	**33**
Logistics and semi-industrial warehouses	M²	246.358	169.925	**416.283**	**392.338**	**333.015**
Offices	M²	31.521	13.109	**44.630**	**45.263**	**47.663**
Total surface	**M²**	**277.879**	**183.034**	**460.913**	**437.601**	**380.678**
Development potential	M²	54.500	36.000	**90.500**	**69.720**	**69.720**
Value of the real estate portfolio						
Fair Value (1)	K€	144.822	102.165	**246.987**	**232.990**	**206.253**
Investment Value (2)	K€	148.799	107.824	**256.623**	**241.527**	**213.393**
Occupancy rate						
Occupancy rate as % of the rental value (3)	%	95,37%	96,94%	**96,05%**	**95,14%**	**91,78%**
Consolidated results						
Net rental result	K€	10.833	8.442	**19.275**	**17.097**	**16.334**
Real estate result	K€	10.873	8.196	**19.069**	**16.718**	**15.962**
Operational real estate result before the result on the portfolio	K€	7.173	7.333	**14.506**	**13.218**	**13.425**
Operational margin (5)	%	66,2%	86,9%	**75,3%**	**77,3%**	**82,2%**
Change in the market value of the real estate portfolio	K€	-4.562	142	**-4.420**	**-1.906**	**-16.033**
Operational result after the result on the portfolio	K€	3.811	7.475	**11.286**	**11.860**	**-2.608**
Financial result	K€	-6.571	-3.770	**-10.341**	**-3.637**	**-8.064**
Net result	K€	-3.991	3.698	**-293**	**8.224**	**-10.682**
Net current result (4)	**K€**	**5.488**	**3.557**	**9.044**	**7.938**	**7.441**
Number of shares entitled to the result of the period				**5.634.126**	**4.609.740**	**3.585.354**
Net result per share	€			**-0,05**	**1,41**	**-2,98**
Net current result (excl. IAS 39) per share	€			**1,61**	**1,79**	**2,08**
Proposed dividend	€			**1,84**	**1,84**	**2,09**
Consolidated balance sheet						
Equity and minority participations	K€			**117.001**	**124.107**	**84.469**
Debts and liabilities for calculation of debt ratio	K€			**134.462**	**122.623**	**122.032**
Balance sheet total	K€			**269.482**	**258.799**	**216.264**
Debt ratio	%			**49,9%**	**47,6%**	**56,4%**
Net asset value per share	€			**20,75**	**22,01**	**23,50**

(1) The fair value of the portfolio is the accounting value following the IAS/IFRS rules. There is a difference of EUR 1,856K with the total fair value of EUR 245,131K mentionned in the balance sheet. This difference can be explained by the take-up in het key figures of the valuation of the building in Aartselaar in “II.A. Asset for sale” (EUR 2,541K) on the one hand and by the take-up of the accounting value of the offices, occupied by Montea in “I.C. Investment properties” of the balance sheet on the other hand.

(2) The investment value is the value of the porfolio without deduction of the transaction costs.

(3) This ratio is calculated in function of the real rental income and the estimated rental income of the surface not rented.

(4) Impact IAS 39: revaluation of the hedging instruments for interest rates.

(5) The operating margin is the result of the operating result before the result on portfolio divided by the net rental result.

(6) The financial result contains the financial current result and the valuation of the heding instruments.

5. Management report

5.1 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 built-to-suit project with Coca-Cola was in 2011 an interesting example of this vision. It is Montea’s intention to continue carrying out similar projects in the future.

5.2 Report of the property expert[22]

5.2.1 The property market in Belgium

5.2.1.1 The rental market

A. Supply

As in previous years, industrial stock also increased further in 2011. The market was propelled forward thanks to the development of a number of major new projects. Flanders took the lead here with the Antwerp region as a dependable asset. Brussels made advances as the result of the further delivery of Canal Logistics. In Wallonia, it was Hainaut that progressed in the main, with Liège lagging somewhat behind. The greatest advances were again recorded in the 'golden triangle' (Brussels-Ghent-Antwerp).

<table>
<tr><th>Stock (m²)</th><th>2006</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th></tr>
<tr><td>Anvers</td><td>5.310.000</td><td>5.640.000</td><td>5.662.000</td><td>5.875.000</td><td>5.905.000</td><td>6.090.000</td></tr>
<tr><td>East-Flanders</td><td>1.475.000</td><td>1.567.000</td><td>1.756.000</td><td>1.785.000</td><td>1.845.000</td><td>1.895.000</td></tr>
<tr><td>West-Flanders</td><td>1.127.350</td><td>1.137.500</td><td>1.165.000</td><td>1.175.000</td><td>1.200.000</td><td>1.230.000</td></tr>
<tr><td>Limburg</td><td>3.800.000</td><td>3.870.000</td><td>3.916.000</td><td>3.925.000</td><td>3.945.000</td><td>3.955.000</td></tr>
<tr><td>Flemish-Brabant</td><td rowspan="3">4.500.000</td><td rowspan="3">4.536.000</td><td rowspan="3">4.675.000</td><td>2.915.000</td><td>3.055.000</td><td>3.060.000</td></tr>
<tr><td>Brussels</td><td>795.000</td><td>810.000</td><td>835.000</td></tr>
<tr><td>Walloon-Brabant</td><td>1.185.000</td><td>1.185.000</td><td>1.190.000</td></tr>
<tr><td>Liège</td><td>2.375.000</td><td>2.387.000</td><td>2.435.000</td><td>2.445.000</td><td>2.485.000</td><td>2.495.000</td></tr>
<tr><td>Namur</td><td>600.000</td><td>600.000</td><td>600.000</td><td>600.000</td><td>610.000</td><td>610.000</td></tr>
<tr><td>Hainaut</td><td>1.550.000</td><td>1.565.000</td><td>1.636.000</td><td>1.775.000</td><td>1.940.000</td><td>1.955.000</td></tr>
<tr><td>Luxembourg</td><td>631.750</td><td>637.500</td><td>665.000</td><td>670.000</td><td>680.000</td><td>680.000</td></tr>
<tr><td>TOTAL</td><td>21.369.100</td><td>21.940.000</td><td>22.510.000</td><td>23.145.000</td><td>23.660.000</td><td>23.995.000</td></tr>
</table>

The logistics sector also remained dominant in the province of Antwerp in terms of the semi-industrial market. Despite the development of a number of smaller business parks for SMEs, this will also remain the case into the future because new logistics developments will turn out to be far larger in terms of space and area. In the other provinces, the ratios are more balanced or even totally the other way round.

Projects

Despite the limited availability of industrial land it still remains possible to implement larger logistics projects. Having said that, speculative ventures are very much a thing of the past. The actual start of new projects depends on a lease contract being signed by the future user. Current building methods enable construction to be carried out in a relatively short time, meaning that advantage can be taken quickly of demand.

The building of smaller semi-industrial SME parks, designed mainly for sale to end-users, is continuing unabated. A number of developers have rushed into this market. The province of Antwerp leads the way here, although in other provinces from West Flanders to Limburg there are a growing number of developments for this type of SME units. More and more SME company managers have stopped leasing and prefer to purchase their own property in order to invest their cash safely.

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

This is less the case in Wallonia, where it is more the local development companies that have land available in business parks, where companies can then build for themselves.

The table below gives an overview of projects planned in the years ahead.

Projets (m²)	semi-industrial	logistics (2011 - 2015)	logistics (> 2015)	Total
Antwerp	41.376	276.077	141.400	458.853
East-Flanders	2.400	74.799	268.000	345.199
West-Flanders	12.700	-	117.000	129.700
Limburg	9.100	40.000	-	49.100
Flemish-Brabant	4.536	101.000	-	105.536
Brussels	-	63.000	55.000	118.000
Walloon-Brabant	612	27.000	-	27.612
Liège	4.000	34.000	320.535	358.535
Namur	1.000	-	-	1.000
Hainaut	1.852	12.500	215.000	229.352
Luxembourg	14.000	-	110.000	124.000
TOTAL	**91.576**	**628.376**	**1.226.935**	**1.946.887**

Hence this involves a not insignificant development potential of ± 8% of the existing stock.

The main projects, of which a number are calculated up to take-up because they involve development for own use, include:

Community	Adress / Projet	Type	Surfaces (m²)	Availibility
1730 Zellik	Delhaize (DC Fresh 3)	logistics	12.000	2014
2830 Willebroek	Antwerp South Logistics (fase 3 & 4)	logistics	70.000	(*)
2870 Puurs	Duvel (Puurs Pullar)	logistics	25.000	2012
4684 Haccourt	Trilogiport	logistics	200.000	> 2012
3980 Tessenderlo	Stanley Black & Decker	logistics	61.500	2012
1120 Bruxelles (N-O-Heembeek)	Katoennatie (ex Marly)	logistics	63.000	(*)
9052 Zwijnaarde	Eiland Zwijnaarde	ind./ logistics	250.000	2014
** : the reception of the project will take place +/- 1 year after the signing of the lease contract.*				

Vacancies

Vacancies decreased in comparison with the previous year. Here the take-up figures are naturally not unusual. There was a particular decline in vacancies in the Antwerp province. In Brussels, there was again a sharp increase caused by a number of the larger logistics complexes becoming vacant. Vacancies in the segment of quality modern buildings are usually limited and a logical consequence of the built-to-suit principle. The persistent vacancies in old buildings that actually no longer have any chance on the rental market meant that vacancies in many locations were between 7 and 10%. This is something that is happening all over Belgium, blocking the potential of industrial land to a large extent.

New developments in these locations are often difficult to make pay their way given the high demolition, decontamination and building costs involved – and relatively low rents in comparison, even for new-build.

However, the need for additional industrial land and the increasing energy costs facing end-users should finally result in owners redeveloping, albeit at an extremely limited profit margin.

	Availability (m²) 2011			Availability (€/m²/y) 2011		
	< 5.000 m²	> 5.000 m²	Total	< 5.000 m²	> 5.000 m²	Average
Antwerp	125.551	616.324	741.875	37	38	38
East-Flanders	110.803	235.822	346.625	32	35	34
West-Flanders	61.564	14.532	76.096	24	24	24
Limburg	27.287	116.600	143.887	37	36	36
Flemish-Brabant	78.795	42.000	120.795	45	35	42
Brussels	71.717	54.689	126.406	45	50	49
Walloon-Brabant	25.911	83.418	109.329	47	41	43
Liège	17.308	145.285	162.593	30	29	29
Namur	9.739	7.500	17.239	32	16	26
Hainaut	23.576	80.950	104.526	33	35	34
Luxembourg	1.925	-	1.925	38	-	38
Total	**554.176**	**1.397.120**	**1.951.296**			

In absolute figures, vacancies still account for ± 8.10% of existing stock.

B. Demand

Take-up

Take-up levels recovered sharply in 2011, making the industrial segment the star of the property landscape in 2011 in a year when take-up in the office market declined steeply. The economic recovery that began in 2010 provided strong growth, particularly in the first six month of 2011. A take-up of approximately 1.4 million m² was recorded meaning that the logistics segment in particular moved forward strongly, virtually doubling in comparison with 2010.

However, towards the end of 2011 there was a clear weakening in take-up levels, although the largest transaction of all was signed in the final quarter of the year. It was known at the time that Goodman would build a new distribution centre for Stanley Black & Decker in Tessenderlo, a project in excess of 60,000 m². Although it is this type of project that can have a strong effect on take-up, the semi-industrial segment also had a very good year. In this segment, it was mainly purchases for own use that gave the market a boost.

Take-up (m²)*	2009			2010			2011		
	< 5.000 m²	> 5.000 m²	Total	< 5.000 m²	> 5.000 m²	Total	< 5.000 m²	> 5.000 m²	Total
Antwerp	134.836	290.831	425.667	164.137	132.557	296.694	231.708	346.723	578.430
East-Flanders	54.436	49.275	103.711	100.141	38.608	138.749	115.485	32.291	147.776
West-Flanders	7.841	-	7.841	8.106	9.184	17.290	26.233	31.610	57.843
Limburg	9.842	33.909	43.751	7.116	27.619	34.735	18.872	132.402	151.273
Flemish-Brabant	56.566	-	56.566	55.720	96.048	151.768	85.299	54.915	140.214
Brussels	32.475	7.000	39.475	119.859	5.900	125.759	15.762	34.593	50.355
Walloon-Brabant	7.368	-	7.368	18.505	8.115	26.620	18.738	12.650	31.388
Liège	28.838	770	29.608	42.280	17.322	59.602	28.180	62.120	90.299
Namur	12.075	-	12.075	4.100	-	4.100	5.877	10.120	15.997
Hainaut	10.834	13.000	23.834	32.256	59.645	91.901	29.822	54.914	84.735
Luxembourg	3.750	-	3.750	-	-	-	-	-	-
TOTAL	**358.861**	**394.785**	**753.646**	**552.220**	**394.998**	**947.218**	**575.974**	**772.337**	**1.348.311**

**including purchase personal use and lease renewals*

When planned projects are added to the space currently available and then related to historical take-up, this gives us an insight into the number of years required for this volume to be taken up or absorbed. In view of the strong take-up figures recorded last year, it is no coincidence that this number has fallen to approximately 2.5 years, especially in Antwerp province. In Liège, by contrast, it is more than 9 years. This is the consequence in particular of the future Trilogiport development, combined with the comparatively limited take-up level. As a result, the presence and/or launch of new logistics projects can have a significant effect on this number.

Given the way the economic situation is evolving and the slowdown in take-up towards the end of 2011, caution remains the order of the day when it comes to projecting historical data into the future.

Logistics & Semi-industrial	Availability (m²) *	Projects (m²)	Historical Take-up (m²)**	Absorption (year)
Antwerp	544.500	458.500	424.000	2,4
East-Flanders	209.000	345.000	136.000	4,1
West-Flanders	63.000	129.500	26.000	7,4
Limburg	119.500	49.000	76.500	2,2
Flemish-Brabant	116.000	105.500	149.500	1,5
Brussels	150.500	118.000	66.500	4,0
Walloon-Brabant	81.500	27.500	22.500	4,8
Liège	158.500	358.500	57.000	9,1
Namur	16.000	1.000	8.000	2,1
Hainaut	90.000	229.000	73.000	4,4
Luxembourg	non-representative			
TOTAL	**1.548.500**	**1.821.500**	**1.039.000**	**4,2**

(*) without projects
(**) 5 last years

Rents

Apart from a few minor fluctuations, overall rents were fairly stable, despite the increase in demand. This may appear to be contradictory, but generally there are still sufficient numbers of developers of business space who are capable of capitalising on customer demand if there is a need for it. Older sites, sometimes with very low rents, act as competition to possible new-build projects, placing them under pressure in terms of rents.

In general, it can be said that the high cost of industrial land, combined with relatively low rents, mean that the development of profitable projects is not easy thing in Belgium.
The highest rents are to be found along the line from Antwerp to Brussels. The highest semi-industrial rents are in Flemish Brabant. Demand combined with limited available land definitely plays a role here.

The table below provides an overview of rents for logistics property in the various provinces:

Province/region	Minimum logistics 2011 €/m²/y	Maximum logistics 2009 €/m²/y	Maximum logistics 2010 €/m²/y	Maximum logistics 2011 €/m²/y	Evolution
Antwerp	36	45	46	46	=
East-Flanders	35	43	40	42	↗
West-Flanders	34	45	38	38	=
Limburg	33	39	39	39	=
Flemish-Brabant					
Brussels	38	55	50	50	=
Walloon-Brabant					
Liège	34	40	39	39	=
Namur	35	40	40	40	=
Hainaut	34	40	37	38	↗
Luxembourg	30	40	35	35	=

5.2.1.2 The investment market

After a moderate 2010, the investment market recovered further in 2011. The aversion of investors to office property in favour of other segments in real estate generated greater interest for industrial properties. There was also a great deal of interest in logistics property, although the supply of good-quality investment premises remained somewhat modest. Only a limited number of developers are purchasing and developing logistics premises in Belgium and they often pass them on to institutional investors or to specialized sicafi.

A whole series of smaller and often local developers is involved principally in developing semi-industrial SME units. However, these units are built mainly to be sold to end-users and hence find their way into the take-up figures, rather than investment numbers.

<u>Investment volume</u>

The most significant investment transactions signed in 2011 were attributed in the main to a number of sicafi. This meant that a few large transactions determined the extent of investment volume. Given the nil or negative growth forecast for the economy, it is also unclear what direction 2012 will take.

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 €
2011	165.000.000 €

The investment transactions that most caught the eye were made by Intervest Offices & Warehouses and WDP. The majority of them were in Flanders. The table below provides a summary of some of the transactions.

Place	Surf. (m²)	Investor	Output/Sale Price
Huizingen	17.029	Intervest	7,85%
Oevel	29.259	Intervest	7,00%
Houthalen	26.995	Intervest	7,70%
Genk	18.000	WDP	8,60%
Nivelles	80.000	AG Real Estate	49.000.000 (1)

(1) Yield unknown, reason why the sales price is reproduced

As was the case in previous years, it was mainly Belgian investors who were most active in the market. The market was also driven by demand from end-users, who were also responsible for part of the take-up and pricing.

Yields

Yields for industrial property were flat in 2011, barely moving in comparison with 2010. Only for top premises there was a sporadic slight decrease recorded although this was not a general trend. The prime yields for industrial buildings were in a spread from 7.00% to 8.25%. In the meantime, Belgian long-term interest rates fell after the sharp, but short-lived surge at the end of 2011, back to under the 4% mark. As a result, funding costs remained reasonable, although the financial establishments are doing their homework a good deal more thoroughly now before granting loans.

Prospects

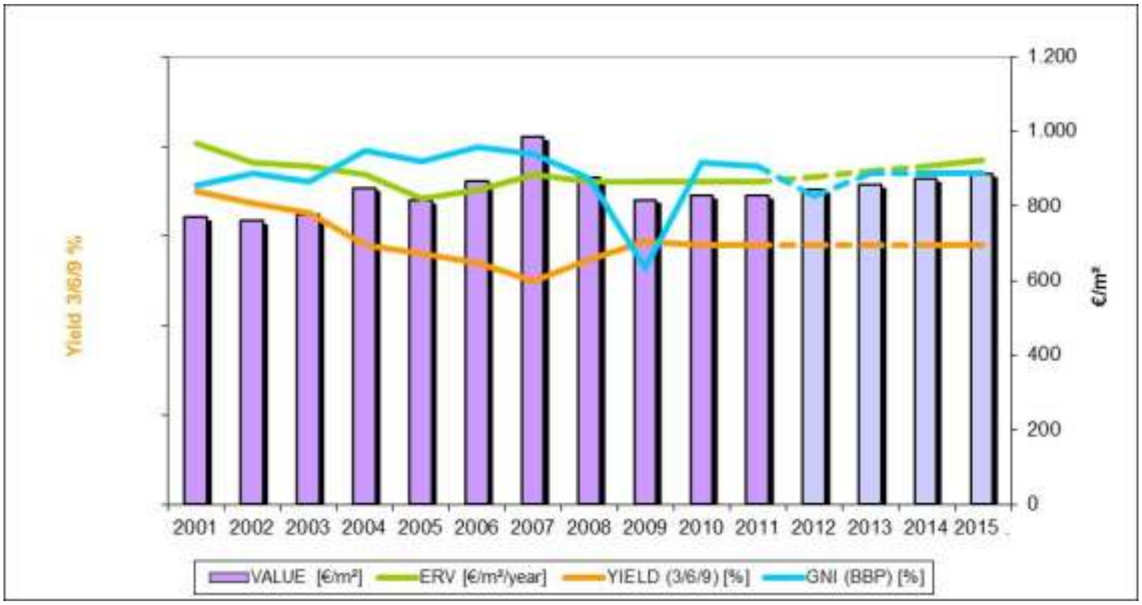
2012 does not look to be easy, economically speaking. Expected nil to negative growth and the never-ending euro crisis are weighing down on enthusiasm. Although Belgium's central location is undoubtedly a major strength when it comes to operating logistics centres, competition from neighbouring countries should not be underestimated. One example is the constant rivalry between the ports in Rotterdam and Antwerp.

We are also seeing demand for greater flexibility in the industrial segment when it comes to contract negotiations. Logistics providers are looking to have room for manoeuvre for dealing with fluctuating market trends, meaning that often contracts are being signed for shorter terms. This leads to less predictable long-term cashflow and hence to more uncertainty among the owners involved.

The table below attempts to provide a cautious forecast of trends in the industrial market, by extrapolating historical data and combining it with future expectations in rents and economic growth.

Future developments in yield are defined in correlation with the ten-year OLO rate. The rate spurt at the end of November 2011 has been taken out. Movements in rent values are linked to the health index. The graphic also shows the history and future forecast from the planning bureau in terms of GDP. After the sharp recovery in 2009 and growth in 2010-2011, a new dip is likely for 2012.

The growth forecast for 2012 has also been adjusted downwards on several occasions, meaning that there is virtually no talk of economic growth. In 2013, there is mention of 1.50% growth. In the light of the sickly economic situation, it is logical to expect that any further growth in value in the industrial property market is unlikely. However, a gradual improvement after a weak 2012 is highly probable in the current situation.



5.2.1.3 SWOT-Analysis

S - CENTRAL POSITION IN EAST EUROPA - STRONG SME MARKET IN FLANDERS - HIGHER DEMANDBECAUSE OF NEED FOR RENOVATION OF EXISTING OBSOLETE BUILDINGS - COMPETITIVE LAND PRICE in respect to SURROUNDED REGIONS	**W** - HIGH LABOUR COST - FISCAL CLIMAT IN PROGRES - RECUPERATION OF VAT BY END-USERS (SME) (selling versus lease) - PRICE SENSIBILITY OF L AND SI REAL ESTATE
O - SELLING OF OLDER BUIDLINGS - DEVELOPMENT OF EPB BUILDING PORTFOLIO - DEMAND FOR LEASING IN STEAD OF SELLING BY END-USERS WITH WEAK FINANCIAL BASIS - MULTIPLE MODALITY	**T** - DELAY OF INVESTMENTS IN MISSING LINKS - TRAFFIC CONGESTION AND MODERNIZATION OF ROAD SYSTEM - ABRUPT INCREASE OF ENERGY PRICES - RUN-DOWN INDUSTRIELE SECTOR FOR THE BENEFIT OF SERVICES - RATE FLUCTUATION AND EURO CRISIS

5.2.2 The property market in France

Some statistical information on 2011 as a whole was unavailable when this paper was drafted. Where relevant, the statistical data is based on information relating to the first nine months of the year and on the latest forecasts for the fourth quarter of 2011.

5.2.2.1 Economic context

A decline of the **economic climate** since the summer of 2011 has been the main factor of the situation in France and in Europe more generally. Governments are successively adopting austerity measures on order to contain their national debt problems and to reassure the jittery markets, under the watchful eyes of the credit rating agencies.

The provisional economic data[23] confirms the growth forecasts in France, with a GDP[24] that ought to grow by 1.6%[25] in 2011, virtually the same as 2010. The fourth quarter of 2011 will probably be slightly negative, after a miniscule growth of merely 0.4% in the previous quarter[26].

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23 This entire paper is based on the latest statistical data that was available at the time of writing.
24 Gross Domestic Product
25 Source: OECD

France's employment situation has not improved in relation to the same period of the previous year, with an unemployment rate that was stagnating at 9.3%[27] of the working population in the third quarter of 2011. The announcement of many redundancy plans in the last quarter of 2011 (PSA, Air France, Société Générale, Areva, Crédit Agricole, BNP Paribas, etc) is fuelling pessimistic forecasts for 2012.

After a rise in 2009 and 2010, the prices of imported food raw materials have recorded a fall since the beginning of 2011, but the effects of this fall are still to be felt. Inflation was at a rate of +2.3% at the end of October[4]. The INSEE[28] is envisaging a net slowdown of inflation by the end of 2012.

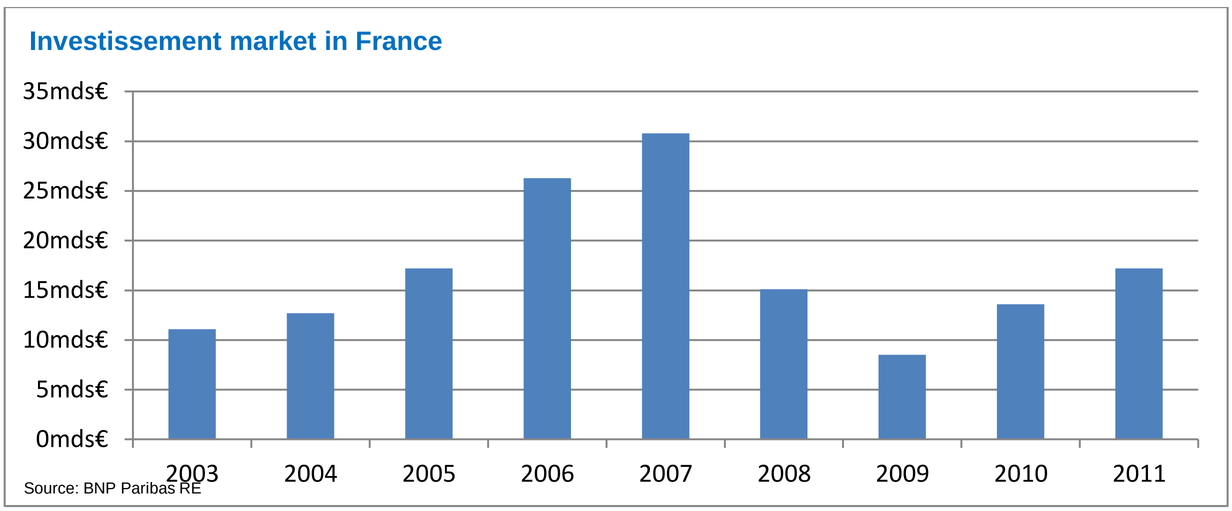
Household purchasing power would have slightly improved in 2011 with a rise of 1.4% (+0.8% in 2010)[4]. But because of a still high rate of savings pursued by the French, household consumption would have declined by 2.1% over the year[4].

The difficult economic situation seems likely to continue. Standard & Poor's has just downgraded France's credit rating. This situation is unlikely to improve in the coming months, with massive uncertainty about the magnitude of the economic slowdown. The government, conventionally upbeat, is envisaging growth of around 1% for 2012, whereas the OECD is forecasting growth of barely 0.3%.

5.2.2.2 Corporate property market overview

2011 was above average in terms of the results for the various corporate property markets in France for a decade, despite a worrying economic climate, and even though the activity is far below the record levels of 2006-2007.

In the investment market in France, the total volume for the year 2011 in corporate property (including services) amounted to EUR 17 billion[29].



The year's record deal was done for a value of EUR 1.4 billion in the summer. A Parisian offices portfolio of approximately 155,000m² in total was contributed by AXA Real Estate to a joint-venture held 50/50 by Norges Bank Investment Management and AXA. In the autumn, this association also acquired a portfolio of three office buildings in Paris and in the outskirts of the city, for a total amount of EUR 290 million.

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26 Source: National Institute of Economic Statistics and Research

27 Source: Ministry of Labour.

28 Source: National Institute of Economic Statistics and Research.

29 Source: BNP R.E.

Other large-scale operations were conducted in the context of “club deals”, such as the acquisition by the **Caisse des Dépôts**, **Predica** (subsidiary of **Crédit Agricole** Assurances) and **Scor** of the River Ouest Complex in Bezons.

The investment market benefited from the announcement of the disappearance at the end of 2011 of certain tax incentives, such as Article 210 E of the GTC[30] which impelled some players to sell their assets.

2011 will also be remembered for nearly a dozen concentration operations between various real estate players (investors, advisors, etc), such as the merger, ratified at the beginning of year, of AMB Property Corporation and ProLogis, the world’s two main logistics players.

As in 2010, investors continued to be highly selective in all of the markets, concentrating their interest on good quality buildings, on “prime” sites”, with long-term rental situations. In the logistics and semi-industrial markets, the premium derived from quality locations, near consumption and production hubs and transport networks, is even greater, for users and investors alike.

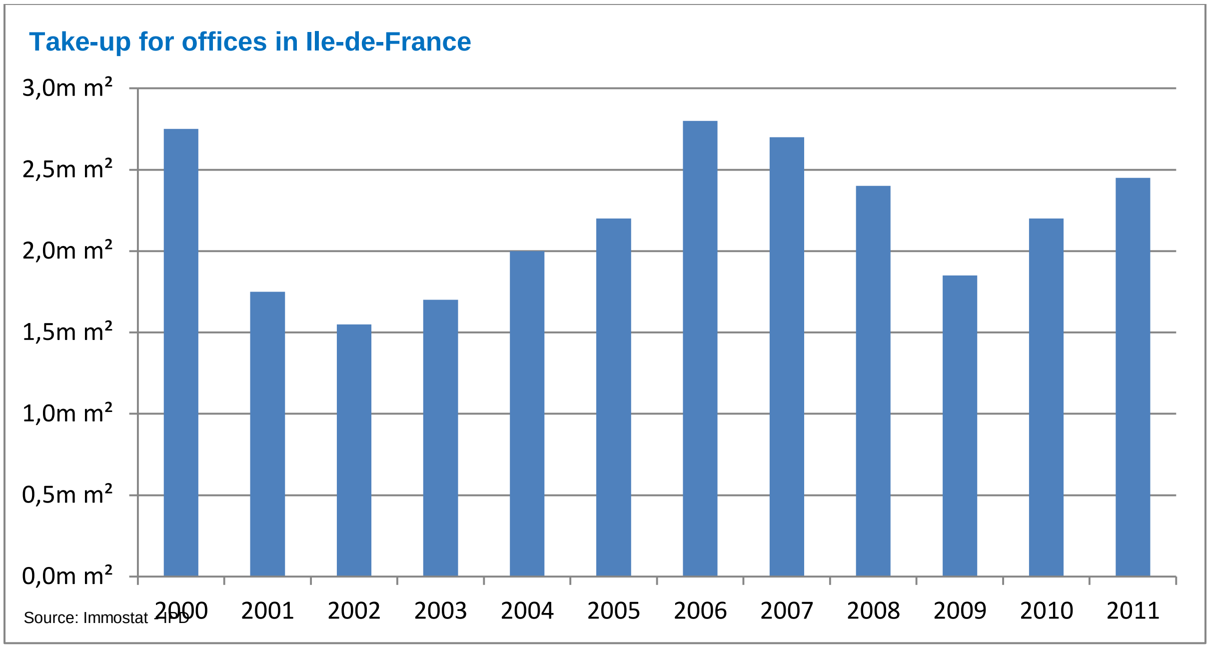
As a continuation of 2010, the mismatch between the quality of the supply and the demand persists. The ageing stock problem is getting worse and is raising questions about those obsolete buildings’ future. According to CB Richard Ellis, more than half of the French logistics stock, estimated at 112 million m^2 across every kind, was built more than fifteen years ago. The obsolescence relates not only to technical developments, but also to regulatory ones, with a profusion of legal texts and standards, on environmental matters especially.

Although 2011 has confirmed the return of “virgin” VEFA (sale on future state of completion) contracts for the offices segment, but the recovery in virgin starts in the logistics and activities markets did not happen. Conversely, turnkey projects have still carried those markets in 2011.

For 2012, visibility is still limited and the forecasts are highly random, but nobody seems to be envisaging any real recovery of real estate activity.

In the office rental market, 2.4 million m^2 were placed in Ile-de-France[31], one of the best years of the decade, mainly thanks to the exceptional third quarter results, which represent a record volume (760,000 m^2) since the fourth quarter of 2006 (790,000 m^2).

[30] General Tax Code.
[31] Source: Immostat – IPD.



The market has been carried by some major big company deals. In particular, three "mega-deals" were signed in 2011: SFR in Saint-Denis (125,000 m^2), Carrefour in Massy (85,000 m^2) and Thalès in Gennevilliers (80,000 m^2). Surfaces in excess of 5,000 m^2 accounted for a million of the m^2 placed[32], a rise of 30% over the year despite a slowdown of such major deals in the last quarter. However, some of these major deals had been started in 2010. Generally, the various rental markets remain in the hands of the users, increasingly slow to make decisions in an unforeseeable context.

Geographically, the "Croissant Ouest" progressed strongly over the year (+38%), in contrast with a decline of 18% in La Défense, a sector that has hardly restarted.

The immediate supply has remained stable at 3.6 million m^2[31], representing a vacancy rate in Ile-de-France between 6.6%[33] and 7.0%[32]. This rate reached 10%[33] to 12.6%[32] in the "Croissant Ouest". Despite some good performances, the volume placed in 2011 should, according to the marketing people, be distinctly down due to absorption. Within this sector, the stock rose to 23% in the "Boucle Sud"[32].

The new supply pressure remains strong in Ile-de-France, especially in Paris. A little less than half (160,000 m^2) of the deliverable 370.000 m^2 [32] in 2012 are still available, mainly in the inner ring.

The shortage of quality supply has favoured the increase of "prime" values, estimated at EUR 750 per square metre for the QCA[11]33and at EUR 560 per square metre in La Défense[11]33, with "top" values that respectively reached EUR 800 per square metre and EUR 560 per square metre in 2011, according to DTZ. Second-hand values have moved little in 2011, with an average of EUR 315 per square metre in Ile-de-France[32].

32 Source: DTZ

33 Source: CB Richard Ellis

5.2.2.3 Rental market in relation to logistics (warehouses > 5.000 m²)

– Take-up

In 2011, the placed demand for warehouses of more than 5,000 m^2 increased by 20% over the year, with deals involving 2.6 million m^2[34]. This growth is partly explained by some major deals that have borne the transacted volumes in the area, and by a record fourth quarter with 855,000 m^2 placed[34] (a third of the total annual volume). The transaction volume placed in the third quarter (350,000 m^2) was two and a half times greater in the last quarter.

The geographical distribution between the Ile-de-France and the other regions has been rebalanced since the second quarter of 2011, at least in the North-South Dorsal, even if the Île-de-France region remains far ahead of the Great North, the Great South and the Rhone Corridor (Rhône-Alpes**) with 42% (1,100,000 m^2), 16% (430,000 m^2), 14% (375,000 m^2)** and 13% (330,000 m^2) respectively of the total volume placed. The Great North has moved ahead of the Rhone Corridor, and the Great South, usually more backward, has been particularly dynamic. The major deals signed in the regions, in the Great North and the Great South in particular, have helped to achieve this rebalance. The secondary markets are still suffering, unlike the major regional ones.
There has been a crescendo in the **Ile-de-France** activity throughout 2011. The third quarter had been particularly dynamic with almost 250,000 m^2 signed over three months, up 48% on the previous quarter[35]. The end of the year saw a doubling of the volume placed in the third quarter, (480,000 m^2 placed in the fourth quarter[34]), an all-time record. Some major deals were signed during the year:

– Geodis for 32,000 m^2 in addition to the Parcolog Logistics Park in Brétigny-sur-Orge ;
– Casino for 28,000 new m^2 (fresh produce storage) in Gonesse for a 12-year period, firm;
– ND Logistics on 50,000 new m^2in Coudray-Montceaux;
– Franprix on 50,000 new m^2in Saint Mard;
– Décathlon on 33,000 new m^2in Marne-la-Vallée;
– FNAC on 23,000 new m^2in Wissous.

Over the first nine months of the year, nearly 60% of the demand was placed on Class A m^2. Lower quality assets represented only a small proportion of the deals, with 13% of the total volume involving specialist assets (courier services and cold stores)[36]. But the shortage of new supply led users to turn more to warehouses that were already in use (69% versus 51% over the first three quarters of 2010)35.

Geographically, the placed demand was distributed equitably between the North and the South of the Île-de-France region representing three-quarters of the Ile-de-France deals over the first nine months.

In 2011, the activity in the **Great North** was re-energized (+53% over the year with 430,000 m^2[35] thanks to a few major deals being signed. On its own, the third quarter represented half of the annual volume. According to CB Richard Ellis, 22% of total volume over the first nine months was placed on surface units of more than 50,000 m^2, booking 62,500 m^2 of turnkey operations for Boulanger, in Hénin-Beaumont, which Parcolog has started to develop in 2010.

[34] Source: BNP Paribas R.E.
[35] Source: CB Richard Ellis.
[36] Source: CBRE – Immostat.

Other major deals of approximately 40,000 square metre units[37] have enlivened the market, such as the lease taken by GIFI in Lauwin Planqué, the purchase of Grimonprez Logistics in Lesquin and the two turnkey projects of ID Logistics and 3 Swiss located in Brébières and Hem respectively.

The Lyons region's rental activity was slightly up in 2011, with 330,000 m^2 over the year (+7% over the year)[35]. The year was focused on the second and third quarters because the first and last ones each achieved hardly 30,000 m^2 placed. Contrary to the Great North and the Great South, and more traditionally, 83% of the deals involved small and medium-sized surfaces.

About half of the deals were located in the Isle d'Abeau sector, with for example leases taken by Morin Logistic on 32,000 m^2, by STEF TFE on 18,000 m^2, more recently by Gefco on 18,000 m^2, and the 23,000 m^2 of rental turnkey for Norauto. Among other significant deals this year, in Plaine de l'Ain, Feu Vert has leased 30,000 m^2, and Carrefour 18,000 m^2.

After a lowest 2010, the rebound of the rental activity in the **Great South** has reached 44%[38] over the year, returning to the 2008 level. Three deals on their own represent 30% of the 375,000 m^2 placed, the largest two of which are located in the Distriport sector (50,000 m^2 leased by Geodis and 40,000 m^2 on its own account for Maisons du Monde).

Generally, the economic climate has helped to slow down the decision-making process, with projects taking longer to materialize. Users are also becoming increasingly demanding, especially with regard to the buildings' locations.

Supply

CB Richard Ellis has made an inventory of 3.5 million m^2 available in France at 01 January 2012, down 24% over the year, thanks in particular to the massive deceleration of operational start-ups in the last three years. This average masks strong geographical disparities, the established sectors of the North-South Dorsal displaying distinctly lower vacancy rates than those of the disparate sector outside of the Dorsal.

The 5% vacancy rate[38] was particularly low in Ile-de-France at 01 October 2011, predicating probable rental value tension. In the Dorsal, the increase in placed demand combined with the slowdown of operational start-ups caused a drop in immediate availability[38] of 31% in the Great North, of 34% in Lyons and of 41% in the Great South. If we focusing on Lyons, we can see that the effect of these two factors has taken the Isle d'Abeau share of the available supply to 45% on 01 October 2011, even if the supply there was often second-hand or even antiquated. The rental activity there is also concentrated but represented only half of the supply (135,000 m^2 placed over nine months).

Generally in 2011 as in 2010, the users have tended to have turnkey projects constructed for themselves, of a quality higher than that of the existing supply. Own-account and turnkey rental projects accounted for 655,000 transacted m^2 [39], 25% of the total volume. Thus in the context of the ongoing redevelopment of the Garonor site (Ile-de-France), Foncière Europe Logistique has signed three turnkey rental projects during 2011, with Agora Distribution (the Eram Group), Aft Iftim and Vaquier Transports. In a year, the new Class A supply has plummeted nearly 40% to approximately 1.8 million m^2 [39].

[37] Source: Tostain & Laffineur.
[38] Source: CB Richard Ellis.
[39] Source: BNP Paribas R.E.

The stock is becoming obsolete at a faster pace. But CB Richard Ellis has estimated that the risk of shortage of new buildings should benefit buildings of this kind, even if it means making location even more highly prized.

Values

In 2011, the advertised rental values remained overall stable over the whole of the territory. In the Dorsal, the “prime” value ranges are wide and are spread out for the extremes:

- In the Great North, from EUR 39 to EUR 48 per square metre according to CBRE, and from EUR 40 to EUR 43 per square metre according to BNP Paribas R.E ;
- In Ile de France, from EUR 46 to EUR 54 per square metre according to CBRE, and from EUR 44 to EUR 53 per square metre according to BNP Paribas R.E.

In the Great North and in Lyons, the placed volumes benefited from a slight repricing, ranging between EUR 42 and EUR 44 per square metre[40] in the Rhone Corridor.

Reflecting the growing importance of location in users’ minds, CB Richard Ellis stresses that in Ile-de-France a more remote last-generation warehouse was sometimes rented less expensively than an older building but located in the inner circle.

5.2.2.4 Rental market in relation to logistics (semi-industrial and small warehouses < 5.000 m²)

Take-up

Few statistics are available on the activity premises real estate stock, far older and less uniform than that of logistics. Only the Ile-de-France market is mature enough to allow relevant statistics to be compiled and analyses made.

The deals involving activity premises and small warehouses (less than 5,000 m^2) in Ile-de-France reached approximately 800,000 m^2 in 2011, down 18% over the year[41], a trend that is confirmed by the region’s activities parks. Placed demand gradually decreased over the whole of the year, with a fourth quarter that was able to claim only 170,000 placed m^2. For recall, a third of the annual volume had been placed in the last quarter of 2010, after a third quarter on “stand-by”.

Rentals represented two thirds of all the deals, a level in line with the previous years’ averages. The demand for sale products continues to be high, but the user sales materialized less than in 2010, a period during which they had been more numerous than usual. Increasingly difficult credit conditions, and a price hike resulting from the shortage of quality supply, partly explain the absence of materialization of the expressed demand.

Supply

Despite of a retreat of the level of placed demand, the immediate supply stock in Ile-de-France continued to drop slightly to 2.3 million m^2 at 01 January 2012 (-7% over the year) 41. On average in Ile-de-France, the vacancy rate had reached 8% at 01 October 2011.

Focusing only on the activities parks of the Île-de-France region, the vacancy rate was twice as high as that of the whole of the region, including both the parks and the diffused sites. In the parks, 30,000 m^2 were delivered over the first nine months of the year, which explains why the vacancy rate continued to increase in relation to the same period of the previous year.

[40] Sources: CB Richard Ellis + BNP Paribas R.E.
[41] Source: CB Richard Ellis.

Faced with this stock absorption problem, the certain future supply was very low at 01 October 2011. In the coming months, the future building sites should include only turnkey projects.

Values

As in 2010, the rental values have remained stable overall, but the wide ranges represent profound, disparities, especially concerning the accompanying measures. Disparities that are traditionally explained by the buildings' quality and condition, but which have been intensified, for the rents and the selling prices, by a greater geographical location premium.

We have summarised below the values per geographical area:

Rental Values of Ile-de-France Activity Locations (in net euros HC/m²/an)
At 31 December 2011

Geographical area	End	New / Restructured	State of Wear
	Intra A86	90-115	60-107
North	Between A86 and Ile-de-France	60-85	50-75
	Beyond Ile-de-France	N.S	N.S
	Intra A86	100-120	75-90
West	Between A86 and Ile-de-France	75-85	40-80
	Beyond Ile-de-France	75-85	40-80
	Intra A86	80-90	75-80
East	Between A86 and Ile-de-France	85-90	70-80
	Beyond Ile-de-France	75-90	45-60
	Intra A86	80-95	65-90
South	Between A86 and Ile-de-France	70-85	60-75
	Beyond Ile-de-France	65-85	60-70

N.S: Not significant

Source : CBRE

Rental Values of Ile-de-France Activity Locations (in net euros HD/m²)
At 31 December 2011

Geographical Area		Minimum	Medium	Maximum
Inner Ring		530	1010	1750
	North/West	250	640	1150
Rest of Ile-de-France	East	240	600	1370
	South	350	740	1170

Source: CBRE

5.2.2.5 Investment market

Volume

According to the first available statistics for the year 2011, approximately EUR 17 billion[42] were invested in corporate real estate (including services) in France. After the exceptional years of 2006 and 2007, this level of commitment is one of best of the decade and is significantly up in relation to 2010 (+25%), due to a particularly active second half of the year.

Approximately 75% of this volume was concentrated in Ile-de-France, in line with the previous year.

The volume of investment in the logistics and activity premises markets reached almost EUR 1 billion in 2011[42]. The logistics/activity share of the investment market is stable over the year, with hardly 6% of the total volume.

The logistics market has benefited from the growth of corporate real estate investments, up 25%, in line with the general market trend. In the activity premises market, the investment growth is slightly more moderate (+20% in a year), although distinctly better that the 4% decline of the previous year.

The distribution of the investments has been really unequal throughout the year, with a gloomy first quarter (EUR 70 million) and third quarter up 66% on the same quarter of the previous year. The fourth quarter would seem to have slowed down in relation to the previous quarters, with an expected commitment volume of somewhere around EUR 200 million. We have inventoried only three significant deals recorded during the last three months of the year: the acquisition of two platforms in the North of Paris by Argan, for EUR 85 million, the acquisition of a portfolio of four warehouses including three in the Paris region and in Lyons by Tamar Capital for EUR 11 million, and the acquisition by Affine of a mixed offices and activities complex in Gennevilliers for EUR 19 million.

Generally, a limited club of specialist investors is continuing to enliven the market. The national investors barely feature among these players since they account for only 16% of the investors in this market42, with a prevalence of the German investors (46%) then North American ones (31%). The Argan property company has continued its acquisition policy in 2011, with four deals involving five assets (230,000 m^2 in total):

- One new logistics platform rented for twelve years firm to Geodis (for Presstalis) in Bonneuil sur Marne (94),
- One new logistics platform rented for six years firm to Decathlon in Ferrières en Brie (77), in line with last year's Lyons operation,
- One new logistics platform rented for twelve years firm to Mr Bricolage in Midi-Pyrénées (Lhospitalet),
- Two logistics platforms, located along the A1 north of Paris, rented to FM Logistics for nine years firm.

Unlike the offices market, no "virgin" VEFA contract has been inventoried in the logistics market in 2011.

Certain players such as Icade, Eurosic or Gecina are seeking to leave the logistics real estate market or to decrease their exposure by selling their portfolio. After the purchasers' reluctance to buy in 2010, the sales of grouped assets has revitalised the logistics and activity premises markets in 2011. They account for 54% of the total volume.

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[42] Source: BNP R.E

The two biggest deals of the year related to asset portfolios. AEW sold eight logistics platforms (280,000 m^2) to GLL, for EUR 177 million. Carval bought the Gecina portfolio (395,000 m^2) for approximately EUR 115 million, a price level (EUR 288 per square metre) which is not representative of the market, reflecting in particular a very low occupancy rate and an “opportunist” purchase.

The biggest unit deal was also done by AEW, which sold to the German RREEF fund a logistics platform of 69,000 m^2 located in Cestas, near Bordeaux, for a price of approximately EUR 42 million (EUR 609 per square metre).

The still limited rental activity, despite a certain recovery thanks to some major deals, and the scarcity of new production, have lead to a shortage of “prime” supply in the investment market. As in 2010, the mismatch between investor demand and insufficient supply has undoubtedly limited the level of investment in the logistics market.

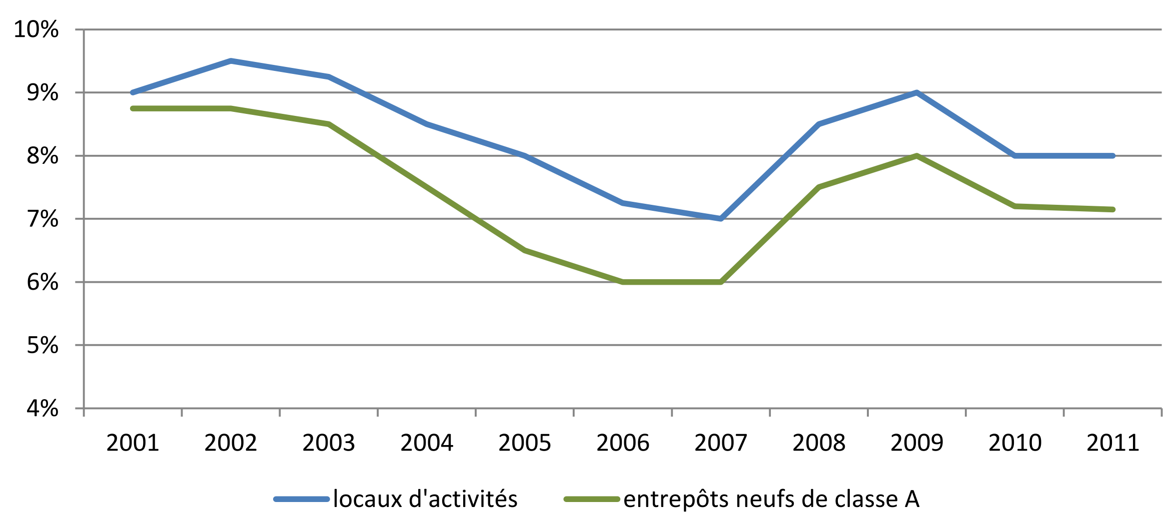
In logistics, a distinct dichotomy has been confirmed between the “prime” assets, well located, offering firm commitment periods (often nine or twelve years), and the rest of the lower quality and/or secondary site assets, with risk premiums that can quickly reach 300 base points.

Values

For the “prime” sites only, the rates of return have remained almost stable over the year, to 7.15% at the end of 2011 for a logistics platform, but could reach the 7% bar in 2012 with regard to the negotiations in progress on this kind of asset in the light of the scarcity of the supply.

In the activity premises market, the scarcity or even the absence of “prime” deals in certain sectors, and the lack of uniformity of the products, lead to a very wide range of “prime” yields, ranging between 7.60% according to BNP Paribas Real Estate, and 8.75% according to CB Richard Ellis. Nevertheless, we estimate for our part that the “prime” rate is somewhere around 8%.

Prime Rate of Return Trned in France



5.2.3 Montea's property portfolio on 31/12/2011

	Total 31/12/2011	Belgium	France	Total 31/12/2010	Total 31/12/2009
Real Estate Portfolio - Buildings					
Number of sites	**31**	18	13	**30**	**33**
Warehouse space (m²)	**416.283 m²**	246.358 m²	169.925 m²	**392.338 m²**	**333.015 m²**
Office space (m²)	**44.630 m²**	31.521 m²	13.109 m²	**45.263 m²**	**47.663 m²**
Total space (m²)	**460.913 m²**	277.879 m²	183.034 m²	**437.601 m²**	**380.678 m²**
Development potential (m²)	**90.500 m²**	54.500 m²	36.000 m²	**69.720 m²**	**69.720 m²**
Fair Value (EUR)	**€ 246.987.000**	€ 144.822.000	€ 102.165.000	**€ 232.250.000**	**€ 206.253.000**
Investment Value (EUR)	**€ 256.623.000**	€ 148.799.000	€ 107.824.000	**€ 241.527.000**	**€ 213.393.000**
Annual Contractual Rents (EUR)	**€ 20.167.157**	€ 11.397.581	€ 8.769.576	**€ 18.353.525**	**€ 16.043.480**
Gross Yield (%)	**8,17%**	7,87%	8,58%	**7,90%**	**7,78%**
Gross Yield on full occupancy (%)	**8,50%**	8,25%	8,85%	**8,31%**	**8,48%**
Property not let (m²)	**15.985 m²**	8.015 m²	7.970 m²	**21.306 m²**	**26.917 m²**
Rental value of property not let (EUR)	**€ 830.075**	€ 552.941	€ 277.134	**€ 937.170**	**€ 1.437.155**
Occupancy rate (% of m²)	**96,45%**	97,12%	95,65%	**95,13%**	**92,93%**
Occupancy rate (% of rental value)	**96,05%**	95,37%	96,94%	**95,14%**	**91,78%**
Real Estate Portfolio - Solar Panels					
Fair Value (EUR)	**€ 7.902.183**	€ 7.902.183			

The total surface of the property portfolio is 460,913 m², spread across 18 sites in Belgium and 13 sites in France.

The fair value of the property portfolio amounts to EUR 246,99 million, representing an increase of 6.3% (EUR 14.7 million) compared to 31 December 2010. This increase is the result of:

- the purchase of the Marennes platform for the sum of EUR +9.9 million;
- the purchase of a logistics platform in Marennes (EUR +9.9 million);
- the handover of the first sustainable built-to-suit building (according to the HQE standard = Haute Qualité Envrionnementale) for Coca-Cola in Heppignies-Charleroi (EUR +9.2 million);
- the sale of the site at Moorsel (EUR -2.7 million);
- the negative change in fair value of investment properties amounting to EUR -1.7 million[43].

Three of the 31 sites represent more than 5% of the consolidated property portfolio and combined represented 30.8% of the total fair value of the property portfolio.

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

this site represents 14.3% of the total fair value of the portfolio
(the net rental income on this site for 2011 represented EUR 3.04 million, i.e. 15.7 of the total net rental income for 2011).

[43] The amount of EUR -1.7 million is the negative change of the existing sites at 31/12/2011 that were also in the portfolio at 31/12/2010, as estimated by the property assessor in Belgium and France. When the investments at these existing sites are taken into account, the negative variation is EUR -4.4 million, as shown in the profit-and-loss account.

- Aalst Tragel EUR 22.3 million Jan de Nul, Barry Callebaut
  this site represents 9.0% of the total fair value of the portfolio
  (the net rental income on this site for 2011 represented EUR 1.90 million, i.e. 9.8% of the total net rental income for 2011).

- Vorst EUR 18.4 million Unilever
  this site represents 7.5% of the total fair value of the portfolio
  (the net rental income on this site for 2011 represented EUR 1.40 million, i.e. 7.2% of the total net rental income for 2011).

The total development potential is approximately 90,500 m², approximately 60% of which is in Belgium. This potential in no way relates to the land bank for new sites to be developed, but to possible extensions at existing sites (4 sites in Belgium and 2 sites in France). Montea is constantly in contact with existing customers at these sites regarding possible further development.

The gross property return[44] over the whole of the portfolio reached 8.25% in Belgium and 8.85% 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 96.05%, and 96.45%[45] on the basis of occupied m^2. At the end of 2011, the occupancy rate had increased by 1.4% (on the basis of m^2) compared to 31 December 2010. This development results especially from the new lease activities at the end of 2011 (see 'Lease Activity').

The annual contractual rental income (excluding rental guarantees) reached EUR 20.17 million, i.e. an increase of 9.9% (EUR 1.81 million) compared to the situation on 31 December 2010. This results mainly from the purchase of the Marennes (Lyon, France) platform and the reception of the Coca-cola site (Heppignies – Belgium), an operation that more than compensates for the contractual rental income relinquished by the divestments.

Contractual rental income in Belgium was EUR 11.40 million, 10.2% higher than the estimated rental value of the leased space. Contractual rental income in France was EUR 8.77 million, 2.9% higher than the estimated rental value of the leased space[46].

Montea strives to compose its property portfolio with a healthy mix of clients from both the industrial sector (e.g. Coca-cola, Jan De Nul, Barry Callebaut, Unilever) and the logistics sector (e.g. FM Logistics and DHL and Norbert Dentressangle). 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.

The average lease term, up to and including the first break option, is 4.9 years. Montea strives to make this term as long as possible, but the sicafi is operating in a market where contracts are normally for 3, 6, 9 years.

[44] The gross property return is defined as follows: the contractual rental income divided by the fair value of the property portfolio.
[45] When calculating this occupancy rate, no account is taken either in the denominator or in the numerator of the non-lettable m², intended for redevelopment and of the land bank.
[46] When we take the estimated rental value of the total portfolio into account (including the estimated rental value on vacancies), the percentage of contractual rental income compared with the total rental value of the portfolio is 101.45% and 99.6% respectively for Belgium and France.

Montea also invested in solar panels in 2011. As of 31/12/2011, the total fair value of the solar panels was EUR 7.9 million. These solar panels are installed at 4 sites in Flanders (Grimbergen, Puurs, Bornem and Herentals) representing a total investment value of EUR 7.9 million. Montea also funded the investment in solar panels at 1 site in Wallonia (Coca-Cola – Heppignies), representing a total investment value of EUR 0.26 million.

These solar panels provide an estimated additional annual net income of approximately EUR 0.7 million, generated mainly by the yield from green energy certificates over a fixed term of 20 years.

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	(1975 - 2002) / 2009	2.098	17.833	19.931	620.097	0,00%
AALST (HIJ), TRAGEL 48-58	2000 - 2002	540	17.740	18.280	1.012.293	0,00%
AALST (KLM), TRAGEL 48-58	1985 - 2009	1.397	4.591	5.988	248.064	0,00%
AARTSELAAR, HELSTSTRAAT 47	(1976 - 2000) / 1999	690	6.355	7.045	240.330	4,33%
BERCHEM, VOSSTRAAT 200	1986 / 2001	1.003	1.446	2.449	206.582	0,00%
BORNEM, INDUSTRIEWEG 4-24	€ 1.977	1.437	13.163	14.600	410.000	7,87%
GRIMBERGEN, EPPEGEMSESTWG 31-33	1980 -1995 - 1996 / 2003	2.478	23.758	26.236	964.797	0,00%
LAKEN, EMIEL BOCKSTAELLAAN 74	1945 / 2003	340	5.085	5.425	241.020	0,00%
VILVOORDE, SCHAARBEEKLEI 207-213	1976 / 1998 - 1999 - 2004	3.060	970	4.030	111.161	57,94%
HOBOKEN SMALLANDLAAN 7	2001	482	747	1.229	222.698	0,00%
MEER EUROPASTRAAT 28	1990 - 2006	1.235	8.995	10.230	363.770	0,00%
PUURS RIJKSWEG 89 & 85	1975 - 1982 - 1984 - 1991	1.150	8.945	10.095	0	0,00%
HERENTALS, TOEKOMSTLAAN 33	2004	1.642	12.954	14.596	737.108	0,00%
NIJVEL, RUE DE L'INDUSTRIE	2000	1.385	12.649	14.034	712.093	0,00%
PUURS, SCHOONMANSVELD 18	1998	1.334	11.907	13.241	742.934	0,00%
EREMBODEGEM, INDUSTRIELAAN 27	1973 / 2007	4.074	13.267	17.341	895.461	3,45%
MECHELEN, ZANDVOORTSTRAAT 16	1984 - 1990 - 1998	768	22.190	22.958	605.072	0,00%
VORST, HUMANITEITSln 292, site LIPTON	1984	778	4.819	5.597	326.322	0,00%
VORST, HUMANITEITSln 292, site CM	1966 / 2007		7.150	7.150	338.133	0,00%
VORST, HUMANITEITSln 292, site RESTAURANT (Station)	1971 / 1995	2.110	920	3.030	218.162	0,00%
VORST, HUMANITEITSln 292, site SALVESEN (Koelloodsen)	1966 - 1979	1.538	9.974	11.512	527.240	0,00%
MILMORT, AVENUE DU PARC INDUSTRIEL	2000	1.225	27.112	28.337	929.244	12,80%
HEPPIGNIES, RUE BRIGADE PIRON	2011	757	13.788	14.545	725.000	
Total Belgium		**31.521**	**246.358**	**277.879**	**11.397.581**	**2,88%**
France						
SAVIGNY LE TEMPLE, RUE DU CHROME	1992 / 2007	620	16.139	16.759	385.242	47,56%
FEUQUIERES, ZI DU MOULIN 80	1995 - 1998 - 2000	763	8.230	8.993	341.982	0,00%
CAMBRAI, P. d' A. ACTIPOLE	2008	682	10.588	11.270	517.498	0,00%
ROISSY, RUE DE LA BELLE ETOILE 280	1990 - 2001	638	3.384	4.022	334.653	0,00%
BONDOUFLE, RUE HENRI DUNANT 9-11	1990	1.307	2.478	3.785	220.649	0,00%
DECINES-CHARPIEU, RUE ARTHUR RIMBAUD 1	1996	1.108	2.713	3.821	349.649	0,00%
LE MESNIL AMELOT, RUE DU GUE 4 & RUE DE LA GRANDE BORNE 11	1992	1.348	7.311	8.659	677.953	0,00%
ALFORTVILLE, LE TECHNIPARC	2001	382	1.665	2.047	216.420	0,00%
ROISSY, RUE DE LA BELLE ETOILE 383	2001	1.965	4.492	6.457	635.550	0,00%
LE MESNIL AMELOT, RUE DU GUE 1-3	1998	1.211	4.043	5.254	456.882	0,00%
SAINT PRIEST, RUE NICEPHORE NIEPCE	2008	906	15.120	16.026	674.470	0,00%
MARENNES, LA DONNIERE	1996 - 2006	1.655	73.797	75.452	3.090.000	0,00%
	1998 - 2000 / 2001	524	19.965	20.489	868.628	
Total France		**13.109**	**169.925**	**183.034**	**8.769.576**	**4,35%**
Total		**44.630**	**416.283**	**460.913**	**20.167.157**	**3,47%**

5.2.4 Conclusions of the property assessor[47]

Determining the value	Determining the value of the investment items in the portfolio is supported by the following methods: the rental value capitalisation method and the income approach based on a DCF (Discounted Cash Flow) model, with measurement of the unit prices obtained.
Movements in value	The Fair Value, in accordance with IAS40, rose on an annual basis from 31/12/2010 from EUR 232,250,000 to EUR 246,987,000 as of 31/12/2011. This Fair Value of EUR 246,987,000 corresponds with an investment value of EUR 256,623,000 with no additional costs payable by the purchaser. The initial yield (the rental income considered in relation to the investment value) of the whole portfolio is 7.86%.
Assets	Assets currently are ± 416,283 m² of warehouse space and ± 44,630 m² of office space, or a total area of 460,913 m². These assets are situated at 31 sites, 13 of which are in France. This is one site more than at the end of 2010 as the result of the sale of 1 premises in Belgium (Moorsel) and the purchase of one site in France (Marennes) and the handover of the “built-to-suit” project for Coca-Cola. One premises (Grimbergen) is under concession. The increase in the market value of the portfolio is due mainly to the acquisition of a site at Marennes and the handover to Coca-Cola. Apart from the 13 sites in France, the current properties are situated mainly in Flanders. Two buildings (Laken and Vorst) are in the Brussels-Capital Region are three are located in Wallonia, specifically in Milmort, Nivelles and Heppignies. Of the 13 sites in France, seven are located in the Paris region (Savigny-le-Temple and Roissy, Bondoufle, Le Mesnil Amelot, Alfortville) and the six others in the provinces (Lyon/Decines-Charpieu and Saint-Priest, Cambrai, Feuquières and Orléans/Saint-Cyr-en-Val).
Rental income	The effective rental income is calculated after deducting the property tax when it is to be paid by the owner and only in rare cases as an average rental income up until the next due date if there are rent discounts or if the rent is not charged on a constant basis contractually. This annual rental income was EUR 20,167,157 per year as of 31/12/2011. Current lease contracts were 6.9% higher than the corresponding estimated market rental value, which is EUR 18,872,720 per year. The rental amounts stated are net rental income, separate from additional payments for communal charges and any insurance premiums.

The occupancy rate for the entire portfolio, calculated based on floor space, is ± 96.45%.

[47] The property assessor’s entire report is not included in this annual report, but only the conclusions. This is because the entire report contains confidential information that could be of importance for the competition.

5.3 Major achievements during the financial year

5.3.1 Investment activity during 2011 in Belgium and France

- **16th May 2011 – Purchase of a "class A" logistics platform of 20,489 m² in Marennes (South Lyon - France) for EUR 9.8 million**

  The site, which extends over 4.3 hectares, is situated in the "La Donnière" logistics zone alongside the A46 motorway[48]. This logistics zone provides distribution capabilities across the whole of France via the A7 and A43 motorways. Having Lyon Saint-Exupéry airport nearby provides a strategic advantage. The building is fully leased to the Norbert Dentressangle group.

  The lease agreement is divided into two contracts. The first is a 9-year lease agreement for an area of 15,375 m² (with an option to terminate after years 3 and 6). This lease agreement generates an annual rental income of EUR 645,750. The second contract is a 9-year lease agreement for an area of 5,114 m² (with an option to terminate after years 2, 3 and 6). This lease agreement generates an annual rental income of EUR 214,788. The logistics platform in Marennes is used for the distribution of pallet goods and bulk storage.

  The total amount of the transaction is EUR 9.8 million, all costs included. The transaction is financed by funds from the capital raising conducted in the summer of 2010.

Montea « More than warehouses » - site Norbert Dentressangle - Marennes (south Lyon – France)

5.3.2 Development activity during the year 2011

- **Built-to-suit distribution centre of 13,000 m² developed for Coca-Cola in Heppignies-Charleroi**

  Montea develoloped a new distribution centre of 13,000 m² for Coca-Cola Enterprises Belgium in Heppignies-Charleroi. The gross rental yield is 7.8%, based on a fixed 12-year lease contract. This facility is the first logistics platform in Belgium that meets the French HQE sustainability standard. This investment generates revenue from October 2011.

Montea « More than warehouses » - site Coca-Cola – Heppignies (Charleroi – Belgium)

48 For more information, see the press release dated 16/05/2011 or visit www.montea.com.

5.3.3 Divestment activity during 2011 in Belgium and France

- **17 November 2011 – Divestment of a semi-industrial building in Moorsel (Aalst)**

  Within the scope of the dynamic management of its property portfolio, Montea has sold a semi-industrial building of 20,000 m² in Moorsel (Aalst) for EUR 2.8 million to Globalindus NV, an industrial property development company. The selling price was equivalent to the fair value for the site at 30/09/2011. The transaction was conducted under the supervision of property brokers, Turner & Dewaele.

5.3.4 Rental activity during 2011 in Belgium and France

2011 was marked by high lease activity, with in excess of 35,000 m² of renewals of existing lease agreements being signed. Each one of these renewals involved an extension to the average lease term.

Montea also signed approximately 19,000 m² of new lease agreements, which boosted the occupancy rate to 96.45%[49] at 31/12/2011 compared with 95.13% at 31/12/2010.

- **21 January 2011 – Lease agreement for a fixed period of 15 years with Ondernemingen Jan De Nul NV for 18,048 m² of space at the site in Aalst**

  Montea and Ondernemingen Jan De Nul NV have signed a lease agreement for a fixed period of 15 years for 18,048 m² of space at the Tragel site in Aalst[50]. As part of this agreement, Ondernemingen Jan De Nul has extended its existing lease agreement for 13,642 m² of storage space, while at the same time signing an additional lease agreement for 2,497 m² of storage space and 1,909 m² of office space. The extension and addition to the lease have been signed at a lease yield that is in line with the existing lease agreement, generating an initial yield of 8.59%, based on the fair value. Ondernemingen Jan De Nul NV will use the warehouse space to store building materials and spare parts for ships.

- **28 March 2011 – Montea enhances site for its tenant Parts Express in Mechelen-Noord**

  Montea and Parts Express have replaced their current lease agreement with a new 9-year lease (with the option to terminate after 6 years) for a 6,726 m² unit at the site in Mechelen[51]. This new lease agreement is part of Montea's policy of enhancing the existing warehouse space on behalf of the tenant. An additional five loading docks will be built by the end of 2011, enabling the site to be used as an efficient distribution centre. As a result of the improvements, the building will allow for more flexible use, resulting in a higher property value.

[49] The occupancy rate for the entire portfolio is calculated based on floor space (m²). When calculating the occupancy rate, no account is taken either in the denominator or in the numerator of the m² intended for redevelopment. As of 31/12/2011, this amount was 10,095 m². In addition, no account was taken of the land bank in the portfolio (90,500 m²). Hence in calculating the occupancy rate, the total lettable floor space of 450,818 m² was taken into account.

[50] For more information, see the press release dated 21/01/2011 or visit www.montea.com.

[51] For more information, see the press release dated 28/03/2011 or visit www.montea.com.

- **28 March 2011 – Montea leases additional 5,507 m² of space to CatLog in Bornem**

Montea and Caterpillar Logistic Services International NV have signed an agreement by which Caterpillar will lease the remaining five units available in Bornem in addition to its existing lease arrangement[6]. The new agreement is for warehouse space totalling 5,507 m², which will be leased until at least the end of January 2013. Caterpillar Logistic Service now leases the entire site at Bornem, representing a total area of 13,246 m².

- **27 June 2011 – Montea leases 4,900 m² to Schenker NV at the site in Mechelen Noord, bringing the occupancy rate to 100%**

Montea and Schenker NV have signed a lease agreement for the final available warehouse space at the Zandvoortstraat site in Mechelen Noord [52]. In line with Montea's strategy, the building accommodates tenants operating in both the logistics and distribution sectors. With a total area of 22,599 m², the building in Mechelen Noord represents 12% of Montea's property portfolio in Belgium. The site benefits from an excellent location alongside the E19 Brussels to Antwerp motorway and was recently refurbished and fitted with solar panels.

- **27 June 2011 – Lease agreement extended for a fixed period of 9 years with the VDAB for 5,561 m² at the site in Aalst**

Montea and the VDAB have signed an extension to their lease agreement for a fixed period of 9 years for 5,561 m² of space at the Tragel site in Aalst. The extended lease has been signed on terms that are in line with the existing lease agreement.

- **5 October 2011[53] – Montea enhances its sites for existing tenants**

Montea and Vincent Logistics have replaced their current lease agreement with a new 8-year lease (with the option to terminate after 4 years) for a 14,081 m² unit at the site in Herstal-Milmort (Liège). Vincent Logistics is renewing its existing lease agreement for 9,543 m² of warehouse space, as well as entering into an additional lease for a further 4,538 m² of warehouse space. Both the renewal and the extension have been signed at a rental return that is in line with the existing lease agreement. With its floor area of 28,340 m², the building in Herstal-Milmort represents 10% of Montea's portfolio in Belgium. The site is situated in one of Belgium's main logistics growth areas, alongside the E313 motorway towards Antwerp and the E40 towards Liège.

Montea and Movianto Belgium, which specialises in the logistics and distribution of pharmaceutical and healthcare products, have replaced their current lease agreement with a new one over 7 years (with the option to terminate after 4 years) for a unit of 4,830 m² at the site in Erembodegem (Aalst). In line with the other units at this site, Montea will be refurbishing Movianto's unit and fitting it out so that it complies with the strict requirements for storing and distributing pharmaceutical products. As a result of the new agreement, Movianto Belgium now has a total of 8,250m² of warehouse space, which enables it to centralise its distribution business entirely at Erembodegem. The site in Erembodegem (Aalst) is situated in an outstandingly visible location alongside the E40 motorway between Brussels and Ghent**.** The total warehousing space of 11,375 m² is 100% leased**.**

[52] For more information, see the press release dated 27/06/2011 or visit www.montea.com.
[53] For more information, see the press release dated 05/10/2011 or visit www.montea.com.

5.3.5 Organizational changes in the course of 2011

Peter Demuynck joined Montea as Chief Commercial Officer (CCO) in January 2011. This addition strengthened the company's commercial strength and at the same time confirmed its desire to expand and optimise further its property portfolio in Belgium. The CCO focuses on developing investment opportunities in Belgium, as well as enhancing the existing property portfolio and further improving the occupancy rate.

5.3.6 In October 2011 Montea successfully refinanced 61% (EUR 70 million) of its existing bank financing

For a real estate investment company with an average debt level of 50%, Montea's annual interest rate costs are by far its largest item in terms of charges. As a result, keeping those costs under control is essential, which means that financing and providing hedging cover for the debt is a constant preoccupation for Montea.

In October 2011, Montea has been successful in refinancing 61% of its debt, thereby enabling it to achieve the following three objectives:

1. Lower annual finance charges
   - Montea has managed to lower its average annual cost of financing. At the end of 2010, 50% of the existing interest rate hedging was restructured at the than lower interest rates for hedging periods of 5 and up to 10 years. Based on this hedging and the refinancing of its debt, Montea's financing costs have fallen from 4.58% to 4.11%[54].
2. A better spread of maturity dates for the financing
   - The average term of the renewed financing is 4.7 years. The maturity dates are spread over 3, 4, 5 and 7 years.
3. More financial institutions now providing finance
   - The refinancing was agreed on and spread across the 4 major banks in Belgium. Previously, it had only been with three of the major banks.

Lowering Montea's finance costs, combined with an improved spread of maturity dates in time and increasing the number of financial institutions involved has lowered the company's risk profile, which will have a positive impact on net yield.

Based on current opportunities on the interest rate markets, Montea will continue to work on driving down its financial costs during the months ahead.

5.3.7 The net current result was EUR 9.04 million (an increase of 13.9% compared with the same period last year). Without the adjustment, the net current result amounts to EUR 10.24 million, an increase of 29.0% compared with the same period last year

Montea's net current result was EUR 9.04 million a rise of 13.9% compared with the same period last year. Without the adjustment (see chapter 3) the net current result was EUR 10.24 million (EUR 1.82 per share) during 2011, an increase of 29.0% compared to EUR 7.94 million for the same period last year (EUR 1.79 per share[55]). The increase was 1.6% per share (this lesser rise in the net current result per share compared with the absolute rise is mainly the effect of the capital raising conducted in 2010 (also see footnote 55).

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[54] This funding cost is an annual runrate (moving average percentage for 1 year, based on the total lines of credit at down at 31/12/2011, the hedging instruments arranged at 31/12/2011 and the short-term interest rate (Euribor 3 months) op 31/12/2011).

[55] The net current result of EUR 1.79 per share for 2011 is the sum of the net current result per share of EUR 1.05 per share for the first six months and EUR 0.74 per share for the second six months (in 2011, Montea conducted a capital raising which increased the number of shares from 3,585,354 in the first six months to 5,634,126 in the second six months).

The increase of the net current result (without the adjustment, see chapter 3) by EUR +2.31 million is mainly the result of the increase of the operating result before the result on the portfolio by EUR +2.49 million.

This increase in the operating result before the result on the portfolio was caused by:

- the rise in the net rental result of EUR +2.23 million (+13.1%) produced by the full year's rent from the investments made in 2010 (Saint-Cyr-en-Val – Orléans) and the new investments in 2011 (Coca-Cola site in Heppignies and the Marennes site in Lyon);
- the increase in the property result on top of the rise in the rental income of EUR +0.31 million from the increase in the occupancy rate from 95.13% to 96.45% and the additional income from solar panels;
- the limited rise in property costs, the company's general overheads and other operating costs and revenue of EUR 0.06 million.

5.3.8 Proposal to pay the same dividend per share as last year of EUR 1.84 per share

The result available for distribution was EUR 10.52 million (EUR 1.87 per share). Based on this result, Montea's board of directors will propose a dividend of EUR 1.84 per share[56], the same dividend as last year, which means a payout percentage of 98.6%.

5.3.9 Information regarding the current lawsuits

5.3.9.1 Agreement to include certain buildings as a result of the initial public offering

At the time of the market flotation in 2006, joining agreements were entered into with various third parties. In 2008, a writ was issued against Montea by one of these third parties[57] because this party believed it was entitled to the income from certain buildings. At the time, Montea refused to pay this money because it was of the opinion that the contractual terms for this to be the case had not been fulfilled. Thereupon, the party in question lodged a claim against Montea for EUR 5.1 million in capital. In its ruling handed down on 28th April 2009, the Commercial Tribunal in Brussels ruled in favour of Montea. In the ruling handed down on 21st February 2012 and received by Montea on 29th February 2012, the Court of Appeal in Brussels found partly in favour of the other party and awarded it compensation of EUR 961,000 in capital.

Montea is taking advice as to whether to lodge an appeal in cassation. If Montea should decide an appeal in cassation, this must happen within a period of 3 months afer pronouncement of the judgement.

Based on the details stated above, Montea has had to adjust its consolidated results[58] at 31st December 2011. This adjustment consists of including a provision in the consolidated results at 31st December 2011 of EUR 1,200,000 (capital of EUR 961,000 and EUR 239,000 in interest charges and court costs).

[56] The dividend of EUR 1.84 per share for 2011 consists of a dividend of EUR 0.97 per share for the first half of 2011 and EUR 0.87 per share for the second half of 2011.

[57] For more information, please refer to our annual reports under the point "Information regarding the current lawsuit" (2010 annual report on page 21, 2009 annual report on page 53 and 2008 annual report on page 53), as well as the press release dated 16/2/2012 (on page 20) or visit www.montea.com.

[58] For more information, please refer to the press release of 16th February 2012 or visit www.montea.com.

Based on this adjustment:

- ✓ the consolidated net result at 31 December 2011 is modified from EUR 907K to EUR -293K;
- ✓ the consolidated net current result at 31 December 2011 is modified from EUR 10,244K to EUR 9,044K (on account of payment of the amount owed being scheduled for the forthcoming period);
- ✓ consolidated shareholders' equity at 31 December 2011 is modified from EUR 118,201K to EUR 117,001K.

5.3.9.2 Sale of the building at Grobbendonk

On 1 June 2010, Montea sold a property for EUR 4.2 million. According to the purchaser, there were hidden flaws in the sale.

The purchaser claimed EUR 1.4 million, plus court interest from the summons on 13/12/2011, an administrative fee of EUR 16,500, costs, case listing fees and EUR 263.45 of writ fees. A timetable has been set for concluding statements. The hearing is scheduled for 30 October 2012.

Montea has not set aside any provision for this in its figures, as it is convinced that these allegations are unfounded.

5.4 Synthesis of the financial results

5.4.1 Shortened consolidated summary of results before profit distribution as of 31 December 2011 (in thousands of euro) [59]

CONSOLIDATED INCOME STATEMENT (EUR) Analytical	31/12/2011 12 months	31/12/2010 12 months	31/12/2009 12 months
CURRENT RESULT			
NET RENTAL INCOME	**19.275**	**17.041**	**16.334**
PROPERTY RESULT	**19.069**	**16.523**	**15.962**
%	**98,9%**	**97,0%**	**97,7%**
TOTAL PROPERTY CHARGES	**-992**	**-833**	**-802**
OPERATING PROPERTY RESULT	**18.078**	**15.690**	**15.160**
General costs	-2.620	-2.399	-2.052
Other operating income and expenses	-952	-73	317
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO	**14.506**	**13.218**	**13.425**
%	**75,26%**	**77,6%**	**82,2%**
FINANCIAL RESULT	**-5.424**	**-5.280**	**-5.975**
RESULT BEFORE TAXES	**9.082**	**7.938**	**7.451**
Taxes	-38	0	-9
NET CURRENT RESULT	**9.044**	**7.938**	**7.441**
per share	***1,61***	***1,79***	***2,08***
NON-CURRENT RESULT			
Result on disposals of investment properties	0	548	0
Result on disposals of other non-financial assets	0	0	0
Result in the fair value of investment properties	-4.420	-1.906	-16.033
Other result on portfolio	0	0	
RESULT ON PORTFOLIO	**-4.420**	**-1.358**	**-16.033**
Variations in the fair value of financial assets and liabilities	**-4.918**	1.643	-2.089
RESULT IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIE	**-4.918**	**1.643**	**-2.089**
NET RESULT	**-293**	**8.224**	**-10.682**
per share	***-0,05***	***1,41***	***-2,98***

[59] In the 2010 annual report a net current result per share of EUR 1.72 was published that was an average of the total net current over 2010, divided by the average number of shares for 2010 (4,609,740 shares that in turn was an average of 3,585,354 shares for the first half of the year and 5,634,126 shares for the second half of the year because Montea conducted its capital raising at the beginning of July). The net current result per share in 2010 of EUR 1.79 is the sum of the net current result for the first six months (EUR 1.05 per share, based on 3,585,354 shares) and the net current result for the second six months (EUR 0.74 per share, based on 5,634,126 shares). The same reasoning needs to be applied to the net result per share. The net result of EUR 1.41 per share in 2010 is the sum of EUR -0.12 per share for the first six months and EUR 1.54 per share for the second six months. In what follows, these figures will be used as comparison with the 2011 financial year.

- **The net rental result was EUR 19.3 million (+13.1%) – Increase in the operating result before the result on the property portfolio (+18.2%)**

The **net rental result** was EUR 19,275,088, a rise of +13.1% compared with the same period in 2010 (EUR 17,041,245). This increase is attributable mainly to the rise in the occupancy rate and income from investments made during the 2nd half of 2010.

The **operating result before the result on the property portfolio** rose from EUR 13,218,027 last year to EUR 14,505,964 at 31/12/2011. Without the adjustment (see chapter 3) the operating result before the result on the property portfolio rose to EUR 15,705,965. This greater increase in the operating result before the result on the property portfolio is mainly the result of:

- the increase in the occupancy rate from 95.13% to 96.45%;
- income from the solar panels. The total income from the solar panels as of 31 December 2011 was EUR 421K;
- a one-off receipt of EUR 123K resulting from the recalculation of the VAT ratio that is calculated on the basis of whether or not turnover is invoiced with VAT and in line with the calculation of the ratio of the deductible VAT compared with non-deductible VAT (Montea has a mixed status).

The **operating margin**[60] was 75.26% for the full year 2011, compared with 77.56% during the same period last year. Without the adjustment (see chapter 3) the operation margin rose to EUR 81.48%. The investments made in the structure of Montea during 2010 (strengthening of the team in Belgium and establishment of the operating structure in France) are now beginning to bear fruit. In so doing, Montea achieved its target operating margin of >80% at the end of this year and is well on the way to reaching 85% in the medium term.

The operating margin in France was 86.9% compared with 68.2% in Belgium. Without the adjustment (see chapter 3) the operating margin in France was 86.9% compared to 77.3% in Belgium. The higher operating margin in France stems largely from the effect of having a younger portfolio and “single-tenant” sites, which cost less in terms of maintenance and property management.

- **The financial result (excl. the valuation of the hedging instruments) was EUR -5.4 million, a slight rise of +2.7% compared with the same period last year and very much determined by lower finance charges**

The **financial result** at 31/12/2011 was EUR -5,423,503, a slight rise of +2.72% compared with the same period last year (EUR -5,279,707). The average debt burden rose by EUR +6.05 million (also see the increase in the debt ratio from 47.37% to 49.90%). By contrast, the average finance charge fell by 10 basis points during the year from 4.45% to 4.35%[61]. As a result, finance charges only rose by EUR +143,795.

The reduction in the financial burden was the result of:

- the decrease in the hedging percentage for the bank debt brought about by interest rate hedging contracts enabling Montea to benefit from lower variable interest rates on the remaining part (that is not subject to interest rate hedging);
- EUR 30 million of new hedging taken out by Montea in 2011 with lower finance charges, coming into effect in the 4th quarter of 2011.

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60 The operational result before the result on the real estate portfolio compared to the net rental result.

61 This financial cost is an average over the full year, leasing debts in France and Belgium included, and was calculated based on the total financial cost compared to the average of the initial and end balace of the debt cost of 2011.

- Montea has opted for a responsible policy on hedging. As of 31/12/2011, IRS-type (Interest rate Swap) interest rate hedging contracts covered 86.3% of Montea's bank debt. These financial instruments guarantee cover for the current lines of credit (EUR 122.5 million).

- As stated already, Montea refinanced EUR 50 million or approximately 50% of its existing hedging during the 4th quarter of 2011. EUR 30 million was already agreed during 2011. The other EUR 20 million will come into effect in May 2012, further reducing the finance charges for the bank debts to 4.11%[62].

✓ **The negative result on the property portfolio was EUR -4.4 million (as a consequence of the application of IAS40)**

The **result on the property portfolio** was EUR -4,4 million at 31/12/2011. This negative result can be attributed to:

a. on the one hand, a negative variation in the fair value of the property portfolio in Belgium of EUR -4.6 million, determined mainly by:

   - the negative change in fair value of the site in Vorst amounting to EUR -2.4 million, resulting from the revaluation of the development potential at this site and the forthcoming vacancy of the freezer buildings at the end of March 2012;
   - the negative change in fair value of the site in Nivelles as the result of the lease expiring (EUR -0.7 million);
   - the negative change in fair value of the site in Herentals as a result of the adjustment in the market yield at the Herentals site (EUR -0.7 million);
   - the positive change in fair value (EUR +2.0 million) of the sites in Mechelen, Milmort and Aalst as the result of new long-term lease contracts being signed;
   - the impact of the investments made (EUR 2.5 million) to enhance the existing portfolio, mainly at the sites in Mechelen and Milmort. These investments at Milmort and Mechelen were part of the long-term plan and were fully justified by the signing of long-term leases at these sites.

b. on the other hand, a positive change in fair value of the property portfolio in France of EUR +0.2 million as the result of:

   - the positive change in fair value of the site in Orléans as a result of the adjustment in the market yield to 8.0% (the site in Orléans was purchased in 2010 with an initial yield of 8.5% - impact of EUR +0.8 million);
   - the adjustment in the market lease value of the premises at Savigny-le-Temple (EUR +0.2 million)
   - the impact of the investments made (EUR 0.1 million) at the Savigny-le-Temple site. These investments were part of the long-term plan and are intended to lease the space still vacant as quickly as possible.

With regard to the valuation of the solar panels, these gains have been recorded in a separate component of shareholders' equity. Losses are also featured in this component, except where they have been realized or unless the fair value falls below the original cost.

[62] This finance charge is an annual runrate, based on the total lines of credit drawn down at 31/12/2011, the hedging instruments entered into at 31/12/2011 and the short-term interest rate (Euribor 3 months) at 31/12/2011.

- **The negative result on hedging instruments was EUR -4.9 million caused by the fall in long-term interest rates during the year (and the application of IAS39)**

The **result on the hedging instruments** was EUR -4.9 million at 31/12/2011. This negative result can be attributed to the further decline in long-term interest rates during 2011.

- NB: the rate for a 5-year IRS instrument was 2.31% at 31/12/2010 and fell further to 1.57% by the end of 2011.

- **The net result was EUR +0.9 million[63]. This was affected strongly by the negative change in the valuation of the interest rate hedging instruments (EUR -4.9 million) and the negative change in the fair value of the property portfolio (EUR -4.4 million) and the unique provision of EUR 1.2 million (see chapter 3)**

The **net result** at 31/12/2011 was EUR -0.3 million (EUR -0.05 per share) compared with EUR +8.22 million (EUR 1.41 per share) for the same period in 2010.

This year's result was affected strongly by the negative movement in the fair value of the property portfolio (EUR -4.42 million), the negative movement in the value of the hedging instruments (EUR -4.92 million) and the unique provision of EUR 1.2 million (see chapter 3). These latter negative changes and the unique provision of EUR 1.2 million are not cash costs and have no impact whatsoever on the net current result.

- **Net current result of EUR 1.61 per share. Without the adjustment (see chapter 3) the net current result is EUR 1.82 per share – The distributable result was EUR 1.87**

The **net current result** at 31/12/2011 was EUR +9.04 million[64]. Without the adjustment, the net current result was EUR 10.24 million, which was an increase of +29.0% compared with the same period last year. The net current result per share rose by 1.6% from EUR 1.79 per share to EUR 1.82 per share.

Based on the distributable result, Montea will propose the same gross dividend as last year to the general meeting, i.e. EUR 1.84 per share.

63 Based on the adjustment made to the consolidated results at 31/12/2011 (see section 3), the consolidated net result was EUR -293K. This adjusted result is the results included in the official lodgement of the annual accounts at 31/12/2011 (see chapter 8).

64 Based on the adjustment made to the consolidated results at 31/12/2011 (see section 3), the consolidated net current result was EUR 9,044K. This adjusted result is the results included in the official lodgement of the annual accounts at 31/12/2011 (see chapter 8).

5.4.2 Shortened consolidated balance sheet as of 31 December 2011

CONSOLIDATED BALANCE SHEET (EUR)	31/12/2011 Conso	31/12/2010 Conso
NON-CURRENT ASSETS	253.630.935	236.465.744
CURRENT ASSETS	15.850.598	22.401.920
TOTAL ASSETS	**269.481.533**	**258.867.664**
SHAREHOLDERS' EQUITY	**117.000.632**	**124.106.557**
Shareholders' equity attributable to shareholders of parent company	116.896.333	124.005.824
Minority interests	104.299	100.733
LIABILITIES	**152.480.901**	**134.761.108**
Non-current liabilities	116.055.455	69.539.252
Current liabilities	36.425.446	65.221.856
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**269.481.533**	**258.867.664**

➢ As of 31/12/2011, the **total assets** (EUR 269.5 million) consisted mainly of investment property (91% of the total) and the solar panels (3.0% of the total). The remainder of the assets (6.0% of the total) consisted of intangible, other tangible and non-current financial assets and current assets, including cash investments, trade and tax receivables and assets held for sale.

➢ The **total liabilities** consisted of shareholders' equity of EUR 117.0 million and total debt of EUR 152.5 million.

The total debt of EUR 151.3 million consisted for 86.5% of:

- drawn-down lines of credit of EUR 122.5 million;
- lease debts yet to be settled of EUR 8.3 million;
- negative changes in the valuation of the hedging instruments of EUR 11.3 million;
- trade debts, other short-term debts and accruals and deferred income of EUR 9.2 million;
- the secured provision of EUR 1.2 million regarding the adjustment of the consolidated results (see chapter 3).

↳ Montea currently has contractual lines of credit with 4 Belgian financial establishments totalling EUR 125 million, of which EUR 122.5 million is drawn down. In 2011, the total due bank debts (EUR 70 million) of the debt in place at the time (EUR 115 million) was refinanced with Belgian financial establishments. In addition, to fund new investments in 2011, an additional line of credit for EUR 10 million was taken out.

EUR 25 million and EUR 20 million of lines of credit fall due during 2012 and 2013 respectively.

↳ Montea currently has a total of EUR 8.3 million in lease debts:

	Amount	End date
o Roissy:	EUR 0.6 million	2014
o Saint-Cyr-en-Val	EUR 4.5 million	2016
o Milmort:	EUR 3.2 million	2017

- Montea's consolidated **debt ratio** [65] is 49.90%. The increase in the debt ratio compared with 31/12/2010 (47.37%) can be attributed mainly to the purchase of Marennes in France, the funding of the "built-to-suit" project for Coca-Cola in Heppignies and the financing of the solar panels.

  - Montea also complies with all of the covenants in terms of debt ratio that it has entered into with its financial establishments under which Montea may not have a debt ratio greater than 60%.

- The **net asset value** at 31/12/2011 was EUR 20.75 per share, although this was penalised significantly by the negative change in fair value of the hedging instruments and the secured provision of EUR 1.2 million regarding the adjustment of the consolidated results (see chapter 3). If no account is taken of the net negative change in fair value of the hedging instruments (IAS 39) and the secured provision of EUR 1.2 million regarding the adjustment of the consolidated results, the net asset value is EUR 22.97 per share.

NET ASSET VALUE PER SHARE (EUR)	31/12/2011	31/12/2010	31/12/2009
Net asset value based on fair value ('000 euros)	116.896	124.006	84.381
Number of shares entitled to share in result of the period	5.634.126	5.634.126	3.585.354
Net asset value per share (fair value)	20,75	22,01	23,53
Net asset value per share (fair value, excl. IAS 39)	22,75	23,14	25,77

5.5 Financial structure of the company

5.5.1 Overall financing policy

The financing cost is the largest expense item in the Montea result having. 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 31/12/2011, Montea's financial structure had the following characteristics:

- total financial debt of EUR 131.1 million: EUR 122.5 million of bilateral credit lines and EUR 8.3 million of leasing debts and EUR 0.3 million of payed rental guarantees;
- a debt ratio of 49.90%[66];
- a weighted average of the duration of the financial debt of 2.63 year;

[65] Calculated in accordance with the RD of 7 December 2010.

[66] 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.

- 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 4.11%[67];
- an interest coverage ratio of 34.69% (compared to 45.56% in 2009 and 39.89% in 2010).

5.5.2 Debt structure

The total financial debt of Montea is EUR 131.1 million (EUR 104.3 million long term and EUR 26.8 million short term) and consists of:

- a total of EUR 122.5 million of included credit lines.
  On 31/12/2011, Montea had a total amount of secured bilateral credit lines of EUR 125 million with 4 Belgian financial institutions, of which 98.0% is included.

  On 31/12/2011, the weighted average duration of these credit lines was 2.63 years. In 2011, a total amount of EUR 70 million had to be refinanced. In 2012, this amount will be EUR 25 million and in 2013, EUR 30 million.

- a total amount of leasing debts of EUR 8.3 million with an average duration of 4.8 years. This total amount corresponds to the total cost of leasing debt write-off for the following 3 sites:
  - Milmort, Liege: EUR 3.2 million
  - Orléans, Saint-Cyr-en-Val: EUR 4.5 million
  - Roissy: EUR 0.6 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.

- a total amount of EUR 0.3 million in deposited as security bonds.
  A number of French customers have deposited a security bond as a rental guarantee instead of establishing a lease guarantee.

5.5.3 Hedging interest rate risk

As previously mentioned, Montea has a financing policy whereby a large part of its debt is hedged. On 31/12/2011, 86.3% 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 31/12/2011, the sicafi had taken out a total of EUR 125.7 million of IRS-type hedging contracts, of which EUR 20 million were forward contracts. During the last quarter of 2011 and following the low long-term interest rates in that period, Montea proceeded to take out EUR 20 million of forward IRS contacts. These contracts do not take effect until 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 2.76%, as part of the financing cost will drop to 2.43% in May 2012.

See note 16 for an overview of the hedging instruments.

[67] This finance charge is an annual runrate, based on the total lines of credit drawn down at 31/12/2011, the hedging instruments entered into at 31/12/2011 and the short-term interest rate (Euribor 3 months) at 31/12/2011.

5.6 Conclusions for the financial year 2011

At the financial level, Montea's FY 2011 was characterised by generally good operating results considering the still difficult economic situation and the impact of the secured provision of EUR 1.2 million regarding the adjustment of the consolidated results (see chapter 3): the net current result increased overall by 29.0% and the net current result per share by 1.7% (EUR 1.82 per share compared to EUR 1.79 per share at 31/12/2010).

In this context, lease activity and keeping the occupancy rate up to the mark (rising to 96.45%) was "the" priority for 2011. In addition, the investment at the site in Marennes (Lyon – France), the handover of the built-to-suit project for Coca-Cola and revenue from the solar panels contributed to the increase in the net current result for 29.0%.

5.7 Appropriation of profit

Based on the results of 31 December 2011, the Board of Directors of Montea Management NV proposed at the General Meeting of Shareholders paying out a gross dividend of EUR 1.84 gross per share. This represents a payout ratio of 111.3% compared to the net current result of EUR 1.61 per share. Without the adjustment of the consolidated results (see chapter 3) the payout ratio is 98.6%.

5.8 Important post balance sheet date events

- **24 January 2012 – Resignation of Gemeentelijke Holding (in receivership)**

Gemeentelijke Holding NV was placed in receivership in December 2011. Montea was notified on 24 January 2012 of the resignation (with immediate effect) of Gemeentelijke Holding's mandate as director, represented by Mr Carlos Bourgeois, on the board of directors of Montea Management NV. As a result, Gemeentelijke Holding had no further dealings with Montea from that time forward.

- **6 February 2012 – New tenant boosts the occupancy rate to 100% at the Milmort site (Liège)**

Montea and Galler Chocolatiers NV/SA have signed a new lease agreement for a fixed period of 9 years for 5,219 m² of warehouse space and 959 m² of offices. Galler Chocolatiers becomes the third tenant for the building complex at Milmort, after Vincent Logistics and S.M.I.W. This latest transaction means that the site is now fully leased.

With total floor space of 28,340 m², the building in Herstal-Milmort represents 10% of Montea's total portfolio in Belgium. The site is ideally positioned for logistics activities on account of its vicinity to the E313 motorway towards Antwerp and the E40 to Liège.


Montea « More than warehouses » - site Milmort (Luik)

Galler Chocolatiers NV/SA sells its products in over 2,000 sales outlets located in Belgium, France, Japan, Dubai and the rest of the world.

➢ **6 February 2012 – Divestment of semi-industrial building in Aartselaar**

As part of the dynamic management of its property portfolio, Montea proceeded with the sale of a semi-industrial building of 7.015 m² in Aartselaar. The transaction was sold for EUR 2.67. The sale amount is equivalent to the fair value of the site at 31/12/2011.

➢ **1 March 2012 – Amendment to the press release[2] relating to the consolidated results at 31/12/2011 due to an important event**

When Montea first went public in 2006, certain accession agreements were entered into with various third parties. In 2008, a writ was issued against Montea by one of these third parties[68], because this party was of the opinion that it had a right to contribute certain buildings. At the time, Montea refused this contribution because it believed that the required contractual conditions had not been fulfilled. Subsequent to this, the party in question took legal action to claim a principal amount of EUR 5.1 million by way of compensation from Montea. In its ruling on 28 April 2009, the Commercial Court in Brussels ruled in favour of Montea. In its judgment handed down on 21 February 2012 and received by Montea on 29 February 2012, the Court of Appeal in Brussels ruled partly in favour of the other party, awarding it a principal amount of EUR 961K by way of compensation.

Based on the facts stated above, Montea needs to make an adjustment to the consolidated results[69] at 31 December 2011. This adjustment consists of using the provision set aside in the consolidated results at 31 December 2011 of EUR 1.2 million (EUR 961K of principal and EUR 239K of interest charges and court costs).

Consequent to this adjustment:

- ✓ the consolidated net result at 31 December 2011 will change from EUR +907K to EUR -293K;
- ✓ the consolidated net current result at 31 December 2011 will change from EUR 10,244K to EUR 9,044K (due to the scheduled payment of the amount owed over the period ahead);
- ✓ consolidated shareholders' equity at 31 December 2011 will change from EUR 118,201K to EUR 117,001K.

Notwithstanding these adjustments resulting from the court ruling mentioned above, Montea Management NV's Board of Directors decided on 1 March 2012 to maintain the proposed dividend per share of EUR 1.84 already announced, which will be submitted to the general meeting of 15 May 2012.

5.9 Forecasts for the financial year 2012

5.9.1 General

Montea's business activities are affected in part by the overall economic climate. Lower economic growth can have an indirect effect on the occupancy rate and rental income. It also increases the risk that some tenants will be unable to fulfil their obligations.

At Montea, this risk is partly offset by the diversification of income streams (e.g. solar panels), geographic diversification (Belgium and France) and signing leases for longer terms with good-quality tenants from a range of different sectors.

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68 For more information, please refer to the point in our annual reports headed "Information relating to the legal action pending" (2010 annual report on page 21, 2009 annual report on page 53 and 2008 annual report on page 53), as well as the press release dated 16/2/2012 (page 20) or visit www.montea.com.

69 For more information, please refer to the press release dated 16th February 2012 or visit www.montea.com.

In 2012, 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 addition to external growth, Montea will focus on enhancing its existing portfolio:
Montea sees 3 major opportunities:

- Development of its land bank, in which Montea will work actively on marketing the remaining parcels of land in the portfolio. Montea still has opportunities in Erembodegem, Nivelles, Mechelen, Vorst, Puurs and Cambrai, for a total area of 90,500 m² [70].
- The redevelopment of the 3.5 hectares in Puurs (see footnote 46).
- 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 for sustainable development.

- **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[71].

[70] In calculating the occupancy rate, no account has been taken of this expansion potential.
[71] The estimated future fair value.

5.9.2 Specific prospects for Montea

- **Occupancy rate**

As of 31/12/2011 the occupancy rate was 96.45%.
After the end of 2011, the following transactions have had an effect on the occupancy rate:

- lease of 6,179 m² to Galler chocolatiers, meaning the site at Milmort is 100% leased;
- 4,805 m² vacant space at the site in Mechelen as a result of the end of the contract with Schenker;
- 14,034 m² vacant space at the site in Nivelles as a result of the end of the contract with DHL;
- sale of the site at Aartselaar (7,045 m²).

The contract with Salvesen (part of the site at Vorst) comes to an end in March 2012. This site will be redeveloped. Montea has planned that there will be no rental income for this site in 2012 over the next 9 months (after March 2012) (EUR 0.4 million).

With the exception of the points above, Montea expects to see no additional vacancies at its sites in 2012.

- **Net current result**

Montea achieved a net current result of EUR 1.61 per share for 2011. Without the adjustment (see chapter 3) Monteas' net current result is EUR 1.82 per share for 2011. Based on these results, taking account of the full year impact of the investments made in 2011 and an estimate of new leases for vacant space, Montea expects to equal the net current result for 2011 as a minimum.

- **Investment capacity of EUR 30 million with debt ratio of 55%**

To reach a debt ratio of 55%, Montea has an investment capacity of EUR 30 million. This investment capacity will generate an annual net yield of EUR 0.20 per share. With this additional yield per share, Montea expects to achieve the EUR 2.00 per share mark in terms of net current result.

Montea also intends to grow further based on its existing investment pipeline. Montea is examining various funding opportunities to finance these projects.

5.10 Corporate Governance statement

5.10.1 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. sicafi 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 certain directors for a period of 6 years. These directors are: 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. 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 for a period of 4 years (Philip Van gestel BVBA, represented by Philip Van gestel) and for a period of 5 years (First Stage Management NV, represented by Hugo Van Hoof and Mr Eddy Hartung) respectively. In addition, the mandate of Van Acker Gerard BVBA, represented by G. Van Acker, has been extended for a period of 3 years. This allows the sicafi a certain rotation of experience and expertise, should this be needed. See point 4.10.3.2 Board of Directors – Composition for more information;

- 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.

5.10.2 Report internal audit and risk management systems

5.10.2.1 General

The board of directors of the Company's Business Manager is responsible for assessing the risks that are characteristic of the Company and also for assessing the effectiveness of internal auditing.

In turn, the Company's executive management is responsible for putting in place a system for monitoring risk management and the effectiveness of internal auditing.

Montea organises the way the Company's internal auditing and risks are managed by:

- defining its audit environment (general legal, financial and operational context);
- identifying and ranking the main risks[72] to which the Company is exposed;
- analysing the extent to which the Company manages these risks.

As part of this process, special attention is also paid to the reliability of the reporting and financial communication process.

5.10.2.2 The audit environment

The main features of the audit environment consist of:

- The culture of risk:
  Montea conducts itself responsibly in order to generate stable, recurring income.

- A clear description of the Company's purpose:
  Montea is a leading sicafi, listed on the stock exchange, which specialises in semi-industrial and logistics property. Montea has set itself the aim of building up a diversified property portfolio that generates stable and recurrent income. In doing so, Montea allows itself to be guided by the interests of the logistics world in Belgium and France.

- A definition of the role of the various management bodies:
  Montea has a board of directors, audit committee, remuneration and nomination committee, and an investment committee. The audit committee has the specific task of handling the Company's internal audit and risk management process. In terms of financial reporting, the Company is assisted by an external adviser with regard to consolidation and accounting practices. For the accounts of the French companies, the Company is assisted by a third party, Primexis, which provides Montea with material assistance only (i.e. in no way does this involve any delegation of management tasks).

[72] We refer to chapter 1: Risk factors for the description of these risks.

- Company organisation:
  The Company is organised into various departments, which are shown in an organisation chart. Each person within the organisation is aware of what powers and responsibilities have been allocated to them.

- Measures to ensure sufficient capabilities:
  The Company assures itself that the following have sufficient skills and capabilities:
  - directors (see below): in view of their experience the directors have the skills they need to carry out their mandate, including in the area of accountancy and general financial matters, and the logistics market;
  - executive management and staff: carrying out the various functions within the Company is assured by:
    - a recruitment process based on carefully defined employee profiles;
    - an assessment policy and appropriate remuneration based on achievable and measurable objectives;
    - appropriate training for all positions within the Company.

5.10.2.3 Risk analysis and audits

Based on prioritising the risks in question, an assessment of the Company's main risks is carried out twice a year. These risks are discussed in the chapter on "Risk factors" in this report.

The Company's specific audit processes can be subdivided into the following categories:

- Audits based on statutory requirements:
  Every transaction involving the purchase or sale of property can be traced in terms of origin, the parties involved, the nature of the transaction and the time it was carried out, by using official notarised documents. For this purpose, a compliance check is carried out by an external party on behalf of the audit committee in line with the Company's articles of association.

- Audits based on internal procedures:
  - any purchase, sale and lease contract is signed by the permanent representative of the Business Manager and at least one of the Business Manager's directors;
  - incoming invoices are approved by at least 2 people (the person responsible and the manager of each department);
  - outgoing payments are approved by at least 2 people (CFO and 1 effective manager). Larger payments are also additionally approved by the CEO.

- Audits on financial matters:
  - the Company is assisted by an external adviser with regard to consolidation and accounting practices;
  - an overview is conducted systematically of any discrepancies in the actual figures, compared with the budget and actual figures of the previous year;
  - ad hoc samples are taken according to their material importance.

- Audits in the area of the main financial risks, such as:
  - consulting external database in relation to the creditworthiness of customers;
  - the proactive monitoring of interest rate risks, in which the Company is assisted by external hedging consultants.

5.10.2.4 Financial information and communication

General communication within the Company is tailored to the size of the Company. It is based mainly on general staff communication, internal work meetings and general e-mail traffic.

The process of financial information is based on retroplanning made on a quarterly, half-yearly and annual basis. The internal accounting team in Belgium and the external office in France provide the accounting figures. These figures are consolidated and verified by the controlling team, which reports to the CFO.

5.10.2.5 Supervision and assessment of internal auditing

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

- the audit committee;
- the Auditors as part of their half-yearly and annual audit of the financial figures.

5.10.3 Board of Directors and committees

5.10.3.1 General

Montea has the legal form of a partnership limited by shares and gained accreditation from the FMSA as a sicafi on 26 September 2006. This accreditation came into effect on 1 October 2006.

In accordance with the Company Code and its articles of association, Montea is managed by a statutory Business Manager/Partner, Montea Management NV ("Montea Management" or the "Business Manager"), a partnership that is jointly and severally liable, without limitation, for all commitments made by Montea and which itself is represented by its permanent representative, Jo De Wolf.

Montea Management is managed by a board of directors that carries out its tasks entirely independently, in accordance with the law and the RD on sicafi.

The structure of the partnership limited by shares is totally transparent. This means that all of the rules of the RD on sicafi apply to its management body, the statutory Business Manager, Montea Management, and the directors of Montea Management.

In this regard, Montea has expanded the principles in the area of corporate governance to the directors of the statutory Business Manager, Montea Management.

Montea's corporate governance structure, in accordance with the Belgian Corporate Governance Code 2009, can be shown diagrammatically as follows:

- the management bodies, on two levels:
  - the statutory Business Manager, Montea Management NV, represented by its permanent representative, Mr Jo De Wolf;
  - the board of directors and the individuals to whom the day-to-day management of Montea Management NV is entrusted;

- the supervisory bodies:
  - internal: supervision over day-to-day management by effective managers;
  - external: the auditors and the FSMA.

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

5.10.3.2 Board of Directors

A. Composition 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 Renumeration and 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 Business Manager's shareholders have, on the one hand, by appointing the directors, opted to appoint certain directors for 6 years. These directors are: 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. That enables them to work in Montea and assures the continuity of policy in the medium term.

On the other hand, the shareholders of the sicafi's Business Manager have opted to appoint 3 directors for 4 years (Philip Van gestel BVBA, represented by P. Van gestel) and 5 years (First Stage Management NV, represented by Hugo Van Hoof and Mr Eddy Hartung) respectively. In addition, the mandate of Van Acker Gerard BVBA, represented by G. Van Acker, has been extended for a period of 3 years, in 2011. This enables the sicafi to ensure a certain level of rotation in terms of experience and expertise, should it be necessary.

Montea shall inform the FSMA 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 Renumeration and Nomination Committee.

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 Renumeration and Nomination Committee in a timely manner.

Pursuant to article 9, §1 of the RD on sicafi, at least three directors must be independent, in the sense of article 526ter of the Company Code.

Pursuant to Article 526 of the Company Code, the following independent directors meet the independence criteria of the aforementioned Article 526: Gerard Van Acker BVBA, with its permanent representative Gerard Van Acker, Mr Eddy Hartung, the BVBA Philippe Van gestel, represented by Philippe Van gestel, and NV First Stage Management with its permanent representative Mr Hugo Van Hoof.

(iii) Composition

The Board of Directors consists of ten members[73]:

- Jo De Wolf BVBA, represented by Mr Jo De Wolf, Managing Director and Chief Executive Officer (CEO).

- 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;
  - 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 (14.80% of the shares on 31 December 2011):
  - 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.

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

- 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).
  - In December 2011, Gemeentelijke Holding NV was placed in receivership and 2 receivers were appointed, namely KPMG Bedrijfsrevisoren, represented by Mr Joris Mertens, and Quinze, represented by Mr Benoît Allemeersch, to continue the interests of Gemeentelijke Holding.
  - On 6 December 2011, Montea published the notification received from Dexia Insurance Belgium and Gemeentelijke Holding. Dexia Insurance Belgium (DIB nv) acquired, with the acquisition of a significant proportion of the participation of Gemeentelijke Holding, 7.81% of the voting rights in Montea Comm. VA (440,000 shares out of a total of 5,634,126 shares)[74].
  - On 24 January 2012, the receivers mentioned above submitted the resignation from its mandate as director of Gemeentelijke Holding, represented by Mr Carlos Bourgeois, to the board of directors of Montea Management NV.
  - On 26 January 2012, Montea published the notification received from Federale Verzekeringen and Gemeentelijke Holding. Federale Verzekeringen acquired, by taking over the remaining part of the participation of Gemeentelijke Holding, 8.09% of the voting rights in Montea Comm. VA (456,041 shares out of a total of 5,634,126 shares)[75].

  - As a result of the notifications mentioned above, Gemeentelijke Holding, represented by Mr Carlos Bourgois, is no longer a shareholder in Montea Comm.VA and Gemeentelijke Holding no longer has a mandate as director in the board of directors of Montea Management NV.

- 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.

At the annual General Meeting on 15 May 2011, the mandates of NV First Stage Management BVBA and Mr Eddy Hartung were renewed for a duration of 2 years (ill May 2013). The Board of Directors has reviewed, on the advice of the Appointment and Remuneration Committee, the achievement of these criteria and that they are in accordance with Article 526ter of the Belgian Company Code.

The mandate of BVBA Philip Van gestel, represented by Philip Van gestel was, on the advice of the remuneration and nomination committee, shortened to a term of 3 years (until May 2013) in order to comply with the independence criteria of article 526ter of the Company Code.

[74] For more information, please refer to the press release dated 6/12/2011 or visit www.montea.com.
[75] For more information, please refer to the press release dated 6/12/2011 or visit www.montea.com.

The mandate of Van Acker Gerard BVBA, represented by Gerard Van Acker, expires on 15/05/2012 but, on the advice of the remuneration and nomination committee, was renewed early for a period of 3 years (until May 2014) in order to comply with the independence criteria of article 526ter of the Company Code.

At the present time, the board of directors has no female member. The board of directors is aware that by 1 March 2017, at least 1/3 of directors' mandates must be held by persons of the female gender. Four mandates expire at the shareholders meeting in 2012. When assessing the possible extension of these mandates or replacing the directors in question, the board of directors will take account of the legal requirement.

(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 – Prolonged till May 2014

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: L&C NV, Cerestre.
b. The current mandates:
   Since 2003 he has been director of the companies Accent, Jobs for People, Trust Capital, Exequtes Group, Elsyca, Capricorn, Venture Partners and Chairman of the Board of Directors of Capital E, Carestre and BI3 Fund. In some of these companies and non-profit associations 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 Belgium. As of 5 November 2008, 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 – Prolonged till May 2013

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. Until May 2011: Director of BVS-UPSI (Professional Association of the Property Sector).

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), Sofrigam SA in France, Biominerals NV and Conforma NV in Belgium via Innovi NV as permanent representative.

The mandate of NV First Stage Management, represented by Hugo Van Hoof, ended on 17 May 2011 but was, on the advice of the remuneration and nomination committee, renewed for a period of 2 years (until May 2013) in order to comply with the independence criteria of article 526ter of the 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 Leuven Ghent Management School 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. Since May 2011: Director of BVS-UPSI (Professional Association of the Property Sector).

Jo De Wolf BVBA, represented by Mr Jo De Wolf, is 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 Montea. 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 and of DDS sarl (France); Manager (Geschäftsführer) van Deutsche Lagerhaus Trilogiport GmbH & Co KG (Germany and Belgian fixe institution); 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.

The mandate of Eddy Hartung ended on 17 May 2011 but was, on the advice of the remuneration and nomination committee, renewed for a period of 2 years (until May 2013) in order to comply with the independence criteria of article 526ter of the 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 – Shortened till May 2013

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.

The mandate of BVBA Philip Van gestel, represented by Philip Van gestel was, on the advice of the remuneration and nomination committee, shortened to a period of 3 years (until May 2013) in order to comply with the independence criteria of article 526ter of the Company Code.

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 Montea. The Board of Directors of Montea Management NV has the following specific duties in this context:

- defining the strategy of Montea, 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 2011 the Board of Directors met seven 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 2011
Van Acker Gerard SPRL, represented by Gerard Van Acker	Chairman	Independant Administrator	May 2014	7/7
First stage management SA, represented by par Hugo Van Hoof	Vice-president	Independant Administrator	May 2013	6/7
Jo De Wolf SPRL, represented by Jo De Wolf	Delegated Administrator and CEO (*)	Delegated Administrator	May 2016	7/7
André Bosmans Management SPRL, represented by André Bosmans	Administrator	Banimmo	May 2012	7/7
Stratefin Management SPRL, represented by Christian Terlinden	Administrator	Banimmo	May 2012	7/7
Holding Communal, represented by Carlos Bourgeois	Administrator	Holding Communal	May 2012	5/7
DDP Management SPRL, represented by Dirk De Pauw	Administrator	Family De Pauw	May 2012	7/7
PSN Management SPRL, represented by Peter Snoeck	Administrator and COO	Family De Pauw	May 2012	7/7
Eddy Hartung	Independant Administrator	Independant Administrator	May 2013	6/7
Philip Van gestel SPRL, represented by Philip Van gestel	Independant Administrator	Independant Administrator	May 2013	7/7

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

- review and discussion of the reports 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 Belgian Corporate Governance 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, of which the composition 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.

The board of directors has, after the reappointment of certain directors, reevaluated last year the composition of the committees after advice of the remuneration and nomination committee.

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, experience 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, composition, functioning and performance, 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.

The board of directors is assisted in this by the remuneration and nomination committee, as well as by any external experts, as required.

The contribution of each director is assessed on a periodic basis so that in the event of changing circumstances, the composition of the board of directors can be modified. In the event of a re-appointment, an assessment is conducted of the director's contribution based on a previously defined and transparent procedure.

The board of directors ensures that directors can be monitored. It also sees to it that all appointments and re-appointments of both executive and non-executive directors allow for an even balance of qualifications and experience within the board of directors to be maintained.

5.10.3.3 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 3 independent directors:

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

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 among others the relevant experience:

- 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 can 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 2011 the audit committee was convened four times. The members' attendance was as shown in the table below:

Name	Function	Attendance list in 2011
First stage management SA, represented by Hugo Van Hoof	Administrator and Chairman	3/5
Van Acker Gerard SPRL, represented by Gerard Van Acker	Independant Administrator	5/5
Eddy Hartung	Independant Administrator	5/5

In the absence of First Stage Management NV, represented by Hugo van Hoof, the chairmanship of the audit committee was taken over by Mr Eddy Hartung.

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 two meetings, previous points were also discussed with the auditor. At all meetings, previous points were also discussed with the CEO and 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.

5.10.3.4 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 has the necessary expertise in the area of remuneration policy on account of their far-ranging professional experience. Reference can be made in the matter to the broad experience and expertise of Van Acker Gerard BVBA, represented by Gerard Van Acker. Among other things, Mr Van Acker has the following relevant experience:

- former chairman of the remuneration and nomination committee for the BESIX group (2003-2005);
- current member of the remuneration and nomination committee for IMEC vzw and VIB vzw.

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 2011
Van Acker Gerard SPRL, represented by Gerard Van Acker	Independant Administrator	3/3
Stratefin Management SPRL, represented by Christian Terlinden	Administrator	3/3
Eddy Hartung	Independant Administrator	3/3

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 option plan.

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.

5.10.3.5 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[76]:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee, Director and responsible for business development in France;
- First Stage Management NV, represented by Hugo Van Hoof, vice president, independent director;
- Jo De Wolf BVBA, represented by Mr Jo De Wolf, Managing Director and Chief Executive Officer (CEO);
- 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;
- Peter Verlinde (CFO);
- PDM cv, represented by Peter Demuynck (COO);
- Jean de Beaufort (Directeur Général of the French business unit).

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 2011, the Investment Committee met nine times. The members' attendance was as shown in the table below:

Name	Function	Attendance list in 2011
DDP Management SPRL, represented by Dirk De Pauw	Chairman	10/10
Jo De Wolf SPRL, represented by Jo De Wolf	Member	10/10
First stage management SA, represented by Hugo Van Hoof	Member	9/10
PSN Management SPRL, represented by Peter Snoeck	Member	9/10
Peter Verlinde	Member	10/10
PDM cv, represented by Peter Demuynck	Member	10/10
Jean de Beaufort	Member	10/10
Amaury de Crombrugghe SPRL, represented by Amaury de Crombrugghe	Member	10/10

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

5.10.4 Executive management and executive board

A. Composition of the executive management and executive board

(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 2011, the executive management consisted of[77]:

(i) Jo De Wolf BVBA, represented by Mr Jo De Wolf, in the position of CEO;
(ii) PSN Management BVBA, represented by Mr Peter Snoeck, in the position of COO;
(iii) Peter Verlinde, in the position of CFO;
(iv) Peter Demuynck cv, represented by Mr Peter Demuynck, in the position of CCO;
(v) 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

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.

[77] On 1 January 2011 the executive management was completed upon the appointment of Peter Demuynck, in the position of commercial director (CCO). See press release dated 25 November 2010. Mr Peter Verlinde, PDM cv, represented by Mr Peter Demuynck and Mr Jean de Beaufort have no decision-making powers.

C. Functioning of the executive management and daily management

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.

5.10.5 Remuneration Report

5.10.5.1 The Statutory Manager

A. Remuneration policy

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[78] 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.

[78] 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. The variable remuneration amounts to EUR 26,579 and is calculated on base of the corrected result without the adjustment (see chapter 3). Taking into account the adjustment (see chapter 3) the variable corrected result amounts to EUR 23,296. In the consolidated results a variable remuneration of EUR 26,579 is taken.

B. Remuneration for the financial year 2011

During the financial year ending on 31 December 2011, 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.

This remuneration policy will, in accordance with the articles of association, continue to apply for the next 2 financial years.

5.10.5.2 The Board of Directors and its committees

A. Remuneration policy

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.

All members of the Board are also covered by a civil liability insurance for directors, whose total premium of EUR 16,919.26 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.

Montea is currently assessing the various remunerations of the members of the board of directors and its committees. Any changes to this remuneration will be submitted to the next general meeting of shareholders of Montea Management NV.

B. Remuneration for the financial year 2011

The attendance fee for FY 2011 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 2011 were set at: EUR 500 per meeting for the chairman of the committee and EUR 300 per meeting for members.

For directors, this means that for FY 2011, 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 €	7.000,00 €	1.500,00 €	1.500,00 €	**60.000,00 €**
First Stage Management SA, represented by Hugo Van Hoof	Vice-President	Independant administrator		6.000,00 €	1.500,00 €		**7.500,00 €**
Jo De Wolf SPRL, represented by Jo De Wolf	Delegated Administr. and CEO	Delegated Administ.					**0,00 €**
André Bosmans Management SPRL, represented by André Bosmans	Administrator	Banimmo		7.000,00 €			**7.000,00 €**
Stratefin Management SPRL, represented by Christian Terlinden	Administrator	Banimmo		7.000,00 €		900,00 €	**7.900,00 €**
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		6.000,00 €	1.600,00 €	900,00 €	**8.500,00 €**
Philip Van gestel SPRL, represented by Philip Van gestel	Independant administrator	Independant administrator		7.000,00 €			**7.000,00 €**
			50.000,00 €	**45.000,00 €**	**4.600,00 €**	**3.300,00 €**	**102.900,00 €**

5.10.5.3 The Investment Committee

Remuneration policy and remuneration for the financial year 2011

Only Amaury de Crombrugghe BVBA and First Stage Management NV receive a compensation of EUR 1,000 per meeting attended.

This remuneration policy will, subject to any unforeseen circumstances, continue to apply for the next 2 financial years.

5.10.5.4 The executive management

A. Remuneration policy

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

The remuneration for people responsible for day-to-day management 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.

Nor the fixed remuneration, nor the variable remuneration of members of the executive management may not be determined based on the executed operations and transactions by Montea or its subsidiaries.

For example, if they are eligible for variable remuneration, the criteria that make up all or part of the variable remuneration that depends on the results must relate exclusively to the consolidated net result, with the exception of any fluctuations in the fair value of the assets and hedging instruments.

This remuneration policy will, subject to any unforeseen circumstances, continue to apply for the next 2 financial years.

B. Remuneration in the financial year 2011

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.

The variable remuneration of the CEO was set at the beginning of FY 2011 by the Remuneration Committee based on the four following targets, representing each 25% of the possible variable remuneration:

- external growth of the portfolio as a result of the implementation of the proposed investment plan;
- internal growth of the portfolio as a result of the establishment and implementation of the proposed investment plans on the existing portfolio that improve the quality of the portfolio;
- maintaining the occupancy rate at the level of the previous year;
- the development of “property management” in France;

Each year, through an assessment interview with the Chairman of the board of directors, it will be determined whether the proposed objectives have been achieved, either in full or in part. This assessment (and any variable remuneration) will be discussed by the remuneration and nomination committee and then submitted to the next meeting of the board of directors.

The variable remuneration for the FY 2011 of the other members of the executive management was set at the beginning of FY 2011 by the Remuneration Committee based on:

- the further growth of the portfolio as a result of 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 leasing vacant space in Belgium and France;
- the further development of investor relations.

Each year, through an assessment interview with the CEO, it will be determined whether the proposed objectives have been achieved, either in full or in part. This assessment (and any variable remuneration) will be discussed by the remuneration and nomination committee and then submitted to the next meeting of the board of directors.

At the remuneration committee meeting held on 17 January 2012, the following objectives for 2012 and 2013 for the executive management were discussed and established:

- for the CEO:
  - invest EUR 80 million via internal and external growth in Belgium and France;
  - further development of investor relations with institutional parties in Belgium and France in order to support further growth;
  - develop relations with French banks;
  - redefine Montea’s corporate image;
  - retain 95% occupancy rate in Belgium and France;
  - redevelopment of the site in Vorst.

- for the other members of executive management:
  - invest EUR 80 million via internal and external growth in Belgium and France;
  - develop cooperative links with third parties;
  - develop the existing land bank;
  - further divestment of 2 sites;
  - retain 95% occupancy rate in Belgium and France;
  - redevelopment of the site in Vorst;
  - further development of investor relations with institutional parties in Belgium and France in order to support further growth;
  - develop relations with French banks;
  - implement a new MCS software system for managing all sites more efficiently.

The contracts of executive management do not provide for any claim back clauses in relation to bonuses.

During the financial year ending 31 December 2011, executive management[79] received the following fixed and variable remuneration:

Name	Fixed remuneration	Variable remuneration	Pension compensation	Other renumerations and advantages (*)	Total
BVBA Jo De Wolf	256.099,95 €	85.040,00 €	0,00 €	0,00 €	**341.139,95 €**
Other members of the executive management (*)	729.947,57 €	153.265,00 €	7.830,00 €	16.433,12 €	**907.475,69 €**
	986.047,52 €	**238.305,00 €**	**Nihil**	**16.433,12 €**	**1.248.615,64 €**

(*) Other elements contain the benefit of hospitalisation insurance, company car and mobile phone.

C. Share options

A share option plan was approved at the meeting of the board of directors held on 14 November 2011 for all members of executive management, including executive directors. The main features of the share option plan are as follows:

- Option plan to run for 10 years (expiry date 31/12/2021);
- Allocation of the number of shares based on one-third per year for the first three years;
- Retention period of 3 years during which the options cannot be exercised;
- Option exercise price of EUR 24.06.

This share option plan is in no way linked to any objectives that any member of executive management may have in exercising his or her tasks.

The table below gives an overview of the beneficiaries of the share option plan, with the number of shares allocated.

Name	Number of options
Jo De Wolf SPRL, represented by Jo De Wolf	5.400
PSN Management SPRL, represented by Peter Snoeck	3.900
PDM cv, represented by Peter Demuynck	3.900
Peter Verlinde	3.900
DDP Management SPRL, represented by Dirk De Pauw	1.300
Jean de Beaufort	3.900

[79] Executive management consists of 5 members (see point 4.10.4).

D. Payments made on departure

The management agreement entered into between the CEO and Montea provides for a one-off equivalent payment of 6 months (fixed and variable part) in the event of the agreement being terminated prematurely.

The management agreements of the other members of executive management provide for the allocation of a one-off equivalent payment of 1 to 12 months in the event of the agreement being terminated prematurely. The statutory terms regarding employment agreements are not departed from in the employment agreements.

The summary below gives an overview of the payments made on departure for members of executive management.

Name	Departure indemnity
Jo De Wolf SPRL, represented by Jo De Wolf	6 months
PSN Management SPRL, represented by Peter Snoeck	12 months
PDM cv, represented by Peter Demuynck	3 months (*)
Peter Verlinde	(**)
Jean de Beaufort	(**)

(*) this is increased by 1 month for each year of service, with a maximum of 6 months.
(**) payments made on departure are determined in accordance with the statutory terms regarding employment agreements.

5.10.6 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.

5.10.7 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) was appointed Compliance Officer of Montea.

5.10.8 Other persons involved

5.10.8.1 Auditor

The Auditor is appointed by the General Meeting of shareholders, and is chosen from the list of auditors approved by the FSMA. 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 FSMA 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 FSMA 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 FSMA 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 2011, 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 38,147.01 (excl. VAT). Besides the mentioned fees, no other fees paid are to the Auditor.

5.10.8.2 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.

At the meeting of the board of directors held on 14 November 2011, the appointment of Crombrugghe & Partners NV, represented by Mr Pascal van Humbeeck was approved for a period of 3 years. The contract may be terminated on an annual basis and is drawn up in accordance with the new RD.

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.

The fees of the property experts are calculated on the basis of a fixed cost per site in Belgium and 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.

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.

For the financial year ending 31 December 2011 the total amount of fees paid in the context of these tasks was EUR 78,122.15 (excl. VAT) in Belgium and EUR 63,902.10 (excl. VAT) in France.

5.10.8.3 Depository bank

Pursuant to the new RD on sicafi, the obligation to appoint a custodian contained in the amended articles of association of 7 May 2011 was removed. The contract with the custodian was terminated on 31 August 2011 and came into effect 3 months after the date of the registered letter, i.e. 30 November 2011.

For the financial year ending on 31 December 2011, its remuneration amounted to EUR 15,583.33 (till 30/11/2011). The remit of this depository bank included:

- 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 FSMA.

5.10.9 Activities in the field of research and development

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

5.10.10 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 FSMA 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 course of the financial year, the sicafi carried out no transactions in the sense of the RD of 10 April 1995, nor in the sense of the RD of 7 December 2010 (which superseded the RD of 10 April 1995 and came into effect on 7 January 2011).

5.10.11 Transparency Reporting

Any person who directly or indirectly acquires voting securities of the company, should declare to the FSMA, 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[80] of 5%, 10%, 15%, etc., each time at intervals of 5% points, are reached or fall below that threshold.

- **15 March 2011 – Notification by Banimmo pursuant to the Law of 2 May 2007**

Prior to this notification, Banimmo held 23.15% of the voting rights. On 15 March 2011, Banimmo owned 17.67% of the voting rights in Montea Comm. VA (995,527 shares on a denominator of 5,634,126 shares).

- **15 March 2011 – Notification by Federale Verzekeringen pursuant to the Law of 2 May 2007**

As a result of this notification, Federale Verzekeringen holds 4.44% of the voting rights in Montea Comm. VA (250,000 shares on a denominator of 5,634,126 shares).

- **4 July 2011 – Notification by Banimmo pursuant to the Law of 2 May 2007**

On 4 July 2011, the number of voting rights held by Banimmo was reduced from 17.67% to 14.80% (833,934 shares on a denominator of 5,634,126 shares).

- **28 November 2011 – Notification by Dexia Insurance Belgium (DIB) and Gemeentelijke Holding pursuant to the Law of 2 May 2007**

Dexia Insurance Belgium (DIB) acquired, by taking over a major proportion of the participation of Gemeentelijke Holding, 7.81% of the voting rights in Montea Comm. VA (440,000 shares on a denominator of 5,634,126 shares).

On 28 November 2011, the number of voting rights held by Gemeentelijke Holding was reduced from 11.43% to 3.62% (204,041 shares on a denominator of 5,634,126 shares).

5.10.12 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)[81]

5.10.12.1 Capital structure (on 31 December 2011)

The capital is 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).

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

[81] 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.

5.10.12.2 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[82].

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 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.

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 FSMA 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.

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

5.10.12.3 Authorised capital

The Manager has the explicit authorisation of increasing the share capital one or more times, to a maximum amount of EUR 108,000,000 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 20/04/2016). These capital increases may be in cash, by contribution in kind or by the conversion of reserves.

5.10.12.4 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.

5.10.12.5 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.

6. The Montea share

6.1 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.

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

Based on the closing price on 31/12/2011 (EUR 24.52), Montea shares were 6.7% above the value of the net assets per share (excl. IAS39).

2011 was characterised in general by the economic and financial crisis. Taking account of the closing price on 31/12/2011, Montea shares, in the difficult year of 2011, rose by 4.4% (3.2% if the average price over 2011 and 2010 is taken into account). This is in sharp contrast with the BEL20 index, which fell 20.8% during the year.

Montea's board of directors will propose to the General Meeting that a dividend of EUR 1.84 per share be paid. This corresponds with a gross dividend of 7.5%.

Key figures for the Montea share:

STOCK MARKET PERFORMANCE	31/12/2011	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Share price (€)					
At close	24,52	23,49	24,89	27,00	31,99
Highest	26,00	26,89	30,99	35,25	37,00
Lowest	22,65	19,80	21,81	23,00	30,21
Average	24,60	23,83	24,69	30,84	33,82
Net asset value / share (€)					
Incl. IAS 39	20,75	22,01	23,53	28,60	31,10
Excl. IAS 39	22,75	23,14	25,77	30,26	30,80
Premium / (discount) (%)	**7,8%**	**1,5%**	**-3,4%**	**-10,8%**	**3,9%**
Dividend return (%)	**7,5%**	**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 (en nombre de titres)					
Volume journalier moyen	1.378	1.740	1.033	1.061	1.333
Volume of the period	354.053	450.701	264.394	271.641	341.241
Number of shares	5.634.126	5.634.126	3.585.354	3.585.354	2.855.607
Market capitalisation ('000 euros)					
Market capitalisation at the end of the period	138.149	132.346	89.239	96.805	91.351
Free Float	35,2%	31,3%	30,1%	30,1%	37,3%
Ratios (%)					
"Velocity"	6,3%	9,8%	7,4%	7,6%	11,9%
Free Float "Velocity"	17,9%	31,7%	24,5%	25,1%	32,0%

Return on Dividend (%):	Gross dividend divided by the average share price.
Gross Return (%):	Evolution of the share since the IPO + dividends, divided through the average share price.
"Velocity":	Volume over the period divided by the number of shares.
Free Float "Velocity":	Volume over the period divided by the number of shares of the Free Float.

6.2 Shareholder status of Montea per 31 December 2011

Number of shares	5,634,126	
Family De Pauw	1,674,287	29.72%
Banimmo	833.934	14,80%
Dexia Insurance Belgium (DIB)	440.000	7,81%
Family De Smet	158,431	4.42%
Federale Verzekering	250,000	4.44%
Gemeentelijke Holding	204,041	3.62%
Free Float	1,982,905	35.19%

On 23 January 2012, Federale Verzekeringen informed Montea that it had increased its holding in Montea from 4.44% to 8.09% as a result of acquiring the remaining shares of Gemeentelijke Holding (456,041 shares on a denominator of 5,634,126 shares). By doing so, Federale Verzekeringen, which is a particularly stable player in the insurance market, confirmed its confidence in Montea's ambitious growth plans.

In March 2011, Federale Verzekeringen acquired its initial holding in Montea of 4.44%.

As of 23 January 2012, the shareholding in Montea is broken down as follows:

Number of shares issued	**5,634,126**	
Family De Pauw	1,674,287	29.72%
Banimmo	833,934	14.80%
Dexia Insurance Belgium (DIB)	440,000	7.81%
Family De Smet	248,959	4.42%
Federale Verzekering	456,041	8.09%
Free Float	1,980,905	35.16%

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.

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 by shares is that the statutory Manager has a veto on all important decisions of the General Meeting.

6.3 Family relationships between shareholders, directors and effective leader

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 FSMA, in press releases and this information can also be found on the Montea website.

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.

The Family De Smet act in concern as shown by the notification that was given to the FSMA and in the information that can be found on the Montea website.

6.4 Shareholders agenda

1.	16/02/2012	Annual results per 31/12/2011
➢	14/05/2012	Annual General Meeting of shareholders
➢	16/05/2012	Interim statement – results per 31/03/2012
➢	23/08/2012	Half-yearly financial report – results per 30/06/2012
➢	08/11/2012	Interim statement – results per 30/09/2012

7. Corporate social responsibility

As a benchmark player in the logistics and semi-industrial property sector, Montea makes every effort to conduct itself as a socially responsible company. For this reason, Montea is involved in an ongoing improvement process in which economic, environmental and social considerations are systematically taken into account in the way the business is conducted on a day-to-day basis. Montea aims not only to comply with statutory requirements, but through its initiatives and actions, seeks to go further than the legislation in effect.

Montea's management is convinced that taking a responsible approach to these activities is a decisive factor in the company's sustainability.

Montea's most important values are focused on:

- strong personal commitment to its customers, the team, stakeholders, shareholders and partners;
- creativity, flexibility, innovation and dynamism;
- integrity, trust and pragmatism;
- respect for others and for the environment;
- ambition and perfectionism.

Montea applies the following principles based on these values:

- creating a committed work environment that is pleasant and positive and has respect for others;
- contributing positively to the environment on a day-to-day basis;
- the importance of diversity for the proper operation of the organisation;
- applying higher quality standards as part of strategy and the goals established.

7.1 Implementation of the "Blue Label" plan

Montea recently began using its own "**Blue Label**". In 2011, Montea developed this "Blue Label" plan further, in conjunction with outside specialists. The plan encompasses Montea's overall approach with regard to sustainability, both for its existing portfolio and for new investments.

There are various standards worldwide in relation to sustainability for the property sector. The best known of these are: HQE (France), BREEAM (UK standard) and LEED (US standard). Montea has included the most important standards in its "Blue Label" plan.

"Blue Label" includes:

- an efficient approach to energy, water and waste management;
- cost-conscious and proactive maintenance management;
- limiting CO2 emissions;
- creating comfort and safety in the work environment;
- risk management;
- monitoring and improving energy consumption;
- document management and making documents available to customers and partners;
- the repeated screening of the property portfolio and related activities.

7.2 Sustainable development

As a responsible company, Montea is well aware of the potential consequences of its business activities for the environment in the broad sense of the word and as such it subscribes to targets in relation to sustainable development.

The company undertakes to manage its property assets with respect for the following aspects:

7.2.1 Energy management

Montea has developed a rational policy aimed at optimising the use of energy (modifications to the lighting, heating and sanitation systems, structural changes in the area of insulation when conducting refurbishment works, etc.).

In 2011, +/- 80% of the existing portfolio underwent an energy scan under the guidance of a specialised study bureau. The aim of these energy scans was to check on the potential for saving energy. Using a detailed analysis, the study bureau sought answers to the following questions: what usage can be avoided?, which solutions require the least maintenance?, which technologies and systems are the cheapest in relation to what they provide?, what modification works need to be carried out?, etc. The possible risks were carefully analysed. Then, using these energy scans, an investment plan was drawn up aimed at optimising energy usage for the existing property portfolio.

Montea has also taken the initiative to equip the sites at Erembodegem, Mechelen, Milmort and Heppignies with a monitoring system. This system not only measures electricity consumption on a daily basis, but also gas and water usage. This monitoring enables Montea to monitor its energy management closely and to make adjustments when there is extreme consumption.

7.2.2 Solar panels

In 2011 as part of the sustainable development process, Montea installed solar panels at its sites in Grimbergen, Puurs, Bornem and Herentals. Under the guidance of specialist companies, the panels installed have an estimated total output of 2.35 MegaWattPiek, which is the average annual electricity consumption of more than 650 homes. Through this investment, Montea is also reducing the CO_2 emissions of the buildings by more than 600 tons a year.

In 2010, Montea leased the roofs of its sites in Aalst and Mechelen for the installation of solar panels. In 2011, Montea opted to invest itself in the development of solar energy projects. This decision is part of Montea’s strategy, in consultation with its tenants, to increase the sustainability of its sites and achieve the aim of efficient energy management. For this reason, the energy generated by the panels is made available in the first instance to tenants, with any unsold energy being channelled into the grid.

This operation enables Montea to reaffirm its focus on optimising the sustainability and quality of its property portfolio.

7.2.3 Facility Management programma

At the end of 2011, the implementation of a Facility Management programme was introduced. This programme consists on the one hand of an internal management system, while also offering tenants access to a secure webportal, “My Montea”. The Facility Management programme provides a/o the following applications:

- managing energy scans (see the point on energy management): if extreme readings are noted from these energy scans, the monitoring system sends an alarm to the facility management programme. This enables Montea to monitor its energy management closely and to make adjustments where necessary;
- making documents available: tenants are able to use the secure “My Montea” webportal to monitor all communication with Montea. They can view documents at any time (plans, inspection certificates, maintenance diagrams, lease agreements, invoices, etc.) that are associated with the leased building.
- control system for customer invoices.

Implementation of the facility management programme fits in perfectly with the “Blue Label” plan, as well as the transparency that Montea seeks to give tenants and partners.

7.2.4 Waste management

Montea encourages its tenants to sort their waste, making separate containers available and offering solutions for waste collection.

8. Consolidated and statutory financial statements as of 31 ecember 2011[83]

8.1 Consolidated balance sheet as of 31 December 2011

		(EUR x 1.000)	Comments	31/12/2011 Conso	31/12/2010 Conso	31/12/2009 Conso
I.		**NON-CURRENT ASSETS**		**253.631**	**236.466**	**207.364**
	A.	Goodwill		0	0	0
	B.	Intangible assets	18	52	83	107
	C.	Investment properties (incl. Development projects)	19	245.131	234.175	206.253
	D.	Other tangible assets	20	8.087	272	237
	E.	Financial fixed assets	21	0	1.359	0
	F.	Financial lease receivables		0	0	0
	G.	Participations consolidated with the equity method	22	361	576	767
	H.	Trade receivables and other non-current assets		0	0	0
	I.	Deffered taxes (assets)		0	0	0
II.		**CURRENT ASSETS**		**15.851**	**22.333**	**8.900**
	A.	Assets held for sale	23	2.541	0	0
	B.	Current financial assets		0	0	0
	C.	Financial lease receivables		0	0	0
	D.	Trade receivables	24	6.269	6.215	3.112
	E.	Tax receivables adn other current assets	25	989	1.409	1.136
	F.	Cash and cash equivalents	26	4.948	14.119	4.077
	G.	Deffered charges and accrued income	27	1.104	590	575
		TOTAL ASSETS		**269.482**	**258.799**	**216.264**
		SHAREHOLDERS' EQUITY		**117.001**	**124.107**	**84.470**
I.		**Shareholders' equity attributable to shareholders of parent company**		**116.896**	**124.006**	**84.381**
	A.	Share capital	28	107.329	107.329	68.964
	B.	Share premiums	28	543	543	0
	C.	Reserves	29	9.322	7.923	18.460
	D.	Result	30	-297	8.211	-3.043
II.		**Minority interests**	31	**104**	**101**	**88**
		LIABILITIES		**152.481**	**134.692**	**131.795**
I.		**Non-current liabilities**		**116.055**	**69.539**	**126.796**
	A.	Provisions		0	0	0
	B.	Non-current financial debts	32	104.320	61.424	118.413
	C.	Other non-current financial liabilities	33	11.304	7.746	8.030
	D.	Trade debts and other non-current debts		0	0	0
	E.	Other non-current liabilities	34	431	369	354
	F.	Deferred taxes - liabilities		0	0	0
II.		**Current liabilities**		**36.425**	**65.153**	**4.999**
	A.	Provisions	35	1.200	0	0
	B.	Current financial debts	32	26.782	56.781	581
	C.	Other current financial liabilities		0	0	0
	D.	Trade debts and other current debts	36	2.735	3.264	2.486
	E.	Other current liabilities	36	194	785	198
	F.	Accrued charges and deferred income	37	5.514	4.323	1.733
		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**269.482**	**258.799**	**216.264**

[83] The compared figures of the financial year 2011 with 2010 and 2009, were also modified according to the new scheme in accordance with the new Royal Decree of 7 December 2010 on Sicafi.

Below you'll find a fair value hierarchy and a comparison between the fair value and the accounting value of all financial assets and passiva end this accoding to IFRS 7 paragraph 25 and 27A.

		(EUR x 1.000)	31/12/2011 Conso	31/12/2011 AC (1)	31/12/2011 Level 1 (2)	31/12/2011 Level 2 (3)	31/12/2011 Level 3 (4)
I.		**NON-CURRENT ASSETS**	**253.631**	**8.500**	**0**	**0**	**245.131**
	A.	Goodwill	0	0	0	0	0
	B.	Intangible assets	52	52	0	0	0
	C.	Investment properties (incl. Development projects)	245.131	0	0	0	245.131
	D.	Other tangible assets	8.087	8.087	0	0	0
	E.	Financial fixed assets	0	0	0	0	0
	F.	Financial lease receivables	0	0	0	0	0
	G.	Participations consolidated with the equity method	361	361	0	0	0
	H.	Trade receivables and other non-current assets	0	0	0	0	0
	I.	Deffered taxes (assets)	0	0	0	0	0
II.		**CURRENT ASSETS**	**15.851**	**13.310**	**0**	**0**	**2.541**
	A.	Assets held for sale	2.541	0	0	0	2.541
	B.	Current financial assets	0	0	0	0	0
	C.	Financial lease receivables	0	0	0	0	0
	D.	Trade receivables	6.269	6.269	0	0	0
	E.	Tax receivables adn other current assets	989	989	0	0	0
	F.	Cash and cash equivalents	4.948	4.948	0	0	0
	G.	Deffered charges and accrued income	1.104	1.104	0	0	0
		TOTAL ASSETS	**269.482**	**21.810**	**0**	**0**	**247.672**
		SHAREHOLDERS' EQUITY	**117.001**	**117.001**	**0**	**0**	**0**
I.		**Shareholders' equity attributable to shareholders of parent company**	**116.896**	**116.896**	**0**	**0**	**0**
	A.	Share capital	107.329	107.329	0	0	0
	B.	Share premiums	543	543	0	0	0
	C.	Reserves	9.322	9.322	0	0	0
	D.	Result	-297	-297	0	0	0
II.		**Minority interests**	**104**	**104**	**0**	**0**	**0**
		LIABILITIES	**152.481**	**141.177**	**0**	**11.304**	**0**
I.		**Non-current liabilities**	**116.055**	**104.751**	**0**	**11.304**	**0**
	A.	Provisions	0	0	0	0	0
	B.	Non-current financial debts	104.320	104.320	0	0	0
	C.	Other non-current financial liabilities	11.304	0	0	11.304	0
	D.	Trade debts and other non-current debts	0	0	0	0	0
	E.	Other non-current liabilities	431	431	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0	0
II.		**Current liabilities**	**36.425**	**36.425**	**0**	**0**	**0**
	A.	Provisions	1.200	1.200	0	0	0
	B.	Current financial debts	26.782	26.782	0	0	0
	C.	Other current financial liabilities	0	0	0	0	0
	D.	Trade debts and other current debts	2.735	2.735	0	0	0
	E.	Other current liabilities	194	194	0	0	0
	F.	Accrued charges and deferred income	5.514	5.514	0	0	0
		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**269.482**	**258.178**	**0**	**11.304**	**0**

(1) Amortized costs
(2) Market value in the active market based on a same product or activity
(3) Market value in the active market based on a silimar product or activity
(4) Market value in the active market based on other valuation methods

8.2 Consolidated summary of realised and non-realised results before profit distribution as of 31 December 2011

	(EUR x 1.000)	Comments	31/12/2011 12 months	31/12/2010 12 months	31/12/2009 12 months
I.	Rental Income	1	19.372	17.097	16.334
II.	Write-back of lease payments sold and discounted		0	0	0
III.	Rental relates charges	2	-97	-56	-153
	NET RENTAL INCOME		**19.275**	**17.041**	**16.181**
IV.	Recovery of property expenses		0	0	0
V.	Recovery of charges and taxes normally payable by tenants on let properties	3	3.256	2.519	2.192
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	3	-4.069	-3.596	-2.700
VIII.	Other rental-related income and expenses	4	607	560	-259
	PROPERTY RESULT		**19.069**	**16.523**	**15.415**
IX.	Technical costs	5	-53	-110	-54
X.	Commercial costs	6	-135	-93	-76
XI.	Charges and taxes of unlet properties		0	0	0
XII.	Property management costs	7	-702	-520	-411
XIII.	Other property charges	8	-102	-111	-116
	TOTAL PROPERTY CHARGES		**-992**	**-833**	**-657**
	OPERATING PROPERTY RESULT		**18.078**	**15.690**	**14.758**
XIV.	General costs	9	-2.620	-2.399	-2.080
XV.	Other operating income and expenses	10	-952	-73	747
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**14.506**	**13.218**	**13.425**
XVI.	Result on disposals of investment properties	11	0	548	0
XVII.	Result on disposals of other non-financial assets		0	0	0
XVIII.	Result in the fair value of investment properties	12	-4.420	-1.906	-16.033
XIX.			0	0	0
	OPERATING RESULT		**10.086**	**11.860**	**-2.608**
XX.	Financial income	13	84	13	24
XXI.	Interest charges	14	-5.478	-5.276	-5.984
XXII.	Andere financial charges	15	-30	-17	-14
XXIII.	Andere financial charges	16	-4.918	1.643	-2.089
	FINANCIAL RESULT		**-10.341**	**-3.637**	**-8.064**
XXIV.	Income from participations consolidated with the equity method		0	0	0
	RESULT BEFORE TAXES		**-255**	**8.223**	**-10.672**
XXV.	Corporate income tax	17	-38	0	-9
XXVI.	Exit tax		0	0	0
	TAXES		**-38**	**0**	**-9**
	NET RESULT		**-293**	**8.224**	**-10.682**
	Distributable to:				
	Shareholders		-297	8.212	-10.675
	Minority interests		4	12	-7
	NET CURRENT RESULT (3)		**4.127**	**9.582**	**5.352**
	NET CURRENT RESULT (excl. IAS 39) (4)		**9.044**	**7.938**	**7.469**
	Number of shares entitled in the result of the period		5.634	4.610	3.585
	NET RESULT PER SHARE		**-0,05**	**1,41**	**-2,98**
	NET CURRENT RESULT PER SHARE (excl. IAS 39)		**1,61**	**1,79**	**2,08**

(1) The average number of shares in 2010 is calculated as follow: the average number of shares of the first semester 3.585.354 + the average number of shares of the second semester 5.634.126 aandelen

8.3 Consolidated overall result before the distribution of profit as of 31 December 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR)	31/12/2011 12 months	31/12/2010 12 months	31/12/2009 12 months
Net result	**-293**	**8.224**	**-10.682**
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investments investment properties	-1.099	-1.394	437
Impact on the fair value of the valuation of the solar panels	1.566	0	0
Change in the effective part of the fair value of authorised cash flow hedging instruments	0	0	0
Comprehensive income	**173**	**6.830**	**-10.245**
Attributable to:			
Equity holders of the parent company	170	6.817	-10.328
Non-controlling interests	4	12	-7

8.4 Consolidated cash flow summary as of 31 December 2011

(EUR x 1.000)	31/12/2011 12 months	31/12/2010 12 months	31/12/2009 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**14.119**	**4.077**	**5.126**
Net Result	-293	**8.224**	**-10.682**
Non-cash elements to be added / dedcuted from the result	**10.811**	**-63**	**18.387**
Depreciations and write-downs	**274**	**222**	**265**
Depreciations/write-downs (or wirte-back) on intangible and tangible fixes assets (+/-)	177	166	111
Wirite-downs on current assets (+)	136	73	153
Write-back of write-downs on current assets (-)	-39	-17	0
Other non-cash elements	**10.538**	**-285**	**18.123**
Change in the fair value of investement properties (+/-)	4.420	1.906	16.033
IAS 39 impact	4.918	-1.643	2.089
Other elements			
Result sale of property investments (+/-)	0	-548	0
Other	1.200	0	0
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**10.518**	**8.160**	**7.706**
Change in working capital requirements	**42**	**699**	**-4.607**
Movements in asset items	**40**	**-3.256**	**2.290**
Trade receivables	215	191	-283
Tax receivables	-151	-3.159	2.259
Other non-current assets	420	-273	-528
Other current assets	-445	-15	842
Movement in liability items	**2**	**3.954**	**-6.897**
Trade debts	-790	778	39
Taxes, social charges and salary debts	261	587	-5.473
Other current liabilities	-591	0	92
Accrued charges and deferred income	1.122	2.590	-1.555
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**24.679**	**12.936**	**8.225**
Investment activities	**-24.312**	**-29.457**	**-11.619**
Acquisition of intangible assets	0	-7	-26
Investment properties and development projects	-20.751	-37.595	-11.497
Sale of property investments	2.796	8.297	0
Other tangible assets	-6.336	0	0
Disposal of investment properties	-21	-152	-96
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**-24.312**	**-29.457**	**-11.619**
FREE CASH FLOW (A+B)	**367**	**-16.521**	**-3.394**
Change in financial liabilities and financial debts	**12.960**	**-773**	**14.965**
Increase (+)/Decrease(-) in financial debts	12.897	-789	15.531
Increase (+)/Decrease(-) in other financial liabilities	63	0	-224
Increase(+)/Decrease(-) in trade debts and other non-current liabilities	0	16	-343
Change in other liabilities	**0**	**0**	**0**
Increase(+)/Decrease(-) in other liabilities	0	0	0
Increase(+)/Decrease(-) in other debts	0	0	0
Change in shareholders' equity	**-8.379**	**31.414**	**-7.493**
Increase(+)/Decrease(-) in share capital	0	38.907	0
Increase(+)/Decrease(-) in share premium	0	0	0
Increase(+)/Decrease(-) in consolidation differences	0	0	0
Deividends paid	-8.379	-7.493	-7.493
Increase(+)/Decrease(-) in reserves	0	0	0
Increase(+)/Decrease(-) in change in the fair value of financial	0	0	0
Dividend paid (+ profit-sharing scheme)	0	**0**	**0**
Interim dividends paid (-)	0	0	0
NET FINANCIAL CASH FLOW (C)	**4.581**	**30.640**	**7.471**
	0	**0**	**0**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A+B+C)	**4.948**	**14.119**	**4.077**

8.5 Summary of the variation in the consolidated equity capital as of 31 December 2011

(EUR x 1.000)	Capital	Share premiums	Reserves	Result	Deduction of transaction costs	Minority interests	Shareholders' equity
ON 31/12/2009	**68.964**	**0**	**25.603**	**-3.043**	**-7.143**	**88**	**84.469**
Elements directly recognized in Shareholders' equity	**38.365**	**543**	**1.393**	**-13**	**-1.394**	**13**	**38.907**
Capital Increase	38.365	543	-1				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**	**-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**	**-8.537**	**101**	**124.107**
Elements directly recognized in Shareholders' equity	**0**	**0**	**2.666**	**-4**	**-1.099**	**4**	**1.567**
Capital Increase			1.566				1.566
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties			1.099		-1.099		0
Minority Interests				-4		4	0
Subtotal	**107.329**	**543**	**19.126**	**8.207**	**-9.636**	**104**	**125.673**
Dividends			-8.379				-8.379
Result of last year			8.211	-8.211			0
Result for the financial year				-293			-293
ON 31/12/2011	**107.329**	**543**	**18.958**	**-297**	**-9.636**	**104**	**117.001**

8.6 Appendices to the consolidated financial statements as of 31 December 2011

8.6.1 Background

8.6.1.1 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.

8.6.1.2 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").

8.6.1.3 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.

8.6.2 Valuation rules

8.6.2.1 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[84] 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.

[84] 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).

8.6.2.2 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.

8.6.2.3 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.

Solar panels are valued on the basis of the revaluation model in accordance with IAS 16 – Tangible non-current assets. After the initial take-up, an asset for which the fair value can be reliably established needs to be entered in the accounts at the revalued value, i.e. the fair value at the time of revaluation, minus any depreciations accumulated later and any extraordinary reductions in value accumulated later. The fair value is determined based on the discounting method of future returns.

The service life of the solar panels is estimated at 20 years.

The solar panels are evaluated on a quarterly basis.

Gains recorded at the start-up of a new site are stated in a separate component of shareholders' equity. Losses are also recorded in this component, except where they are realized or unless the fair value falls below the initial cost. In these latter cases, they are recorded in the result.

8.6.2.4 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.

8.6.2.5 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.

8.6.2.6 Cash and cash equivalents

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

8.6.2.7 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 "Reserve for the 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.

8.6.2.8 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.

8.6.2.9 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.

8.6.2.10 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.

8.6.2.11 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, contracting 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 space. These costs are spread over the period from the commencement of the lease to the first break 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.

8.6.2.12 Financial restult

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.

8.6.2.13 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 tax 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[85].

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.

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.

8.6.2.14 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.

8.6.2.15 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.

8.6.2.16 New standards and interpretations not yet applied

At the date on which Montea’s annual accounts were published, the standards below had not yet come into effect:

- IFRS 7 Financial Instruments: Disclosures of Information – Changes to disclosures of information, applicable from 1 July 2011
- IFRS 9 Financial Instruments, applicable from 1 January 2013
- IFRS 10 Consolidated Financial Statements and Statutory Financial Statements, applicable from 1 January 2013
- IFRS 11 Joint Arrangements, applicable from 1 January 2013
- IFRS 12 Disclosure of Interests in Other Entities, applicable from 1 January 2013
- IFRS 13 Fair Value Measurement, applicable from 1 January 2013
- IAS 1 Presentation of the Financial Statements, applicable from 1 July 2012
- IAS 12 Income Taxes – Settlement of Deferred Tax, applicable from 1 January 2012
- IAS 19 Employee Benefits, applicable from 1 January 2013

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

- <u>IFRS 7 Financial Instruments: Disclosures of Information</u>
  The changes to IFRS 7 apply to financial years that commenced on or after 1 July 2011 and will result in a better understanding of transactions involving financial assets and, more specifically, in relation to the possible effect of risks associated with assets sold that remain borne by the entity. The changes also entail obligations to provide additional disclosures of information if a large number of transactions have taken place around the end of the financial year.

- <u>IFRS 9 Financial Instruments</u>
  The current version of IFRS 9 presents the first phase of the IASB's project to replace IAS 39 and applies to the classification and measurement of financial assets and liabilities. The standard applies to financial years commencing on or after 1 January 2013. In subsequent phases, the IASB will deal with reductions in value and hedging. The IASB expects the project to be completed in 2012.

- <u>IFRS 10 Consolidated Financial Statements and Statutory Financial Statements</u>
  The standard applies to financial years commencing on or after 1 January 2013 and states that the concept of auditing is a deciding factor in assessing whether an entity needs to be included in the consolidated financial statements of a parent company. The standard offers additional guidance in the assessment of auditing where necessary.

- <u>IFRS 11 Joint Arrangements</u>
  The standard applies to financial years commencing on or after 1 January 2013 and, in the processing of joint arrangements, focuses mainly on the rights and obligations of the arrangements rather than their legal form. The standard obliges the entity to apply a single method for the accounting processing of interests in jointly controlled entities.

- <u>IFRS 12 Disclosure of Interests in Other Entities</u>
  The standard applies to financial years commencing on or after 1 January 2013 and deals with disclosures of information for all forms of interest in third parties, including joint arrangements and associated holdings for entities established for a particular purpose and other entities not included in the balance sheet.

- <u>IFRS 13 Fair Value Measurement</u>
  The standard applies to financial years commencing on or after 1 January 2013 and provides a definition of fair value and a single source of measuring fair value and disclosing information in applying them in IFRS.

- <u>IAS 1 Presentation of the Financial Statements</u>
  The changes apply to financial years commencing on or after 1 July 2012. The changes require the division of the elements in the non-realized results that can be moved to the profit-and-loss account. The changes also confirm the existing obligation to have the elements of non-realized results shown in a single overview or in two successive overviews.

- <u>IAS 12 Income Taxes</u>
  The changed standard applies to financial years commencing on or after 1 January 2012. The change provides a practical solution to the difficult and subjective assessment of settlement by use or sale when the asset is valued at its fair value in accordance with the IAS 40 Investment properties standard, by introducing an assumption that the asset will be settled by sale.

- <u>IAS 19 Employee Benefits</u>
  The changed standard applies to financial years commencing on or after 1 January 2013. The changes remove the possibility of deferring the inclusion of profits and losses, known under the term ‘corridor method’. The changes streamline the way changes in assets and liabilities arising from defined benefit pension plans are shown. This extends to the inclusion of revaluations in non-realised results. They also improve disclosures of information for defined benefit pension plans by asking for additional information regarding the characteristics of defined benefit pension plans and in relation to the risks that entities bear through their participation in such schemes.

8.7 Financial appendices to the consolidated financial statements as of 31 December 2011

8.7.1 Comments to the consolidated balance sheet and result balance sheet

Note 1: Rental income

(x 1.000 EUR)

RENTAL INCOME		31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Belgium		**10.902**	**11.111**	**11.826**
Aalst	Tragel 48-58	1.901	1.757	1.904
Aartselaar	Helstraat 47	257	259	210
Berchem	Vosstraat 200	203	207	214
Bornem	Industrieweg 4-24	378	363	396
Buggenhout	Kalkestraat 7	0	33	151
Grimbergen	Eppegemsestwg 31-33	1.012	1.012	1.012
Laken	Emiel Bockstaellaan 74	237	231	229
Moorsel	Waverstraat 3	265	330	301
Vilvoorde	Schaarbeeklei 207-213	109	122	328
Hoboken	Smallandlaan 7	223	218	218
Meer	Europastraat 28	353	321	317
Puurs	Rijksweg 85 89	0	0	58
Schoten	Brechtsebaan 4	0	0	91
Schoten	Jagersdreef 1	0	0	196
Grobbendonk	Bouwelven 16	0	347	350
Herentals	Toekomstlaan 33	715	699	698
Nivelles	Rue de la Technique 11	717	699	698
Puurs	Schoonmansveld 18	727	711	707
Erembodegem	Industrielaan 27	803	802	689
Mechelen	Zandvoortstraat 16	623	483	687
Vorst	Humaniteitslaan 292	1.401	1.371	1.361
Milmort	Avenue du Parc Industriel	796	1.032	1.012
Heppignies	Rue Brigade Piron	181	0	0
Compensation de rupture		0	116	0
France		**8.470**	**5.986**	**4.509**
Savigny-le-Temple	Rue du Chrome 2	437	360	443
Feuqueires	Zoning Industriel du moulin	335	331	330
Bondoufle	Rue Henrie Dunant 9-11	221	218	217
Saint-Priest	Chemin de la Fouilousse	675	655	285
Cambrai	P.d. Activité Actipole	513	534	525
Roissy	Rue de la Belle Etoile 280+ 383	981	828	1.001
Décines	Rue a Rimbaud 1	345	342	341
Alfortville	Le Techniparc	221	250	245
Le Mesnil Amelot	Rue du Gué 1-3	1.148	1.123	1.121
Orléans	Rue des Genêts 660	3.041	1.345	0
Marennes	La Donnière	553	0	0
TOTAL		**19.372**	**17.097**	**16.334**

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 2011 by 13.3% to EUR 19.372K. This increase is the net result of increased rental income in France with EUR 2,484K (41.49%) that compensated for the loss of rental income in Belgium (EUR 210K or 1.89%).

The fall in rental income in Belgium is mainly the result of the decrease in rental income at the site in Milmort (the departure of the tenant, Weerts, has only been partly offset by new tenants SMIW and Stockage Industriel) and the loss of rental income as the result of divestments (Grobbendonk in 2010 and Moorsel in 2011).

However, the decrease in rental income was made up by the additional rental income generated by the indexation of lease contracts and the rise in rental income at the site in Mechelen (new tenants, Pomax and Schenker).

The increase in rental income in France is mainly the result of the new site purchased in Marennes and the full year's rent at the site in Orléans (site purchased in 2010).

When we take into account all of the premises that have been in the Montea portfolio over the past 3 years (i.e. without taking account of the acquisition of new sites or divestments – total of 24 sites), rental income is as following:

- 2009: EUR 14,902K;
- 2010: EUR 14,272K (-4.2%);
- 2011: EUR 14,656K (+2.7%).

This movement can be attributed mainly to the change in the average occupancy rate in 2010 and 2011 respectively.

At 10 of these 24 sites, new leases were signed or existing leases renewed, resulting in no major changes in the average rental price per square metre. When signing and renewing these agreements, exceptional use was made of an average rent-free period of 2 to 6 months. No major incentives were given in this context.

Below you find a partitioning of rental income, split up towards the duration of the lease contracts till the first break.

(x 1.000 EUR)

RENTAL INCOME		31/12/2011 (12 months)	31/12/2011 0 - 1 years	31/12/2011 1 - 3 years	31/12/2011 > 3 years
Belgium		**10.902**			
Aalst	Tragel 48-58	**1.901**	11	0	1.890
Aartselaar	Helstraat 47	**257**	257	0	0
Berchem	Vosstraat 200	**203**	0	0	203
Bornem	Industrieweg 4-24	**378**	0	378	0
Buggenhout	Kalkestraat 7	**0**	0	0	0
Grimbergen	Eppegemsestwg 31-33	**1.012**	0	1.012	0
Laken	Emiel Bockstaellaan 74	**237**	0	0	237
Moorsel	Waverstraat 3	**265**	265	0	0
Vilvoorde	Schaarbeeklei 207-213	**109**	0	109	0
Hoboken	Smallandlaan 7	**223**	0	0	223
Meer	Europastraat 28	**353**	0	0	353
Puurs	Rijksweg 85 89	**0**	0	0	0
Schoten	Brechtsebaan 4	**0**	0	0	0
Schoten	Jagersdreef 1	**0**	0	0	0
Grobbendonk	Bouwelven 16	**0**	0	0	0
Herentals	Toekomstlaan 33	**715**	0	715	0
Nivelles	Rue de la Technique 11	**717**	717	0	0
Puurs	Schoonmansveld 18	**727**	0	0	727
Erembodegem	Industrielaan 27	**803**	0	136	667
Mechelen	Zandvoortstraat 16	**623**	100	266	256
Vorst	Humaniteitslaan 292	**1.401**	527	0	874
Milmort	Avenue du Parc Industriel	**796**	0	0	796
Heppignies	Rue Brigade Piron	**181**	0	0	181
Compensation de rupture		**0**	0	0	0
France		**8.470**	**41**	**1.002**	**7.427**
Savigny-le-Temple	Rue du Chrome 2	**437**	41	0	396
Feuqueires	Zoning Industriel du moulin	**335**	0	0	335
Bondoufle	Rue Henrie Dunant 9-11	**221**	0	0	221
Saint-Priest	Chemin de la Fouilousse	**675**	0	0	675
Cambrai	P.d. Activité Actipole	**513**	0	0	513
Roissy	Rue de la Belle Etoile 280+ 383	**981**	0	0	981
Décines	Rue a Rimbaud 1	**345**	0	0	345
Alfortville	Le Techniparc	**221**	0	0	221
Le Mesnil Amelot	Rue du Gué 1-3	**1.148**	0	449	699
Orléans	Rue des Genêts 660	**3.041**	0	0	3.041
Marennes	La Donnière	**553**	0	553	0
TOTAL		**19.372**	**1.919**	**3.618**	**13.835**

The rental income for the site in Moorsel, Aartselaar expires in 2012, because of divestment. The rental income for the site in Mechelen (EUR 100K) is regarding the lease agreement with Schenker which ends as of 31/12/2011.

Note 2: Rental-related expenses

(x 1.000 EUR)

RENTAL-RELATED EXPENSES	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Depreciations on accounts receivable	-136	-73	-153
Withdrawal of provisions on accounts receivable	39	17	0
TOTAL	**-97**	**-56**	**-153**

The increase in reductions in value on trade receivables can be explained mainly by the application of the principle of caution. When Montea calls on external legal advice to collect rents and other monies, a provision is set aside immediately for doubtful receivables.

The net increase in 2011 was caused by tenants LDG, Indoorkarting Aalst and Smart Packaging Solutions in Belgium and Challenger in France.

Note 3: 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	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Recovery of charges and taxes normally payable by tenants on let properties	**3.256**	**2.519**	**2.192**
Reinvoicing of rental charges	1.228	781	1.401
Reinvoicing of taxes	2.028	1.738	792
Charges and Taxes normally payable by tenants on let properties normally taken by the tenant	**-4.069**	**-3.596**	**-2.700**
Rental charges invoiced to the owner	-1.586	-1.110	-868
Taxes	-2.483	-2.487	-1.833
TOTAL	**-813**	**-1.078**	**-508**

The fall in the net impact to EUR 813K is due mainly to the increase in the occupancy rate to 96.45%, meaning that the insurance, communal charges and property tax could be passed on in the main to tenants.

When there is a vacancy, the biggest charges are property tax and insurance costs that may or may not be passed on. In 2011, advance levies and taxes on leased buildings amounted to EUR 2.5 million (13% of rental income). Hence if Montea were to have 100% vacancy, it would cost the company at least EUR 2.5 million.

Taking into account the vacancy on 31 December 2011, and without any additional leases, the vacancy cost on an annual basis would amount to EUR 0,4K.

Note 4: Other income and expenditure associated with leasing

(x 1.000 EUR)

OTHER INCOME AND EXPENDITURE ASSOCIATED WITH LEASING	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Property management fee	114	160	0
Income from the solar panels	421	0	0
Other	72	400	-259
TOTAL	**607**	**560**	**-259**

Income from the solar panels consists on the one hand of the electricity generated that is charged to tenants and the grid manager, plus income from green energy certificates.

The solar panels on the buildings at the sites in Bornem (EUR 125K), Grimbergen (EUR 80K), Herentals (EUR 51K) and Puurs Schoonmansveld (EUR 165K) together generated EUR 421K of income.

The passing on of charges in 2010 was mentioned under "Other". In 2011, these charges are included under the heading "Lease charges and taxes borne by the tenant on leased buildings".

Note 5: Technical costs

(x 1.000 EUR)

TECHNICAL COSTS	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Recurring costs	**-53**	**-110**	**-47**
Maintenance and repairs	-42	-106	-46
Insurance costs	-11	-4	-1
Non-recurring costs	**0**	**0**	**-7**
Expenses relating to the improvement of the equipment in the buildings	0	0	-7
Losses through claims covered by insurance contracts	0	0	0
TOTAL	**-53**	**-110**	**-54**

The reduction in these charges is the result of the lower amount of repairs to the building in Moorsel as a consequence of the divestment of the site.

Note 6: Commercial costs

(x 1.000 EUR)

COMMERCIAL COSTS	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Brokers' fee	-65	-39	-27
Publicity	-1	0	-6
Expertise costs	-69	-53	-44
TOTAL	**-135**	**-93**	**-76**

The increase in brokerage commissions and assessment costs are mainly due to increased hiring activity[86] during 2011.

Note 7: Property management charges

(x 1.000 EUR)

PROPERTY MANAGEMENT COSTS	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Internal property management costs	-665	-490	-376
Exteral property management costs	-36	-29	-34
TOTAL	**-702**	**-520**	**-411**

These charges include on the one hand costs relating to the staff responsible for managing and marketing the property, plus costs that can be allocated directly to management.

The increase in this amount is mainly to do with the full impact of strengthening the operating team in 2010.

Note 8: Other property charges

(x 1.000 EUR)

OTHER PROPERTY COSTS	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Concession rights	-81	-78	-78
Other	-21	-33	-38
TOTAL	**-102**	**-111**	**-116**

Concession fees include the cost for the concession on the ground at the site in Grimbergen where DHL is our tenant. This concession agreement expires on 30 June 2017.

[86] We refer to section 5.3.4 for more information.

Note 9: General company overheads

(x 1.000 EUR)

GENERAL COSTS OF THE COMPANY	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Office costs	-149	-126	-102
Representation costs	-74	-50	-40
Fees paid to third parties	-540	-627	-691
Reals estate expertise	*-149*	*-167*	*-142*
Auditors	*-41*	*-41*	*-52*
Legal advisors	*-80*	*-90*	*-163*
Accounting and financial advisors	*-151*	*-175*	*-192*
Other	*-119*	*-154*	*-141*
Quatation fees	-158	-111	-121
Public relations, communication and advertising	-127	-161	-123
Personnel costs + fees business manager	-1.395	-1.158	-892
Depreciations and amortizations	-177	-166	-111
TOTAL	**-2.620**	**-2.399**	**-2.080**

General overheads in the main include the costs associated with day-to-day management and the fees incurred as part of the obligations of listed companies. In total, general overheads were EUR 3,549K. Of this amount EUR 264K (7.44%) were the costs for internal project management, which means an added value for those sites activated. EUR 665K of costs (18.74%; see note 7) were transferred to property management charges. 73.82% of costs (EUR 2,620K) were retained as general company overheads.

The fees for the Company Auditors, E&Y Bedrijfsrevisoren, represented by Christel Weymeersch, in relation to the remuneration for its statutory task of researching and auditing the company and consolidated accounts, were EUR 38,147 excl. VAT (see auditors).

The company's general overheads rose in 2011 by 9.19%. To a large extent, this was the result of the increase in staffing costs, explained mainly by the full impact of the appointment of Peter Demuynck (Chief Commercial Officer) and Jean De Beaufort (Director France) in 2010.

Apart from the fees for the Company Auditors, property assessors and the statutory Business Manager, no other significant remuneration was owed in 2011.

Note 10: Other operating income and expenses

(x 1.000 EUR)

OTHER OPERATING INCOME AND EXPENSES	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Ohter operating income	315	58	825
Other operational costs	-1.268	-131	-78
TOTAL	**-952**	**-73**	**747**

The increase in other operating income was mainly the result of the one-off receipt from the review of the VAT ratio for 2008-2010 (also see point 5.4.1), as well as the indemnity received by Montea as compensation for a claim at the site in Aartselaar.

The increase in other operating expenses is attributable to the compensation of EUR 1,200K (EUR 960K + interest) that Montea is required to pay in the context of the ruling by the Court of Appeal received by it on 29 February 2012. For this issue, please refer also to point 3.

Note 11: Result on disposal of investment properties

(x 1.000 EUR)

RESULT ON DISPOSAL OF INVESTMENT PROPERTIES	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Net excess value of disinvestments	0	548	0
TOTAL	0	548	0

The gain of EUR 548K made in 2010 resulted from the sale of the sites in Schoten Brechtsebaan, Schoten Jagersdreef, Buggenhout and Grobbendonk.
In 2011, no gain was made on the sale of the site in Moorsel.

Note 12: Result in the fair value of investment properties

(x 1.000 EUR)

RESULT IN THE FAIR VALUE OF INVESTMENT PROPERTIES	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Positive variations in the fair value of investment prpoperties	2.296	1.529	1.294
Negative variations in the fair value of investment prpoperties	-6.716	-3.435	-17.328
TOTAL	-4.420	-1.906	-16.033

The result on the property portfolio at 31 December 2011 was EUR -4.4 million. This negative result was attributable to:

a) on the one hand a negative change of EUR -4.6 million in the fair value of the property portfolio in Belgium, determined in the main by:

- the negative change in fair value of the site in Vorst as the result of a revaluation of the development potential at that site and the forthcoming vacancy of the freezer buildings at the end of March 2012 (EUR -2.4 million);
- the negative change in fair value of the site in Nivelles caused by the expiration of the lease (EUR -0.7 million);
- the negative change in fair value of the site in Herentals caused by the adjustment in the market return at the site in Herentals (EUR -0.7 million);
- the positive change in fair value (EUR +2.0 million) of the sites in Mechelen, Milmort and Aalst as the result of signing new long-term leases;
- the impact of the investments made that are currently producing no direct positive change in fair value of the investment properties (EUR -2.5 million), mainly at the sites in Mechelen and Milmort. These investments are part of long-term plans and were fully justified by the signing of long-term leases at these sites.

b) on the other hand a positive change in fair value of the property portfolio in France of EUR +0.2 million as the result:

- the positive change in fair value of the site in Orléans caused by the adjustment in the market yield to 8.0%; the site in Orléans was purchased in 2010 with an initial yield of 8.5% (EUR +0.8 million);
- the adjustment of the market lease value of the premises in Savigny-le-Temple (EUR -0.2 million)
- the impact of the investments made (EUR 0.1 million) at the site in Savigny-le-Temple. These investments are part of the long-term plan and are designed to enable any space still vacant to be leased as quickly as possible.

For more information about the fundamentals of the valuation of the property portfolio, please refer to 5.2. Property Report.

Note 13: Financial income

(x 1.000 EUR)

FINANCIAL INCOME	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Received interests and dividends	82	10	20
Other financial income	2	3	4
TOTAL	84	13	24

The increase in financial income is mainly the result of interest collected on available funds.

Note 14: Net interest charges

(x 1.000 EUR)

NET INTEREST CHARGES	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Interest costs	-2.578	-1.638	-3.248
Reinstatement of the nominal amount for financial debts	74	95	114
Interest costs from financial hedge instruments	-2.962	-3.731	-3.002
Variations in the fair value of the hedge instruments	0	0	155
Other financial costs	-11	-2	-3
TOTAL	-5.478	-5.276	-5.984

The average finance charge was 4.35%[87]. This is the percentage for bank financing, including bank margins and taking account of the financial hedging instruments and finance charges on leasing debts.

Net interest charges increased by EUR 202K or 3.82%. The average debt burden rose by EUR 6,050K (also see the increase in the debt ratio from 47.37% to 49.90%). By contrast, the average finance charge fell by 10 basis points during the year, from 4.45% to 4.35%.

The category “Reinstatement of the nominal amount for financial debts” relates solely to the interest collected on the additional works that were charged on at the site in Cambrai (France). The cost of these works was passed on by Montea to the existing tenant in accordance with a table of instalments. See also note 22.

Note 15: Other financial costs

(x 1.000 EUR)

OTHER FINANCIAL COSTS	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Bank charges and other commissions	-29	-16	-14
Other	-1	0	0
TOTAL	-30	-17	-14

[87] This financial cost is an average over the full year, leasing debts in France and Belgium included, and was calculated based on the total financial cost compared to the average of the initial and end balace of the debt cost of 2011.

Note 16: Changes in fair value of financial assets and liabilities

(x 1.000 EUR)

FAIR VALUE OF THE HEDGIN(	Duration	Nominal amount	Interest	Fair value 2010	Fair value 2009	Fair value variation
IRS	15/05/2012	27.249	4,31%	-386	-1.271	885
Multi-Callable Swap	15/09/2017	13.425	3,82%	-1.824	-1.381	-443
IRS	01/09/2018	25.000	4,49%	-4.484	-3.229	-1.255
Multi-Callable Swap	01/09/2018	10.000	4,11%	-1.616	-1.228	-388
Forward IRS	01/10/2020	10.000	2,77%	-581	393	-974
Forward IRS	30/05/2019	10.000	3,07%	-728	139	-867
IRS	01/10/2011	32.000	3,71%	0	-636	636
Forward IRS	01/10/2019	10.000	2,66%	-521	360	-881
Forward IRS	01/10/2020	10.000	2,77%	-585	385	-970
Forward IRS	30/05/2017	10.000	2,82%	-579	82	-661
TOTAL		**157.674**		**-11.304**	**-6.386**	**-4.918**

Montea's net debt position in relation to hedging instruments was EUR 11,304K.

At the end of 2011, Montea has hedging instruments for a nominal amount of EUR 125,674K, made up of EUR 157,674K - EUR 32,000K (IRS contract that expired on 1 October 2011).

The amount under "Changes in fair value of the financial assets and liabilities" (EUR 4,918K) is the sum of the positive and negative changes in fair value of the various hedging instruments.

The fair value of the hedging instruments is to be found in non-current financial debts on the liabilities side of the balance sheet. This item represents a debt position of EUR 11,304K.

Montea currently has 2 multi-callable swaps in its portfolio totalling EUR 23,425K. These instruments can be terminated by the bank, unconditionally, at any time 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.

During the financial year, Montea signed 5 forward contracts (3 contracts taking effect on 1 October 2011 and 2 contracts on 30 May 2012). By entering into these 5 forward contracts, the average hedging cost decreased from 4.09% to 3.82% on 1 October 2011, and will decrease to 3.53% on 30 May 2012 (given a constant perimeter).

Note 17: Company tax

(x 1.000 EUR)

COMPANY TAXES	31/12/2011 (12 months)	31/12/2010 (12 months)	31/12/2009 (12 months)
Roerende voorheffing	-12	-1	-2
Actual company taxes (profit)	-26	1	-7
TOTAL	**-38**	**0**	**-9**

Note 18: Intangible assets

INTANGIBLE ASSETS	(x EUR 1.000)
ON 31/12/2009	**107**
Acquisitions	7
Depreciations	-31
ON 31/12/2010	**83**
Acquisitions	0
Depreciations	-31
ON 31/12/2011	**52**

This item states the amounts of intangible assets for own use. These intangible assets mainly include the licence and development costs for property management and accounting software.

Note 19: Investment properties

	(x EUR 1.000)
ON 31/12/2009	**206.253**
Investments	**37.047**
- new investments	35.226
- verwervingen via aandelentransacties	0
- overboeking van projectontwikkelingen	0
- other investment	1.780
- eigen personeel	41
- intercalaire interesten	0
- overboeking activa aangehouden voor verkoop	0
Divestments	**-7.765**
Increase/decrease of the fair value	**-1.360**
ON 31/12/2010	**234.175**
Investments	**18.085**
- new investments	12.846
- verwervingen via aandelentransacties	0
- overboeking van projectontwikkelingen	0
- other investment	5.061
- eigen personeel	177
- intercalaire interesten	0
- overboeking activa aangehouden voor verkoop	0
Divestments	**-2.709**
Increase/decrease of the fair value	**-4.420**
ON 31/12/2011	**245.131**

The increase in investment properties is mainly the result of the purchase of the site in Marennes.

Divestments include the fair value of the site in Moorsel, which was sold on 28 October 2011.

Note 20: Other tangible assets

OTHER INTANGIBLE ASSETS	(x EUR 1.000)
FURNITURE AND ROLLING MATERIAL	
ON 31/12/2009	**237**
Acquisition value 1/01/2010	**375**
Acquisitons of the financial year	136
Divestments of the financial year	-17
Acquisition value 31/12/2010	**494**
Depreciations 1/01/2010	**-138**
Depreciations of the financial year	-66
Divestments of the financial year	-17
Depreciations 31/12/2010	**-222**
ON 31/12/2010	**272**
Acquisition value 1/01/2010	**494**
Acquisitons of the financial year	21
	7.902
Acquisition value 31/12/2010	**8.416**
Depreciations 1/01/2010	**-222**
Depreciations of the financial year	-108
Depreciations 31/12/2010	**-330**
ON 31/12/2011	**8.087**

The increase in other non-current tangible assets mainly includes the purchase of the solar panels at the sites in Bornem, Grimbergen, Herentals and Puurs Schoonmansveld.

(x 1.000 EUR)

SOLAR PANELS	Investments	Fair value 31/12/2011	Valuation 12 months
Solar panels on the site of Bornem	1.672	1.994	323
Solar panels on the site of Grimbergen	1.373	1.729	356
Solar panels on the site of Herentals	1.030	1.198	167
Solar panels on the site of Puurs, Schoonmansveld	2.109	2.829	720
Solar panels on the site of Heppignies	152	152	0
TOTAL	**6.336**	**7.902**	**1.566**

Solar panels are valued based on the revaluation model, in accordance with IAS 16 – Non-current tangible assets. After the initial take-up, assets whose fair value can be reliably determined are recorded at the revalued value, i.e. the fair value at the time of revaluation, minus any depreciations accumulated later and any extraordinary reductions in value accumulated later. The fair value is determined based on the discounting method of future returns.

With regard to the valuation of the solar panels, any gains (EUR 1,566K for 2011) are recorded in a separate component of shareholders' equity. Also see note 29.1.

Note 21: Non-current financial assets

FINANCIAL FIXED ASSETS	(x EUR 1.000)
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**
Assets held till the end of the period	**0**
Participations	0
Faire value of assets	**-1.359**
Hedge instruments	-1.359
ON 31/12/2011	**0**

Non-current financial assets in 2010 relate solely to the positive valuation of the hedging instruments.

The negative valuation of the hedging instruments for 2011 is to be found in note 33.

Note 22: Trade receivables and other non-current assets

TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS	(x EUR 1.000)
ON 31/12/2009	**767**
Guarantees paid in cash	15
Pre-financing site Cambrai	-206
ON 31/12/2010	**576**
Guarantees paid in cash	15
Pre-financing site Cambrai	-230
ON 31/12/2011	**361**

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 25). Financial returns on these transactions are listed under the financial income heading (see note 13). The total receivable, including interest, will be paid off on 28 February 2014.

Note 23: Property held for sale

PROPERTY HELD FOR SALE	(x EUR 1/000)
OP 31/12/2009	**0**
	0
OP 31/12/2010	**0**
	2.541
OP 31/12/2011	**2.541**

The site in Aartselaar was sold on 17 January 2012. In view of the fact that the sale document was signed on 14 December 2011, the book value was transferred to this item at the end of the year.

Note 24: Current trade receivables

(x EUR 1.000)

CURRENT TRADE RECEIVABLES	31/12/2011	31/12/2010	31/12/2009
Trade receivables - gross	6.835	6.685	3.614
Provisions for doubtfull accounts	-567	-470	-502
	6.269	6.215	3.112

DOUBTFULL DEBTORS	(x EUR 1.000)
ON 31/12/2009	502
Change in doubtfull debtors	-32
ON 31/12/2010	470
Change in doubtfull debtors	81
ON 31/12/2011	551

PROVISION FOR DOUBTFULL DEBTORS	(x EUR 1.000)
ON 31/12/2009	502
Change in provision for doubtfull debtors	-32
ON 31/12/2010	470
Change in provision for doubtfull debtors	97
ON 31/12/2011	567

PROVISION FOR DOUBTFULL DEBTORS	(x EUR 1.000)
receivables, not due	2.112
receivables, due 1 -30 days	811
receivables, due 31 - 60 days	2.129
receivables, due 61 - 90 days	133
receivables, due > 90 days	405
TOTAL	5.590

As of 31 December 2011, the gross trade receivables amounted to EUR 6,835K, of which EUR 694K was to be invoiced, EUR 551K for dubious debtors (which are fully provided for) and EUR 5,590K 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 increase in the provision for doubtful receivables to the value of EUR 97K is explained mainly by the application of the principle of caution. When Montea calls on external legal advice to collect rents and other monies, a provision is set aside immediately for doubtful receivables.

Note 25: Tax receivables and other current assets

(x EUR 1.000)

TAX RECEIVABLES AND OTHER CURRENT ASSETS	31/12/2011	31/12/2010	31/12/2009
TAXES	298	410	307
Value added taxes	169	282	178
Company taxes	129	129	129
OTHER CURRENT ASSETS	691	998	829
TOTAL	989	1.409	1.136

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 251K), the short-term receivables relating to the financing on the Cambrai site (EUR 230K - see note 22) and the receivable (provision for payment of invoices) against the statutory Manager of Montea Comm. VA, being Montea Management NV.

Note 26: Cash and cash equivalents

(x EUR 1.000)

CASH AND CASH EQUIVALENTS	31/12/2011	31/12/2010	31/12/2009
Cash at banks	1.409	5.681	4.075
Bank deposits	3.499	8.406	0
Cheques to be cashed	40	31	3
TOTAL	4.948	14.119	4.077

Note 27: Accruals and deferred income in the assets

(x EUR 1.000)

TRANSITORY ACCOUNTS - ASSETS	31/12/2011	31/12/2010	31/12/2009
Incurred income of real estate	256	9	11
Prepaid costs of real estate	153	0	344
Prepaid interest costs	312	55	61
Other	383	526	160
TOTAL	1104	590	575

The increase in prepaid property charges is explained mainly by the rise in the start-up costs already incurred for possible new projects.

The item "Prepaid interest and other finance charges" consists mainly of capital and interest repayments already made on leasing debts for the Orléans project.

The item "Other" mainly relates to already paid brokers' fees for new lease contracts spread over the term of those lease contracts.

Note 28: Shared capital and shares

SHARED CAPITAL AND SHARES	(x EUR 1.000)	Aantal aandelen
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
	0	0
ON 31/12/2011	107.871	5.634.126

At the time of the capital increase in 2010, 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). This amount is included in the total of EUR 107,871K.

Note 29: Available reserves

(EUR x 1.000)	31/12/2011 Conso	31/12/2010 Conso	31/12/2009 Conso
Reserves	**9.322**	**7.923**	**18.625**
Statutory reserves	30	30	30
Reserve for the net amount of the variation in the fair value of investment properties	-25.211	-22.357	-20.451
Reserves for estimated transaction costs resulting from hypothetical disposal of investment properties	-9.636	-8.537	-7.143
Reserve for the net amount of the variation in the fair value of authorised hedging instruments qualifying for hedge accounting	0	0	0
Reserve for the net amount of the variation in the fair value of authorised hedging instruments not qualified for hedge accounting	-11.294	-6.376	-8.020
Reserve for the net amount of translation differences on monetary assets and liabilities	0	0	0
Reserve for the translation differences, coming from activities abroad	0	0	0
Reserve for own shares	0	0	0
Reserve for the net amount of the variation in the fair value of financial fixed assets	0	0	0
Reserve for actuarial gains and losses on pension plan	0	0	0
Reserve for deferred taxes on investment properties not located in Belgium	0	0	0
Reserve for received dividends, used for the repayments of financial debts	0	0	0
Other reserves declared unavailable by the Annual General Meeting	55.433	45.163	54.208
Results transferred from previous years	0	0	0

Note 29.1: Reserve for the balance of the changes in fair value of property

RESERVE FOR THE BALANCE OF THE CHANGES IN FAIR VALUE OF PROPERTY	(x EUR 1.000)
Reserve for the balance of the changes in fair value of property 2007 (15 months)	5.629
Reserve for the balance of the changes in fair value of property 2008 (12 months)	-10.046
Reserve for the balance of the changes in fair value of property 2009 (12 months)	-16.034
Reserve for the balance of the changes in fair value of property 2010 (12 months)	-1.906
Reserve for the balance of the changes in fair value of property 2011 (12 months)	-4.420
Revaluation gains solar panels 2011 (12 months)	1.566
ON 31/12/2011	**-25.211**

Note 29.2: Reserve for the balance of the changes in fair value of permitted hedging instruments not subject to hedge accounting, as defined in IFRS

RESERVE FOR THE BALANCE OF THE CHANGES IN FAIR VALUE OF PERMITTED HEDGING INSTRUMENTS NOT SUBJECT TO HEDGE ACCOUNTING, AS DEFINED IN IFRS	(x EUR 1.000)
Reserve for the balance of the changes in fair value of permitted hedging instruments 2007 (15 months)	861
Reserve for the balance of the changes in fair value of permitted hedging instruments 2008 (12 months)	-6.792
Reserve for the balance of the changes in fair value of permitted hedging instruments 2009 (12 months)	-2.089
Reserve for the balance of the changes in fair value of permitted hedging instruments 2010 (12 months)	1.643
Fair value of permitted hedging instruments 2011 (12 maanden)	-4.917
ON 31/12/2011	**-11.294**

Note 30: Result

(x EUR 1.000)

RESULT	TRANSFERED RESULT	DIVIDEND	RESULT OF THE FINANCIAL YEAR	RESULT
ON 31/12/2009	**0**	**0**	**-3.043**	**-3.043**
Result 12 months	3.043	0	8.224	11.267
Minority interests	0	0	-13	-13
ON 31/12/2010	**3.043**	**0**	**5.168**	**8.211**
Result 12 months	8.211	-8.211	-293	-293
Minority interests	0	0	-4	-4
ON 31/12/2011	**11.254**	**-8.211**	**4.871**	**-297**

Note 31: Minority participations

MINORITY PARTICIPATIONS	(x EUR 1.000)
ON 31/12/2009	**88**
5% of the result of SCI 3R on 31/12/2010	13
ON 31/12/2010	**101**
5% of the result of SCI 3R on 31/12/2011	4
ON 31/12/2011	**104**

Note 32: Financial liabilities

(x EUR 1.000)

FINANCIAL LIABILITIES	31/12/2011	31/12/2010	31/12/2009
NON-CURRENT FINANCIAL LIABILITIES	104.320	61.424	118.413
Banks	97.500	53.000	113.750
3R	278	275	192
Financial leasing	6.542	8.150	4.471
CURRENT FINANCIAL LIABILITIES	26.782	56.781	581
Banks	25.000	55.000	0
Financial leasing	1.782	1.781	581
TOTAL	131.102	118.205	118.994

Financial liabilities consist mainly of bilateral lines of credit with 4 Belgian financial establishments. As of 31/12/2011, Montea had a total of EUR 125,000K in contractual lines of credit, of which 98% (EUR 122,500K) was drawn down.

The difference with the previous year is the result of the refinancing of bank debt due (EUR 70 million) in 2011. Also, to fund new investments in 2011, an additional line of credit for EUR 10 million was also taken out.

FINANCIAL LIABILITIES	(x EUR 1.000)
financial liabilities, with a maturity < 0 year	25.000
financial liabilities, with a maturity 1 - 2 year	30.000
financial liabilities, with a maturity 3 - 4 year	24.200
financial liabilities, with a maturity > 3 year	43.300
TOTAL	122.500

Note 33: Other non-current financial liabilities

(x EUR 1.000)

OTHER NON-CURRENT FINANCIAL LIABILITIES	31/12/2011	31/12/2010	31/12/2009
Financial instruments	11.304	7.746	8.030
TOTAL	11.304	7.746	8.030

The other non-current financial liabilities consist solely of the negative valuation of the interest coverage instruments on 31/12/2011. In note 21, under financial current assets, are the positive changes in the value of interest hedging instruments. On balance, the interest hedging instruments on 31/12/2011 had a negative value of EUR 11,307K.

Note 34: Trade debts, other non-current liabilities and deferred taxes

(x EUR 1.000)

OTHER NON-CURRENT LIABILITIES	31/12/2011	31/12/2010	31/12/2009
Guarantees	431	369	354
TOTAL	431	369	354

Note 35: Provisions

(x EUR 1.000)

PROVISIONS	31/12/2011	31/12/2010	31/12/2009
Pensions	0	0	0
Other	-1.200	0	0
TOTAL	-1.200	0	0

The increase in other provisions is attributable to the compensation of EUR 1,2K (EUR 960K + interest) that Montea is required to pay in the context of the ruling by the Court of Appeal received by it on 29th February 2012. For this issue, please refer also to point 3.

Note 36: Trade debts and other current debts and liabilities

(x EUR 1.000)

TRADE DEBTS AND OTHER CURRENT DEBTS	31/12/2011	31/12/2010	31/12/2009
Suppliers	1.405	-35	-33
Exit tax	-35	2.194	1.916
Taxes	1.158	991	504
Social debts	208	26	43
TOTAL	**2.735**	**3.264**	**2.486**

Suppliers

(x EUR 1.000)

OTHER CURRENT LIABILITES	31/12/2011	31/12/2010	31/12/2009
Dividends	12	21	24
Intercompany debts	181	209	172
Other	0	555	3
TOTAL	**194**	**785**	**198**

The total for “Other” under “Other current liabilities” was mainly the debt recorded as a result of the surcharge that had to be paid to Sirius if certain contractual conditions were met.

In 2009, Montea acquired a property portfolio from a property company in France. It was stipulated in this contract that a surcharge 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 paying the supplemental fee of EUR 472K in the first quarter of 2011.

Note 37: Transitory accounts – Liabilities

(x EUR 1.000)

TRANSITORY ACCOUNTS - LIABILITES	31/12/2011	31/12/2010	31/12/2009
Pre-invoicing of rental income	4.553	3.631	1.047
Incurred, not paid interest charges	961	692	686
TOTAL	**5.514**	**4.323**	**1.733**

The increase in deferred charges and deferred income consists primarily of rental income billed in advance that relate to the first quarter of 2012.

8.7.2 Auditor's report on the consolidated financial statements for the year ended 31 December 2011

Free translation from the Dutch original

Statutory auditor's report to the general meeting of shareholders of Montea on the consolidated financial statements for the year ended 31 December 2011

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated financial statements as well as the required additional comments.

Unqualified opinion on the consolidated financial statements

We have audited the consolidated financial statements of Montea and its subsidiaries (collectively referred to as 'the Group') for the year ended 31 December 2011, 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 at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of € 269.482 (000) and the consolidated statement of income shows a loss for the year, share of the Group, of € 297 (000).

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 and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from 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 statutory auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren).* Those standards require that we plan and perform the audit to obtain reasonable assurance whether the 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 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 Group'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 evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the board of directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2011 give a true and fair view of the Group's financial position as at 31 December 2011 and of the results of its operations and its cash flows in accordance with IFRS as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional comments

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments, which do not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements deals with 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 entities included in the consolidation are facing, and on their financial situation, their foreseeable evolution or the significant influence of certain facts on their 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, 10 April 2012

Ernst & Young Reviseurs d'Entreprises sccrl
Statutory auditor
represented by

Christel Weymeersch
Partner

8.7.3 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)	Comment	31/12/2011 BE	31/12/2011 FR	31/12/2011 Elim.	31/12/2011 Conso
I.		**NON-CURRENT ASSETS**		**151.106**	**102.525**	**0**	**253.631**
	A.	Goodwill		0	0	0	0
	B.	Intangible assets	16	52	0	0	52
	C.	Investment properties (incl. Development projects)	17	142.966	102.165	0	245.131
	D.	Other tangible assets	18	8.087	0	0	8.087
	E.	Financial fixed assets	19	0	0	0	0
	F.	Financial lease receivables		0	0	0	0
	G.	Participations consolidated with the equity method		1	360	0	361
	H.	Trade receivables and other non-current assets	20	0	0	0	0
	I.	Deffered taxes (assets)		0	0	0	0
II.		**CURRENT ASSETS**		**108.863**	**5.718**	**-98.731**	**15.851**
	A.	Assets held for sale	21	2.541	0	0	2.541
	B.	Current financial assets		0	0	0	0
	C.	Financial lease receivables		0	0	0	0
	D.	Trade receivables	22	2.561	3.708	0	6.269
	E.	Tax receivables adn other current assets	23	88.174	709	-87.895	989
	F.	Cash and cash equivalents	24	4.034	914	0	4.948
	G.	Deffered charges and accrued income	25	11.553	387	-10.836	1.104
		TOTAL ASSETS		**259.969**	**108.243**	**-98.731**	**269.482**
		SHAREHOLDERS' EQUITY		**117.566**	**-565**	**0**	**117.001**
I.		**Shareholders' equity attributable to shareholders of parent company**		**117.566**	**-669**	**0**	**116.896**
	A.	Share capital	26	107.329	0	0	107.329
	B.	Share premiums	26	543	0	0	543
	C.	Reserves		13.686	-4.364	0	9.322
	D.	Result	28	-3.992	3.695	0	-297
II.		**Minority interests**	29	**0**	**104**	**0**	**104**
		LIABILITIES		**142.403**	**108.809**	**-98.731**	**152.481**
I.		**Non-current liabilities**		**111.607**	**4.449**	**0**	**116.055**
	A.	Provisions		0	0	0	0
	B.	Non-current financial debts		100.303	4.017	0	104.320
	C.	Other non-current financial liabilities	31	11.304	0	0	11.304
	D.	Trade debts and other non-current debts	32	0	0	0	0
	E.	Other non-current liabilities	32	0	431	0	431
	F.	Deferred taxes - liabilities	32	0	0	0	0
II.		**Current liabilities**		**30.796**	**104.360**	**-98.731**	**36.425**
	A.	Provisions		1.200	0	0	1.200
	B.	Current financial debts		25.434	1.348	0	26.782
	C.	Other current financial liabilities		0	0	0	0
	D.	Trade debts and other current debts	33	1.057	1.678	0	2.735
	E.	Other current liabilities	33	12	98.913	-98.731	194
	F.	Accrued charges and deferred income	34	3.093	2.421	0	5.514
		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**259.969**	**108.243**	**-98.731**	**269.482**

(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)	31/12/2011 BE	31/12/2011 FR	31/12/2011 Elim.	31/12/2011 12 months
I.	Rental Income	10.902	8.470	0	19.372
II.	Write-back of lease payments sold and discounted	0	0	0	0
III.	Rental relates charges	-68	-28	0	-97
	NET RENTAL INCOME	**10.833**	**8.442**	**0**	**19.275**
IV.	Recovery of property expenses	0	0	0	0
V.	Recovery of charges and taxes normally payable by tenants on let properties	2.025	1.231	0	3.256
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0	0	0
VII.	Charges and taxes normally payable by tenants on let properties	-2.465	-1.603	0	-4.069
VIII.	Other rental-related income and expenses	480	127	0	607
	PROPERTY RESULT	**10.873**	**8.197**	**0**	**19.069**
IX.	Technical costs	-56	3	0	-53
X.	Commercial costs	-122	-13	0	-135
XI.	Charges and taxes of unlet properties	0	0	0	0
XII.	Property management costs	-665	-36	0	-702
XIII.	Other property charges	-81	-21	0	-102
	TOTAL PROPERTY CHARGES	**-924**	**-68**	**0**	**-992**
	OPERATING PROPERTY RESULT	**9.949**	**8.129**	**0**	**18.078**
XIV.	General costs	-1.835	-784	0	-2.620
XV.	Other operating income and expenses	-941	-11	0	-952
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**7.173**	**7.333**	**0**	**14.506**
XVI.	Result on disposals of investment properties	0	0	0	0
XVII.	Result on disposals of other non-financial assets	0	0	0	0
XVIII.	Result in the fair value of investment properties	-4.562	142	0	-4.420
XIX.		0	0	0	0
	OPERATING RESULT	**2.611**	**7.475**	**0**	**10.086**
XX.	Financial income	3.793	1	-3.711	84
XXI.	Interest charges	-5.427	-3.761	3.711	-5.478
XXII.	Andere financial charges	-18	-11	0	-30
XXIII.	Andere financial charges	-4.918	0	0	-4.918
	FINANCIAL RESULT	**-6.571**	**-3.770**	**0**	**-10.341**
XXIV.	Income from participations consolidated with the equity method	0	0	0	0
	RESULT BEFORE TAXES	**-3.960**	**3.704**	**0**	**-255**
XXV.	Corporate income tax	-32	-6	0	-38
XXVI.	Exit tax	0	0	0	0
	TAXES	**-32**	**-6**	**0**	**-38**
	NET RESULT	**-3.992**	**3.698**	**0**	**-293**
	NET CURRENT RESULT (excl. IAS 39)	**5.488**	**3.557**	**0**	**9.044**
	Number of shares entitled in the result of the period	5.634	5.634	5.634	5.634
	NET RESULT PER SHARE	**-0,71**	**0,66**	**0,00**	**-0,05**
	NET CURRENT RESULT PER SHARE (excl. IAS 39)	**0,97**	**0,63**	**0,00**	**1,61**

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.

8.7.4 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.

8.7.5 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 16 there is an overview of the fair value of hedging instruments. An increase or decrease of 10 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 31/12/2011 the interest rate risk was 86.3% 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 10 basis points, the annual interest burden for the company would only rise or fall by EUR 40K.

8.7.6 Credit risk

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

8.7.7 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.

8.7.8 Liquidity risk

In note 32 there is an overview of the financial liabilities with their respective maturities. The company manages its liquidity risk by making sufficient credit resources[88] available to reconcile both receipts and payments as much as possible.

8.7.9 Transactions between affiliated companies

There are no transactions between affiliated companies.

8.7.10 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).

[88] On 31/12/2011, Montea had EUR 125 million of credit lines, of which EUR 122.5 million is already included. This means that Montea still had EUR 2.5 million available.

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 of 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%.

8.7.11 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.

8.8 Statutory financial accounts in shortened form of Montea Comm. VA as of 31 December 2011

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.

8.8.1 Balance sheet as of 31 December 2011 (in thousands of EUR)

BALANS	IFRS - 31/12/2011 12 months	IFRS - 31/12/2010 12 months	IFRS - 31/12/2009 12 months
ASSETS			
NON-CURRENT ASSETS	**214.097**	**204.043**	**172.842**
A. Goodwill	0	0	0
B. Intangible non-current assets	52	83	107
C. Property investements (incl. Project developments)	186.366	184.165	159.255
E. Other tangible non-current assets	8.087	995	237
F. Financial non-current assets	19.562	18.784	13.242
G. Financial lease receivables	0	0	0
H. Trade receivables and other non-current assets	30	15	1
I. Deferred taxes - Assets	0	0	0
	0	0	0
CURRENT ASSETS	**51.796**	**51.982**	**41.119**
A. Assets held for sale	2.541	0	0
B. Current financial assets	0	0	0
C. Financial lease receivables	0	0	0
D. Trade receivables	4.086	4.274	1.825
E. Tax receivables and other current assets	39.980	33.998	37.599
F. Cash and cash equivalents	4.120	13.191	1.154
G. Differed charges and accrued income	1.070	519	540
TOTAL ASSETS	**265.893**	**256.025**	**213.960**

BILAN	IFRS - 31/12/2011	IFRS - 31/12/2010	IFRS - 31/12/2009
LIABILITIES			
SHAREHOLDERS' EQUITY	**116.463**	**123.858**	**84.233**
NON-CURRENT LIABILITIES	**116.463**	**123.858**	**84.233**
A. Capital	107.329	107.329	68.964
Share premiumsPrimes d'émission	543	543	0
D. Reserves	8.888	7.775	18.464
E. Result	-297	8.211	-3.195
NON-CURRENT LIABILITIES	**0**	**0**	**0**
LIABILITIES	**149.430**	**132.168**	**129.727**
NON-CURRENT LIABILITIES	**115.539**	**124.087**	**126.360**
A. Provisions	0	0	0
B. Non-current financial debts	104.234	116.341	118.330
C. Other non-current financial liabilities	11.304	7.746	8.030
D. Trade debts and other non-current debts	0	0	0
E. Other non-current liabilities	0	0	0
F. Deferred taxes - liabilities	0	0	0
CURRENT LIABILITIES	**33.891**	**8.081**	**3.368**
A. Provisions	1.200	0	0
B. Current financial debts	26.782	1.781	581
C. Other current financial liabilities	0	0	0
D. Trade debts and other current debts	1.907	2.123	1.520
E. Other current liabilities	-121	922	365
F. Transitory accounts	4.124	3.256	901
TOTALLIABILITIES AND SHAREHOLDERS' EQUITY	**265.893**	**256.025**	**213.960**

8.8.2 Profit and loss account as of 31 December 2011 (in thousands of EUR)

PROFIT AND LOSS ACCOUNTS	IFRS - 31/12/2011 12 months	IFRS - 31/12/2010 12 months	IFRS - 31/12/2009 12 months
I. Rental income (+)	14.646	12.996	12.523
II. Write-back of lease payments sold and discounted (+)	0	0	0
III. Rental related charges (+/-)	-68	-56	-153
NET RENTAL INCOME	**14.578**	**12.940**	**12.370**
IV. Recovery of property expenses (+)	0	160	
V. Recovery of charges and taxes normally payable by tenants an let properties (+)	2.349	2.310	1.678
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 (-)	-2.764	-2.813	-2.038
VIII. Other charges and taxes on let properties (+/-)	684	0	0
PROPERTY RESULT	**14.847**	**12.598**	**12.010**
IX. Technical costs (-)	-53	-4	-8
X. Commercial costs (-)	-133	-93	-76
XI. Charges and taxes of unlet properties (-)	0	0	0
XII. Management property (-)	-688	-485	-376
XIII. Other property charges (-)	-102	-111	-116
TOTAL PROPERTY CHARGES	**-976**	**-693**	**-577**
OPERATING PROPERTY RESULT	**13.871**	**11.905**	**11.433**
XIV. General costs (-)	-2.464	-2.218	-1.806
XV. Other operating income and expenses (+/-)	-949	-51	441
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**10.459**	**9.635**	**10.068**
XVI. Result on sale of investment properties (+/-)	0	548	0
XVII. Result on sale of other non financial assets (+/-)	0	0	0
XVIII. Result in the fair value of investment properties (+/-)	-3.856	519	-14.115
	0	0	0
OPERATIONG RESULT	**6.603**	**10.702**	**-4.047**
XIX. Financial income (+)	1.493	1.249	1.586
XX. Interest charges (-)	-5.551	-5.369	-6.250
XXI. Other financial charges (-)	-23	-14	-13
	-2.781	1.643	-1.934
FINANCIAL RESULT	**-6.863**	**-2.491**	**-6.611**
RESULT BEFORE TAXES	**-260**	**8.211**	**-10.658**
XXII. Company taxes (-)	-37	0	-9
XXIII. Exit tax (-)	0	0	0
TAXES	**-37**	**0**	**-9**
NET RESULT	**-297**	**8.211**	**-10.668**
Number of shares entitled in the result on the period	5.634	4.610	3.585
NET CURRENT RESULT PER SHARE IN EURO	**0**	**2**	**-3**

8.8.3 Proposal for appropriation as of 31 December 2011 (in thousands of EUR)

PROPOSITION D'AFFECTATION		IFRS - 31/12/2011 12 months	IFRS - 31/12/2010 12 months
A.	**NET RESULT**	**-297**	**8.211**
B.	**ADDITION TO / WITHDRAWAL FROM RESERVES**	**10.664**	**168**
1.	**Addition to / withdrawal from reserves for the (positive or negative) net amount in the variation of the fair value of investment properties (-/+)**	**17.448**	**-6.264**
1a.	financial year	3.856	3.664
1b.	previous financial year	13.592	-9.928
1c.	realisation of the investment properties		
2.	**Addition to / withdrawal from reserves of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)**	**2.802**	**-559**
3.	**Addition to the reserves for the net amount of the variation in the fair value of authorised hedging instruments qualifying for hedge accounting (-)**	**0**	**0**
3a.	financial year	0	0
3b.	previous financial year	0	0
4.	**Withdrawal from the reserves for the net amount of the variation in the fair value of authorised hedging instruments qualifying for hedge accounting (+)**	**0**	**0**
4a.	financial year	0	0
4b.	previous financial year	0	0
5.	**Addition to the reserves for the net amount of the variation in the fair value of authorised hedging instruments not qualifying for hedge accounting (-)**	**11.294**	**8.019**
5a.	financial year	4.918	0
5b.	previous financial year	6.376	8.019
6.	**Withdrawal from the reserves for the net amount of the variation in the fair value of authorised hedging instruments not qualifying for hedge accounting (-)**	**0**	**-1.643**
6a.	financial year	0	-1.643
6b.	previous financial year	0	0
7.	**Addition to / withdrawal from reserves of the net amount of translation differences on monetary assets and liabilities (-/+)**	**0**	**0**
8.	**Addition to / withdrawal from reserves of deferred taxes on investment properties located outside Belgium (-/+)**	**0**	**0**
9.	**Addition to / withdrawal from reserves for the dividends received, used for teh repayment of the financial debts (-/+)**	**0**	**0**
10.	**Addition to / withdrawal from other reserves (-/+)**	**-24.243**	**-2.580**
11.	**Addition to / withdrawal from results transferred from previous years (-/+)**	**3.363**	**3.195**
C.	**COMPENSATION FOR THE CAPITAL IN ACCORDANCE WITH ART. 27, §1er, al. 1er**	**10.367**	**8.379**
D.	**RESULT TO BE TRANSFERRED**	**0**	**0**

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

According to art. 27 Montea must pay out at least the positive difference between the following amounts and for the amount of the positive net result of the financial year and after auditing the transferred losses and the additives/extractions to/of the reserves as meant in ″ point B. Additives/extractions reserves ″ as defined in department 4 of part 1 of chapter 1 of the appendix C:

1. 80% of the amount stipulated in the schedule of chapter III of Appendix C; and
2. the net decrease of the debt of the Sicaf during the exercice.

PROPOSITION FOR APPROPRIATION	IFRS - 31/12/2011 12 months
Positive Difference between (1) and (2)	5.269
80% of the amount determined by the scheme in Annex C of chapter III	5.269
Corrected Result (A) + Realized net gains (B)	6.586
Corrected Result (A)	6.586
Résultat net	-297
+ Ammortissements	177
+ Réductions de valeur	107
- Reprises des réductions de valeur	-39
- reprises de loyers cédés et escomptés	0
+/- Autres éléments non monétaires	4.918
+/- Résultat sur vente de biens immobiliers	0
+/- Variations de la juste valeur des biens immobiliers	1.720
Realised net gains on property assets (B)	0
+/- Realized net gains	0
- Realized net gains on property assets during the year, exonerated from the obligation to distribute if reinvested within 4 years	0
+ Realized net gains on property assets previously exonerated from the obligation to distribute and that were not reinvested within 4 years	0
Net decrease of the debt of the REIT	0
The variation in the debt of the public REIT, calculated following the definition of the debt ratio	11.636
Total Liabilities	17.262
Non-current liabilities - Financial hedge instruments	3.558
Non-current liabilities - Provisions	0
Non-current liabilities - Deferred taxes	0
Non-current liabilities - Financial hedge instruments	0
Non-current liabilities - Provisions	1.200
Non-current liabilities - Transitory Accounts	868

According to this calculation Montea is obliged to pay a dividend of EUR 5.269K.

8.8.5 Art. 617 Company Code

As a company, Montea is also required to abide by article 617 of the Company Code under which Montea may not pay a dividend if the net asset value, as the result of a payment being made, is not allowed to be less than the amount of the capital combined with the reserves not available under the law.

According to the table below, Montea still has a buffer of EUR 16,166K after paying the proposed dividend of EUR 10,367K.

PROPOSITION FOR APPROPRIATION	IFRS - 31/12/2011 12 months	IFRS - 31/12/2010 12 months
Paid-up capital or if larger, subscribed capital (+)	107.329	107.329
Share premium account unavailable for distribtution according to the articles of association (+)	543	543
Reserve for the positive amount of the variation in the fair value of investment properties (+)	0	0
Reserves for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-6.677	-6.165
Reserve for the net amount of the variation in the fair value of authorised hedging instruments qualifying for hedge accounting (+/-)	0	0
Reserve for the net amount of the variation in the fair value of authorised hedging instruments not qualified for hedge accounting (+/-)	-11.294	-6.376
Reserve for the net amount of translation differences on monetary assets and liabilities (+)	0	0
Reserve for the translation differences, coming from activities abroad (+/-)	0	0
Reserve for the net amount of the variation in the fair value of financial fixed assets (+/-)		
Reserve for actuarial gains and losses on pension plan (+)	0	0
Reserve for deferred taxes on investment properties not located in Belgium (+)	0	0
Reserve for received dividends, used for the repayments of financial debts (+)	0	0
Other reserves declared unavailable by the Annual General Meeting (+)	30	30
Legal reserve (+)	1	1
Non-distributable shareholders' equity in accordance with Article 617 of the company code	89.931	95.362
Net assets before distribution of dividends	116.463	123.858
Proposed dividend payments	10.367	8.379
Net assets after distribution of dividends	106.096	115.479
Remaining margin after distribution	16.165	20.117

9. Permanent documents

9.1 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 is a leading player on this growing market. In this context, Montea gives its clients flexible, innovative real estate solutions.

Montea is a member of AFILOG (the French Association of Logistics Operators), of Logistics in Wallonia and of the VIL (Flanders Institute for Logistics).

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).

9.1.1 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.

9.1.2 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.

9.1.3 Founding, company type and publication

The General Partnership share under Belgian law, Montea[89] 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 17 May 2011 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.

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[89] 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.

9.1.4 Duration

The company was established for an indefinite duration.

9.1.5 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.

9.1.6 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.

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.

9.1.7 Group structure

The Montea Group in 2011 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[90].

[90] See chapter “Remuneration of the statutory Manager and the Board of Directors”.

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[91] (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[92] 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

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[93].

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

91 Société d'Investissements Immobiliers Cotée.
92 Société Civile Immobilière or civil property company.
93 The current tenant Debflex is still owner of 5% of the shares of SCI 3R.

9.2 Registerd capital

Montea's share capital is EUR 108,382,735.61.

SHARED CAPITAL AND SHARES	(x EUR 1.000)	Aantal aandelen
Foundation	62.380	2.855.607
ON 31/12/2007	**62.380**	**2.855.607**
Capital increase (press release 26 Mars 2008)	21.972	729.747
ON 31/12/2008	**84.352**	**3.585.354**
Capital decrease (press release 7 December 2009)	-15.388	0
ON 31/12/2009	**68.964**	**3.585.354**
Capital increase (press release 7 May 2010)	38.364	2.048.772
ON 31/12/2010	**107.329**	**5.634.126**
	0	0
ON 31/12/2011	**107.329**	**5.634.126**

The capital is 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 108,000,000. This authorisation is valid for a period of five years from the publication (14/06/2011) of the minutes of the extraordinary General Meeting. This authorisation is renewable.

To date, there has been no use of the authorised capital so that the full amount of EUR 108,000,000 can be used by the manager as part of the authorised capital.

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.

9.3 Explanations

9.3.1 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.

9.3.2 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[94].

9.3.3 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.

9.3.4 Arbitration procedures

Apart from the lawsuits mentioned in point 4.3.9 "Information relating to pending lawsuits", the Board of Directors of Montea Management NV states that there are no government interventions, no lawsuits or arbitration proceedings pending that might have a relevant effect on the financial situation or profitability of Montea and that, to the Board's knowledge, there are no situations or incidents that might lead to such government interventions, lawsuits or arbitration proceedings.

[94] Montea hereby confirms that it has received permission for publishing the information of third parties in this report.

9.3.5 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.
- 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[95].
- The directors do not own shares of Montea.
- The fact that up to now, with exeption of the executive directors, no options for shares of Montea have been confirmed.

With the exception of the important events occurring after the balance sheet date mentioned in point 4.8, no changes of any significance have occurred since 31st December 2011 in the group's financial and trading position for which controlled financial information has been published.

9.3.6 Statements on financial accounts

As from chapter 8 in this annual report, the consolidated and annual financial accounts of 2011 are compared with the financial accounts of 2010 and 2009. For more information regarding the notes over 2010 and 2009, we refer to the respectively annual reports of 2010 and 2009 published on the website of Montea (www.montea.com).

9.4 Articles of Association

The most recent version dates from the Extraordinary General Meeting of 17 May 2011 and can be consulted on the website www.montea.com.

[95] See chapter "Executive Management and executive board of the statutory Manager"

9.5 The sicafi in Belgium and the Société d'Investissements Immobiliers Cotée (SIIC) in France n

The sicafi in Belgium

The sicafi (investment company with fixed capital – sicafi) introduced by the law of 4 December 1990 (replaced by the law of 20 July 2004), 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[96] 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 21% (see footnote 18), 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).

[96] Calculated on the basis of the schedule specified in Section B of the Annex to the Royal Decree of 21 June 2006, replaced by the Royal Decree of 7 December 2010.

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 sicafi 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. sicafi 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 (replaced by the RD of 7 December 2010).

10. 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 sicafi.

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.

Dit jaarlijks financieel verslag is een registratiedocument in de zin van artikel 28 van de wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt. Een online versie is eveneens beschikbaar op www.montea.com. Het jaarlijks financieel verslag werd door de FSMA goedgekeurd op 16 april 2012.

Ce rapport financier annuel est un document d'enregistrement au sens de l'article 28 de la loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés. Une copie est également disponible sur www.montea.com. Le rapport financier annuel a été approuvé par la FSMA le 16 avril 2012.

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 FSMA on the 16th of April 2012.