



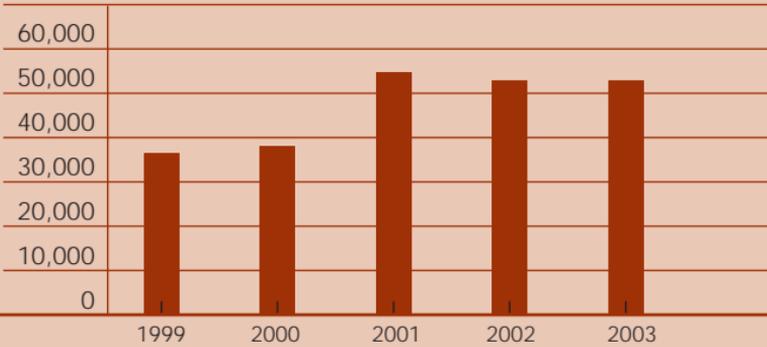
BEFIMMO ANNUAL REPORT 2003

KEY FIGURES

KEY FIGURES 2003 (on 30/09/2003)

TOTAL SURFACE AREA OF PORTFOLIO	527,842 m ²
VALUE OF PORTFOLIO ⁽¹⁾	EUR 1,064,600,596
OCCUPANCY RATE	94.72%
EQUITY	EUR 601,294,000
BOOK VALUE (PER SHARE)	EUR 61.39

CASH FLOW (in thousands of EUR)



(1) Under current regulations we are required to divulge both the sale value and the acquisition value of the portfolio to be declared; the latter value is considered to be the "deed in hands" value. This includes variable transaction costs of a maximum of 13%, which an investor would have had to pay in the event of a direct real estate investment. Consequently, assuming the sale of the portfolio based on the expert valuation, the net sale value for the Sicafi would be between EUR 943.3 million and EUR 1,064.6 million.



■ *Ce rapport annuel est également disponible en français.*

■ *Dit jaarverslag is ook verkrijgbaar in het Nederlands.*

Fiscal year 2003

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Anticipate to consolidate



// Befimmo is generally coping well with the current economic situation, shows good prospects and is providing attractive opportunities and prospects. Since its creation, Befimmo's real estate portfolio has continually developed, growing in terms of both size and quality.

Befimmo's reliability is the result of its ability, as a real estate professional, to choose, act and anticipate with a view to consolidating its portfolio and diversifying its risks. //

Creating value in real estate

Letter to shareholders

Dear Shareholders,

This is the first time since their creation that Sicafis have been faced with a new situation.

Real estate is at the end of the economic cycle and has now been hit by the economic situation. Due to decreases in values in the suburbs and decentralized Brussels, portfolio values are globally declining whilst incomes are suffering as a result of the impact of restructuring in multinational companies.

Paradoxically, investors, disappointed by other types of investment, are looking to invest their money in "good" real estate products offering security and prospects, but many are meeting with very limited success since such properties are difficult to find. As a result, values in the Brussels Central Business District are being driven up year after year.

Befimmo's overriding concern, namely to create value in all the growth operations it has carried out, is paying off: more than 60% of the portfolio is located in areas where values and rents are continuing to rise, partially offsetting the important losses still to be realized in other segments.

Leverage means that the overall decrease in the real estate portfolio value (this year around 1.36%) has had a significant impact on the return on equity. A decrease of 2.2% in the portfolio value has been deducted from the 8.7% generated by the result before ordinary items (realized), resulting in a return of 6.5%.

The realized amount of the return – the Sicafi result before extraordinary items – is built on a solid foundation. Befimmo has adopted a pragmatic and responsible attitude towards its lessees in the process of restructuring. Important renegotiations for leases due for renewal by 2006 have now already been concluded.

Befimmo decided not to invest in new projects this year since it believes the amounts currently paid for good projects in the city are too high and, as such, could be revised downwards once the economy picks up. However, current interest rates mean that all investments are having an immediate positive impact on the result.

If Befimmo used its borrowing power, it could immediately increase its result by around 6%. By not enlisting this borrowing power, Befimmo is demonstrating its commitment to a strategy of creating value for its shareholders by refusing to sacrifice medium-term and long-term benefits for short-term gains.

This makes Befimmo unique.



When Befimmo considers an investment, it may do so without the obligation to show growth or balance the profit and loss account. Befimmo takes great care when making such choices and considers the benefit of the operation to shareholders, prospects for creating value, sustainable earnings per share increase and the book value per share.

Bolstered by its pay-out policy (82.8% of the net product this year) and its capacity for increasing its profit, Befimmo will be able to maintain its policy of dividend growth above the rate of inflation over the coming fiscal years.

Befimmo has considered its future strategy at length in this new context.

Befimmo will continue to specialize in its core activity of office real estate in Brussels as a real estate asset manager focused on creating value for its shareholders. It will not diversify into other real estate activities with different "risk/return" ratios but is, as ever, always on the lookout for market opportunities.

Befimmo monitors and shows an interest in consolidation and outsourcing movements.

This year, the Befimmo team received some new additions and now comprises fifteen members.

Brussels, 9 December 2003.

The Managing Agent
Befimmo SA

A handwritten signature in black ink, appearing to read "Benoît De Blieck". The signature is fluid and cursive.

Benoît De Blieck
Managing Director

A handwritten signature in black ink, appearing to read "Alain Devos". The signature is stylized and cursive.

Alain Devos
Chairman of the Board

Management report

KEY EVENTS FOR THE FISCAL YEAR

BUSINESS DEVELOPMENT

INVESTMENTS AND DISPOSALS

For the first time since its creation in 1995, the extent of the Sicafi's real estate portfolio has remained virtually unaltered throughout the fiscal year with no new acquisition made this year (aside from within the Ikaros business park).

Nevertheless, Befimmo has pressed on with its efforts to re-focus its real estate portfolio on the Brussels Central Business District (CBD), i.e. inside the Pentagon, Léopold district and Espace Nord.

To this end, Befimmo carried out in-depth studies into several investment projects in these locations and made firm offers for a total investment value of around EUR 300 million.

None of these offers were accepted. In our view, there are two main reasons for this:

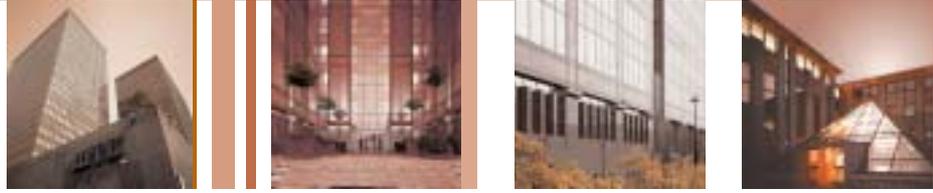
- **investment competition:** real estate is currently emerging as a "safe haven", attracting large sums of money from people looking to invest. The result is a lack of "good" projects, and competition is intensifying for those good projects in which Befimmo is interested. This is affecting returns in good CBD locations and is driving values steeply upwards;
- **the commitment to "value creation":** the question had been raised of whether the increases in value seen in the city are sustainable. This appears to be the case, but only within specific limits which Befimmo was unwilling to go beyond given its experience of the market and in accordance with the value creation criteria it has always implemented. The result is that competitors offered more for quality projects this year than Befimmo was prepared to pay.

RENTALS

During this difficult economic period, numerous companies are restructuring and are looking to cut general costs. They are therefore keen to renegotiate their leases as they come up for renewal.

These renegotiations are even more important to companies located in decentralized areas and in the Brussels suburbs. In these areas, the rental market is currently weighted in favor of potential lessees, meaning that competition between owners letting property in these areas is extremely fierce. Given the substantial differences in taxation rates in Brussels and the Flemish and Walloon regions, current conditions obtained for a new rental agreement in the suburbs may be markedly cheaper than that of a rental agreement already in force in a decentralized area.

Given this situation, which our analysis shows, may continue for some years but should only be temporary (*logically, property developers are not building new properties until the current high number of vacancies are filled and an economic upturn is underway*), Befimmo is adopting the attitude of a responsible property owner and is giving full priority to cash-flows. Pragmatically, taking account of the current situation but retaining prospects of an upturn, Befimmo is therefore doing all it can to hold on to its lessees, whose only reason for moving would be economic in nature. Thus Befimmo has successfully renewed leases with, in particular, Danka, Flexys, Basell, Compuware and more recently Levi Strauss and VDAB since the end of the fiscal year. As such, Befimmo has already concluded the majority of lease negotiations which were due for renewal before fiscal year 2006.



On 30 September 2003, the occupancy rate¹ of Befimmo's overall portfolio was 94.7%, whilst the average occupancy rate² during the fiscal year was 95.20%.

During the fiscal year, Befimmo concluded leases for a total of 23,558 m² of offices and 11,168 m² of storage and multi-purpose facilities. 38.5% of Befimmo's transactions concerned leases renewed in direct negotiations with its customers.

Some of the largest rental deals clinched this year included a 14,453 m² area in the Media building leased on a firm contract to Scarlett Belgium until 2008/2009 following the departure of KPN Belgium.

Other new clients occupying Befimmo buildings include Eurobalken, Télé 2, Bauerer, PEOS, Allan Garantie, Convex, Dipsa and PH Nathan amongst others.

Taking into consideration renegotiations completed after the end of the fiscal year, it would seem realistic to assume that the occupancy rate will remain stable for the next two fiscal years.

PORTFOLIO DEVELOPMENT

Befimmo is constantly improving the quality and performance of its real estate. Thus, over the past fiscal year, it made investments totaling EUR 4,258,000.

The main investments made include Schuman 11 where renovation work is continuing and is due for completion in early 2004.

Befimmo also pursued its investments in the Ikaros business park.

In addition, Befimmo is proactively working to improve its portfolio, especially:

- Centre Borschette: research is being carried out into renovating the Centre de Conférences after the lease with the European Commission ends. Befimmo has therefore responded to a "call for proposals" launched by the European Commission in June 2003 and submitted a request for a permit which should be issued towards the end of 2003. Should an agreement fail to be reached with the European Commission on the future use of the Centre, Befimmo will research an alternative office project to be implemented once the lease ends;
- Justice Extension: in agreement with its occupants, Befimmo is carrying out studies into a major renovation of this the building. The aim is to complete this project (currently budgeted at over EUR 6 million) in a short space of time with a view to renewing the current long-term lease.

Due to a dispute arising from work carried out by La Poste on Tower 2 of the World Trade Center, which La Poste had rented for 25 years, Befimmo and La Poste agreed to call in an expert to carry out a full survey on the asbestos still present in the tower. The report is being drawn up. Insofar as the necessary renovation work was agreed with La Poste and carried out between 1997 and 1999, Befimmo does not consider any further work to be necessary.

¹ The occupancy rate on a given date is calculated as the ratio of rents in force on that date to these rents plus the estimated rental value of the area vacant on this date.
² The average occupancy rate during the fiscal year is calculated as the ratio of income actually earned during the fiscal year (turnover for the fiscal year) to this income plus the estimated rental income for vacant areas during the vacancy period.

Brussels continues to offer stability and security to investors.

Thus, despite the economic situation, Brussels remains one of only a few European cities to register an increase in take-up (around 500,000 m² per year), with rents and values continuing to rise in the Central Business District.

However, the vacancy rate is increasing, rising from 8.7% at the end of 2002 to 9.1% in mid-2003. As a result, the surface area available has reached the million m² mark.

Care needs to be taken as market analysis is performed by segment; there is clearly a two-tier market.

THE CENTRAL BUSINESS DISTRICT

This segment is composed of the Brussels Pentagon, the Léopold district, the Espace Nord and the Midi railway station. At present, it is responsible for 75% of demand.

Demand in this area comes mainly from the Belgian government (which is restructuring its real estate portfolio) and from the European Union (which is expanding). They took 200,000 m² during the first half of 2003, accounting for 65% of demand. Remaining demand (9%) stemmed from foreign representations and interest groups.

The highest rents are almost 300 EUR/m² and, given the low availability, more than half of these rented areas are still under construction.

The vacancy rate is in fact at a historic low (400,000 m² available), standing at less than 5% in the Pentagon and Léopold district and around 8% in the Espace Nord. In principle, this situation is set to continue for the next few years. Excluding the Berlaymont building, 450,000 m²

of new offices will come onto the market in 2004 while 550,000 m² of projects identified for the following years are due only to be implemented gradually as and when needed as a result of demand.

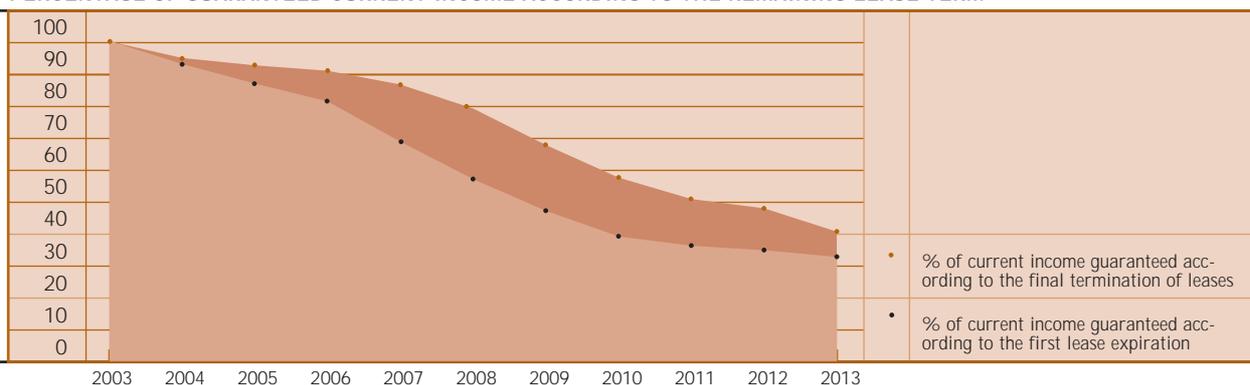
Real estate, a "safe haven", is attracting large numbers of people seeking to invest. As a result, property is relatively difficult to find for potential investors. Competition is increasingly fierce and this is impacting returns and driving values firmly upwards.

For the first six months of 2003, the volume of investments exceeded EUR 450 million. However, since demand was not met, a downturn of 25% is expected for the whole of 2003, with the volume invested falling from EUR 1.6 billion to EUR 1.2 billion.

The investment market therefore favors sellers, and this trend seems likely to continue due to the current poor performances of the stock exchanges and debentures as well as the relatively low interest rates.

The capitalization rates for the most successful projects were between 5.80% and 6.50%, narrowing the gap between Brussels and other major European capital cities such as Paris, London and Amsterdam.

PERCENTAGE OF GUARANTEED CURRENT INCOME ACCORDING TO THE REMAINING LEASE TERM



THE DECENTRALIZED AREA AND SUBURBS

These areas account for 25% of demand (90,000 m² during the first half of 2003), the source of which is Belgian companies and multinationals.

This demand is generally not new, but rather is generated by companies looking for a more favorable location in new, cheaper buildings following restructuring.

Availability is currently very high with the rental vacancy rate as much as 20% in the suburbs (300,000 m² available) and 13% in decentralized Brussels (also 300,000 m² available).

This situation is the result of the arrival on the market of new projects started before the technology bubble burst. Moreover, these projects are competing with second-hand areas put back on the market by companies that no longer need this space following restructuring.

The result is extremely stiff competition between property owners, real estate developers and, where applicable, the companies themselves who are all trying to find

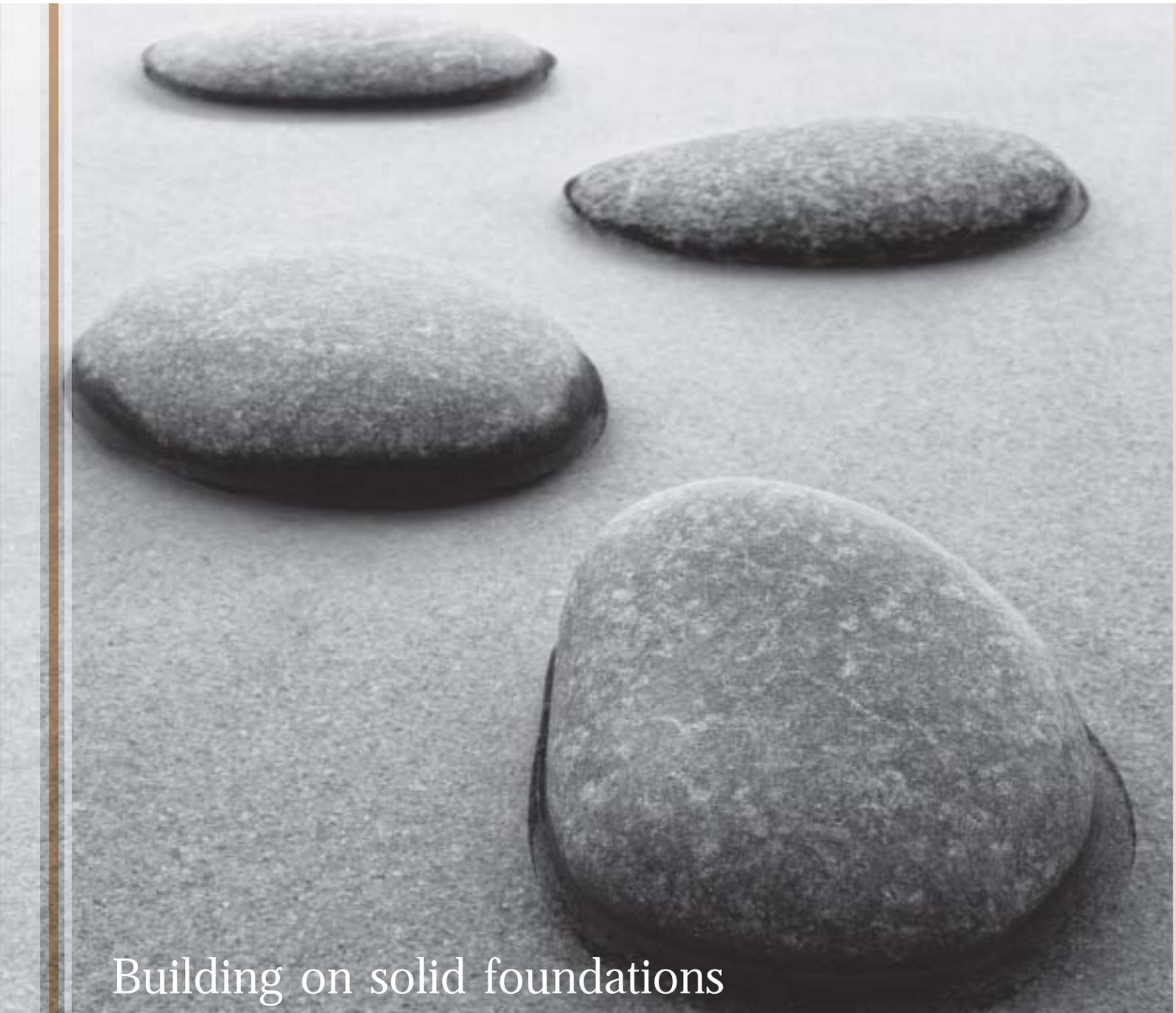
occupants for their areas. Substantial benefits are on offer for potential lessees, including up to 25% of the rent in financial terms.

The suburbs are also attracting many more companies located in decentralized areas away from the Brussels Region. Tax rates differ considerably between the two areas. The only logical justification for this is if the city's facilities are made available, e.g. access to public transport, proximity of customers and services.

The situation in the suburbs may see a substantial improvement in the coming years. Not only will the second-hand market run out, developers are also avoiding launching new projects.

Whilst few investment transactions are being carried out at present, a gradual upturn may be expected in the suburbs with rents and values increasing once the economy picks up.

In this regard, decentralized Brussels will continue to have more difficulties in areas where the city's facilities are not available.



Building on solid foundations

Befimmo is a real estate owner. Its strategy is to create value for its shareholders.

All operations carried out since 1995 have had this objective and have enabled Befimmo's assets to be increased eightfold.

Starting from scratch and benefiting from the experience and knowledge of its Promoter Bernheim (today allied with Fortis Real Estate) and under the management of its managing agent, over the past eight years Befimmo has succeeded in securing a solid position in the market:

- a quality portfolio;
- a strategy adapted to economic developments;
- a good risk/return profile;
- a solid balance sheet (rating A2/BBB Standard & Pooors¹) with a well-balanced debt structure allowing an investment capacity of EUR 130 million;
- costs (real estate charges and general costs) under control;
- an internal team currently comprising 15 members.

Bolstered by this track record, Befimmo is continuing to grow, both internally and externally, with the same philosophy of creating value for shareholders:

■ Befimmo is focusing on its core business of real estate asset manager for offices in Brussels, without diversifying to any great extent into other activities showing different risk/return profiles than that of the professional investor.

Befimmo is also interested in market opportunities;

■ Lastly, Befimmo is interested in more financial opportunities based on solid, long-term cash-flows.

As in the past, Befimmo is ensuring the long-term security of its cash-flows and will seek to maintain the highest possible occupancy rate for its portfolio, developing the relationship of trust it is building with its lessees and adopting a responsible and pragmatic attitude given the current economic situation.

Lastly, by pursuing its policy of anticipating cycles, arbitraging its portfolio and simply seizing opportunities, Befimmo will be able to sell off assets that do not fit in with its strategy and generate value for its shareholders.

1. www.standardandpoors.com

INVESTMENT STRATEGY

When it was founded in 1995, Befimmo set itself the objective of investing in three types of property: office buildings located in Brussels, semi-industrial buildings in the Brussels-Antwerp corridor and shopping centers in Belgium.

After eight years, the opportunities that have arisen have resulted in a portfolio which, although diverse, has a single product (96% offices) and single market (97% in Brussels or its economic hinterland).

This portfolio is well distributed between different sub-markets in Brussels and also benefits from a firm foundation:

- 60% of the portfolio is situated in the Central Business District where there is structural demand from Belgian federal and regional institutions, European institutions as well as companies, representations and offices that need to be located in close proximity to these institutions; while supply will remain limited due to scarcity and restrictions on planning permission;

and opportunities in the event of an economic upturn:

- 15% of the portfolio is located in decentralized areas, mainly in places where companies also benefit from the advantages of a city location (*availability of public transport, access to services, proximity of customers, etc.*);

- 20% of the portfolio is situated in the Brussels suburbs of Zaventem and Vilvoorde. Half of this portfolio, the Ikaros and Planet business parks, is located in a niche market of small business parks with office buildings, making it possible to provide a flexible and effective solution to the needs of small companies and subsidiaries of multinationals.

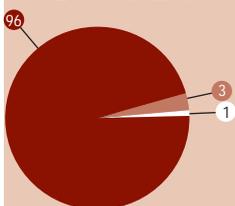
In relative terms, the portfolio is not cost-intensive (work or management costs); it has a young profile and comprises a small number of large buildings (> 5,000 m²).

Its income appears well protected with 40% (on average for the next ten years) provided by the institutions belonging to the Belgian government or European Union. The portfolio's occupancy rate remains high. The rent curve is relatively flat in the early years (which limits lease renegotiations in times of crisis) and is long-term (30% of incomes are still guaranteed until 2014).

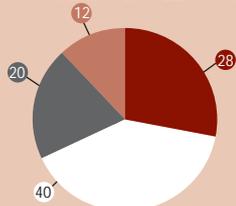
Relatively low re-development risks are involved in the medium-term (10 years). The future of the Borschette, Justice Extension and Shell buildings is being actively managed.

PROFILE (as of 30/09/2003)

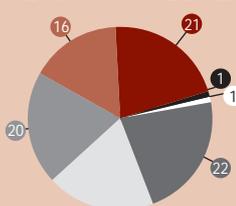
TYPE OF ASSETS ⁽¹⁾



AGE OF BUILDINGS ⁽¹⁾



GEOGRAPHICAL BREAKDOWN ⁽¹⁾



- 96% - OFFICES
- 3% - SEMI-INDUSTRIAL
- 1% - COMMERCIAL

- 28% - 0-5 years
- 40% - 6-10 years
- 20% - 11-15 years
- 12% - more than 15 years

- 21% - BRUSSELS SUBURBS
- 1% - ANTWERP
- 1% - OTHER
- 22% - BRUSSELS "ESPACE NORD"
- 19% - BRUSSELS LÉOPOLD DISTRICT
- 20% - BRUSSELS CENTER
- 16% - BRUSSELS DECENTRALIZED

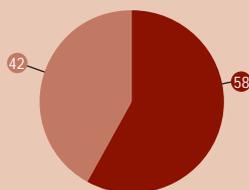
In the office buildings segment, Befimmo plans to continue internal growth by registering interest in projects with the following attributes:

- a critical size, well-equipped with a good plan;
- a good location (visibility, accessibility) in the Brussels CBD (Centre, Léopold, Nord, Midi) and possibly in decentralized areas or in the suburbs if good public transport links are available;
- suitable for successfully passing the in-depth due diligence examination which looks into planning permission and technical, environmental, legal and taxation issues;
- the potential to create value.

Given the stiff competition among potential investors for “good products”, Befimmo will build on its skills as a Belgian company in its home market, taking upstream positions where necessary thereby assuming certain commercial risks (for example in terms of occupying buildings acquired which are still to be completed), and forming partnerships with real estate developers or businessmen where appropriate with a view to covering the risks involved in realization (cost, schedule, quality). Where appropriate, Befimmo will form partnerships sharing with third parties operations that are too large for its operating capacity.

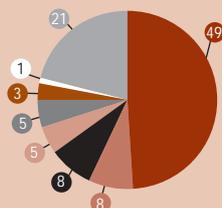
Befimmo is also interested in investment projects with a more financial profile, offering their purchaser a long-term and regular stream of solid cash-flows.

DURATION OF LEASES (2)



- 58% - < 9 years
- 42% - > 9 years

OCCUPANTS (2)



- 49% - PUBLIC SECTOR (BELGIAN AND INTERNAT.)
- 8% - CHEMICALS, OIL AND PHARMACEUTICALS
- 8% - FINANCE
- 5% - CONSULTING LAWYERS
- 5% - TELECOMS
- 3% - INFORMATION TECHNOLOGY
- 1% - RETAIL
- 21% - OTHER

(1) Proportions are expressed in terms of the assessed “deed in hands” value on 30 September 2003. Real estate certificates are not covered by these charts.

(2) Proportions are expressed in terms of current leases on 30 September 2003.

THE PORTFOLIO

The value of the real estate portfolio¹ was EUR 1,064.6 million on 30 September 2003 (“deed in hands”). This compares with a value of EUR 1,074.2 million at the start of the fiscal year. The difference of EUR 9.6 million is partly the result of investments made during the fiscal year (EUR 3.7 million) as well as a decrease in the value of the portfolio, real estate and certificates, of EUR 13.3 million.

The overall decrease in the value of the portfolio of buildings was EUR 14.6 million, i.e. a drop of 1.36%.

The trend in values is shown by district in the table below:

CHANGE IN VALUES (on 30/09/2003 - in millions of EUR) (Independent valuation)

	2001	2002	2003	Δ 12 months
BUILDINGS	1,043.5	1,064.8	1,054.5	- 1.36%
OFFICE	1,009.9	1,031.2	1,021.6	- 1.34%
BRUSSELS, CENTER (CBD)	619.0	634.0	642.4	+ 0.76%
BRUSSELS, DECENTRALIZED	163.2	162.0	156.4	- 3.49%
BRUSSELS, SUBURBS	212.1	219.0	206.5	- 6.00%
OTHERS	15.5	16.2	16.3	+0.38%
SEMI-INDUSTRIAL	28.1	28.1	27.5	-2.07%
COMMERCIAL	5.6	5.5	5.4	-2.36%
REAL ESTATE CERTIFICATES	7.6	9.4	10.1	+13.67%
TOTAL REAL ESTATE PORTFOLIO	1,051.1	1,074.2	1,064.6	-1.24%

In the suburbs, in addition to the drop in values resulting from a general trend, the Befimmo portfolio suffered in particular as a result of the loss of KPN Belgium from the Media building in Vilvoorde.

The occupancy rate (excluding projects and land) was 94.7% on 30 September 2003 compared, with 95.9% for the previous year.

(1) Under current regulations we are required to divulge both the sale value and the acquisition value of the portfolio to be declared; the latter value is considered to be the “deed in hands” value. This includes variable transaction costs of a maximum of 13%, which an investor would have had to pay in the event of a direct real estate investment. Consequently, assuming the sale of the portfolio based on the expert valuation, the net sale value for the Sicafi would be between EUR 943.3 million and EUR 1,064.6 million.

SUMMARY TABLE OF ASSETS OWNED, BY TYPE (on 30/09/2003 - in thousands of EUR)

	SURFACE AREA (m ²)	INSURED VALUE ⁽¹⁾	ASSESSED VALUE ⁽²⁾⁽³⁾	ANNUAL RENT
OFFICES				
CENTER	282,228	593,507	642,405	47,235
DECENTRALIZED	61,189	139,676	156,359	11,706
SUBURBS	117,408	183,607	206,526	13,890
OTHER	15,122	19,165	16,318	1,971
TOTAL OFFICES	475,947	936,155	1,021,608	74,802
SEMI-INDUSTRIAL	49,599	28,491	27,549	2,214
COMMERCIAL	2,296	1,743	5,370	431
TOTAL	527,842	966,389	1,054,527	77,447

(1) The insured value is the rebuilding value (excluding land).

The insured value of the Joseph II building insured by the European Union is estimated at its assessed value.

(2) It is not in the shareholders' interests to publish the acquisition values and assessed values for each individual building. The acquisition value is understood to be the assessed value on the day of the acquisition or of the contribution or, in the case of a merger, the day on which the exchange ratio was calculated.

(3) The assessed value is established on the basis of the "deed in hands" value which includes the variable transaction costs (of at least 13%) that an investor would have had to pay to invest directly in real estate.

CHANGE IN PORTFOLIO YIELD (on 30/09 - in thousands of EUR)

	1999	2000	2001	2002	2003
TOTAL SURFACE AREA (m²)	299,094	303,068	339,935	527,842	527,842
BOOK VALUE					
REAL ESTATE PORTFOLIO	556,261	543,036	621,208	1,064,818	1,054,527
REAL ESTATE CERTIFICATES	7,600	6,813	7,646	9,384	10,069
TOTAL ASSETS	563,861	549,849	628,854	1,074,202	1,064,596
OCCUPANCY RATE ⁽¹⁾	98.0%	98.0%	96.2%	95.9%	94.7%
YIELD ⁽²⁾					
ON REAL ESTATE PORTFOLIO	8.06%	7.65%	7.64%	7.71%	7.86%
BREAKDOWN ⁽³⁾					
m ² OFFICE SPACE	247,199	251,173	288,040	475,947	475,947
m ² SEMI-INDUSTRIAL	49,599	49,599	49,599	49,599	49,599
m ² COMMERCIAL	2,296	2,296	2,296	2,296	2,296
% OFFICE SPACE	94%	94%	94%	96%	96%
% SEMI-INDUSTRIAL	5%	5%	5%	3%	3%
% COMMERCIAL	1%	1%	1%	1%	1%

(1) The occupancy rate is calculated as being the ratio between the current rent and the same rent plus the estimated rental value of the unoccupied surface area.

(2) The yield of the real estate portfolio is calculated as the ratio between current rents plus the rental value of the unleased surface area and the assessed value.

(3) The percentages relative to the breakdown of the portfolio are shown on the basis of the assessed "deed in hands" value on 30 September. As of fiscal year 1999 they concern only directly owned real estate assets.

THE PORTFOLIO

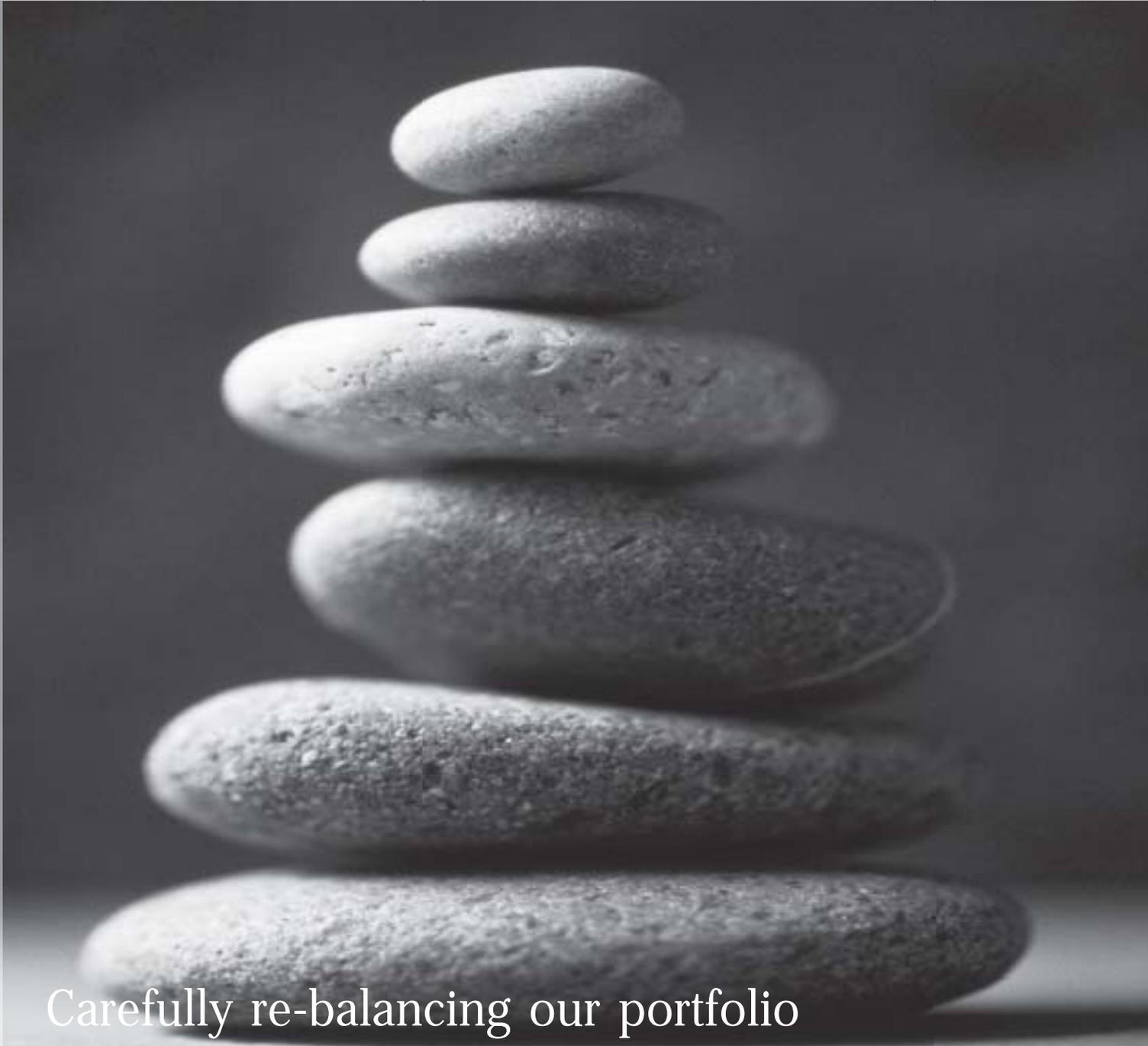
SUMMARY OF REAL ESTATE ASSETS (on 30/09/2003)

INVESTMENT BUILDINGS	YEAR BUILT/ YEAR RENOVATED	RENTAL SPACE (m ²)	INITIAL DURATION OF LEASES (years)	RENTS CALLED DURING THE FISCAL YEAR (in thousands of EUR)	PERCENTAGE OF PORTFOLIO ⁽¹⁾ (%)	CURRENT RENT on 30/09/03 (in thousands of EUR)	OCCUPANCY RATE on 30/09/03 (%)
OFFICES							
BRUSSELS CENTER							
SHELL	1997-2000	31,381	3/6/9	4,264	5.57%	4,311	100%
BREDERODE 1	1990-2001	24,968	14	3,035	3.98%	3,084	100%
EXTENSION JUSTICE	15 years +	18,795	9	2,976	3.86%	2,993	100%
IMPÉRATRICE	1997-2000	17,072	9/12/15/18	2,446	3.20%	2,478	100%
BREDERODE 2	1993	7,803	3	1,892	2.46%	1,902	100%
EMPEREUR	1997	5,953	9	833	1.08%	833	100%
		105,972		15,446	20.14%	15,601	100%
BRUSSELS LEOPOLD DISTRICT							
BORSCHETTE	1981	17,657	12/24	3,488	4.51%	3,490	100%
RUE JOSEPH II, 27	1994	12,831	27	3,369	4.36%	3,380	100%
WIERTZ	1996	10,816	3/6/9	2,498	3.25%	2,514	100%
VIEW BUILDING	2001	10,297	6/9	1,723	2.39%	1,851	100%
GUIMARD	1997	5,357	3/6/9	1,142	1.48%	1,150	100%
SCHUMAN 11	2003	5,124	-	-	0.00%	0	0%
SCHUMAN 3	2001	5,122	9	1,305	1.77%	1,373	100%
		67,204		13,525	17.76%	13,758	91%
BRUSSELS "ESPACE NORD"							
WORLD TRADE CENTER	1975/1998	66,326	24	10,744	13.96%	10,808	100%
NOORD BUILDING	1989	42,726	27	7,105	9.13%	7,068	100%
		109,052		17,849	23.08%	17,876	100%
BRUSSELS DECENTRALIZED							
LA PLAINE	1995	15,933	12/18	4,026	5.23%	4,053	100%
TRIOMPHE I	1998	11,080	3/6/9	2,428	3.16%	2,448	100%
TRIOMPHE II	1998	9,282	9	1,741	2.27%	1,756	100%
JEAN DUBRUCCQ	1991	7,744	9	729	0.99%	766	100%
TRIOMPHE III	1993	7,173	3/6/9	1,407	1.83%	1,415	98%
GOEMAERE	1988/1998	6,939	3/6/9	776	1.10%	852	70%
EUDORE DEVROYE	1996	1,576	3/6/9	269	0.35%	271	100%
HULPE 177	1970	1,462	3/6/9	170	0.19%	145	100%
		61,189		11,545	15.11%	11,706	96%
BRUSSELS SUBURBS							
IKAROS BUSINESS PARK ⁽²⁾	1990 to 2003	40,965	3/6/9	3,485	5.15%	3,992	81%
MEDIA	1999	18,651	9	2,516	2.99%	2,315	85%
FOUNTAIN PLAZA	1991	16,690	3/6/9	1,752	1.94%	1,500	59%
PLANET 2	1988	10,277	3/6/9	893	1.00%	774	65%
EAGLE BUILDING	2000	8,661	6/9	1,261	1.48%	1,145	83%
WOLUWE GARDEN B	1997	7,756	3/6/9	1,630	1.94%	1,500	92%
WOLUWE GARDEN D	1994	7,673	3/6/9	1,562	1.85%	1,432	92%
OCEAN HOUSE	1997	4,730	3/6/9	839	1.04%	806	100%
WATERLOO OFFICE PARK	1992	2,005	6/9	425	0.55%	426	100%
		117,408		14,362	17.93%	13,890	81%
MONS							
JONCQUOIS 118	2002	7,851	18	1,067	8.398	990	100%
PEUPLIERS 71	1976	7,271	9	1,070	10.767	981	100%
		15,122		2,137	2.54%	1,971	100%
TOTAL OFFICES		475,947		74,864	96.58%	74,802	94%

INVESTMENT BUILDINGS	YEAR BUILT/ YEAR RENOVATED	RENTAL SPACE (m ²)	INITIAL DURATION OF LEASES (years)	RENTS CALLED DURING THE FISCAL YEAR (in thousands of EUR)	PERCENTAGE OF PORTFOLIO ⁽¹⁾ (%)	CURRENT RENT on 30/09/03 (in thousands of EUR)	OCCUPANCY RATE on 30/09/03 (%)
SEMI-INDUSTRIAL							
BRUSSELS-ANDERLECHT RUE BOLLINCKX BOULEVARD INDUSTRIEL	1980 1976	8,098 7,790	3/6/9 3/6/9	552 279	0.72% 0.41%	556 317	100% 91%
		15,888		831	1.13%	873	96%
BRUSSELS SUBURBS GREEN HILL	1986	7,187	3/6/9	564	0.73%	566	99%
		7,187		564	0.73%	566	99%
ANTWERP KONTICH 1 KONTICH 2	1983 1990	18,452 8,072	3/6/9 3/6/9	410 427	0.45% 0.55%	346 429	48% 99%
		26,524		837	1.00%	775	67%
TOTAL SEMI-INDUSTRIAL		49,599		2,231	28,491	2,214	84%
COMMERCIAL							
CHARLEROI RUE DE LA MONTAGNE	1995	2,296	commercial	429	0.56%	431	100%
		2,296	-	429		431	
TOTAL COMMERCIAL		2,296		429	0.56%	431	100
TOTAL PORTFOLIO		527,842		77,525	100.00%	77,447	93.24%

(1) The percentage of the portfolio is calculated on the basis of current rents on 30 September 2003.

(2) Ikaros Business Park: the rental space includes the rental space in phase IV buildings purchased for future completion.



Carefully re-balancing our portfolio

THE REAL ESTATE EXPERT'S CONCLUSIONS

WINSSINGER & ASSOCIATES

BEFIMMO SCA
Chaussée de la Hulpe, 166
1170 BRUSSELS

BEF/frs/37.570 - BEFIMMO 09.03

Brussels, 15 October 2003

Dear Sir,

RE: VALUATION AS OF 30 SEPTEMBER 2003

In accordance with your legal and statutory requirements, we are pleased to advise you as to our opinion of the investment value of the BEFIMMO property portfolio as at 30 September 2003.

The investment properties are valued on the basis of net present value of estimated rental income. Concerning projects and buildings under renovation, our valuation is based on the value after construction, less construction costs, fees, interim finance and risk premium. These valuations are made in accordance with the IVS-norms (International Valuation Standards).

The value represents the price that any investor would be prepared to pay for each property within the portfolio. Taxes and other costs, which either the investor or yourselves would have to bear in order to ensure this transfer of ownership, have not been deducted from our valuation figures.

The investment value of the global portfolio, as at 30 September 2003, amounts to: **EUR 1,054,527,000** (ONE BILLION FIFTY-FOUR MILLION FIVE HUNDRED TWENTY-SEVEN THOUSAND EURO); this amount includes the valuation of the buildings which have been carried out by Cushman & Wakefield Healey & Baker, CB Richard Ellis and Catella Codemer.

On this basis, the initial yield (except projects and refurbishments) of the portfolio is 7.45%. Should the vacant accommodation be fully let at estimated rental value, the initial yield would be 7.86%.

The occupation rate of the entire portfolio is 94.72%.

The average level of passing rent obtained is currently approximately 8.58% above the current average estimated rental value (not including projects and buildings under renovation); principally due to the rents paid for the buildings in the North area of Brussels which are let on long lease contracts until at least 2015.

The property portfolio comprises:

BRUSSELS, 19 MUNICIPALITIES	75.29% *
PERIPHERY AND SATELLITE REGIONS OF BRUSSELS	19.90%
ANTWERP, MONS, CHARLEROI	3.20%
PROJECTS AND BUILDINGS UNDER RENOVATION OR UNDER CONSTRUCTION	1.61%
TOTAL	100.00%

* of which 32,40% are let on long term to EC, to Citibank, to Flemish Government and to the Post Office.

Yours sincerely,

Brussels, 15 October 2003

WINSSINGER & ASSOCIATES SA/NV

Benoit FORGEUR

Philippe WINSSINGER

FINANCIAL RESULTS

(on 30/09 - in thousands of EUR after appropriation)

BALANCE SHEET	2001	2002	2003
ASSETS			
ESTABLISHMENT COSTS	2,573	-	-
VALUE OF THE REAL ESTATE PORTFOLIO	621,208	1,064,818	1,054,527
VALUE OF THE REAL ESTATE CERTIFICATES	7,646	9,384	10,069
OTHER ASSETS	68,633	10,198	37,592
TOTAL ASSETS	700,060	1,084,400	1,102,188
LIABILITIES AND SHAREHOLDERS' EQUITY			
EQUITY	477,856	605,596	601,294
PROVISIONS FOR LIABILITIES AND CHARGES	-	2,351	2,351
AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR	52,978	161,203	117,668
AMOUNTS PAYABLE WITHIN ONE YEAR	151,029	308,249	375,489
FINANCIAL DEBTS	108,762	224,606	304,901
TRADE DEBTS	4,210	39,675	22,499
OTHER DEBTS	38,057	43,968	48,089
ADJUSTMENT ACCOUNTS	18,197	7,001	5,386
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	700,060	1,084,400	1,102,188
KEY FIGURES			
DEBT RATIO	29.1%	43.3%	44.7%
RETURN ON EQUITY	12.9%	9.4%	6.5%
SHARE PRICE ON 30/09 (EUR)	63.00	62.45	69.80
BOOK VALUE PER SHARE (AFTER APPROPRIATION) (EUR)	60.43	61.83	61.39

INCOME STATEMENT	2001	2002	2003
TURNOVER	48,002	76,275	77,561
INCOME FROM REAL ESTATE CERTIFICATES	495	693	736
TOTAL OF REAL ESTATE INCOME	48,497	76,968	78,297
NET REAL ESTATE COSTS	-1,549	-3,068	-4,243
UNREALIZED UNDERLYING DEPRECIATIONS	-	-1,872	-7,477
NET OPERATING COSTS	-3,941	-5,156	-5,585
AMORTIZATION	-836	-	-
FINANCIAL INCOME	-6,952	-16,628	-15,782
TAX	-	66	-95
NET EXTRAORDINARY RESULTS	18,843 ⁽²⁾	-2,040	-
AFTER-TAX RESULT	54,062⁽²⁾	48,270	45,115
KEY FIGURES			
CASH FLOW PER SHARE (EUR)	6.94	5.38	5.38
EARNINGS PER SHARE (EUR)	6.84	4.93	4.61
RETURN PER SHARE (EUR) ⁽¹⁾	7.35	5.68	4.01
GROSS DIVIDEND PER SHARE (EUR)	4.12	4.28	4.45
NET DIVIDEND PER SHARE (EUR)	3.50	3.64	3.78
DISTRIBUTION PERCENTAGE⁽³⁾	96.1%	83.6%	82.8%

(1) The return is the gross dividend for the fiscal year plus the increase in the book value during the fiscal year divided by the book value at the beginning of the year.

(2) Revaluation gain transfer of EUR 4.838 million included.

(3) The distribution percentage is calculated on the basis of the net profit, in accordance with Article 62 of the royal decree of 10 April 1995 on Sicafis. In 2001, the revaluation gain on the Van Maerlant rent receivable is excluded of the Sicafii net product.

The following table has been drawn up to provide a comparison of Befimmo's results with those of "Sicafis" that publish their accounts pursuant to a derogation to the system established by the Royal Decree of April 1995.

(on 30/09 - in thousands of EUR)

	2001	2002	2003
RESULT BEFORE EXTRAORDINARY ITEMS			
GROSS FEES AND RENTS	48,002	76,275	77,561
+ CERTIFICATES COUPONS	495	693	736
- NET REAL ESTATE COSTS	-1,549	-3,068	-4,243
- OPERATING COSTS	-4,777	-5,156	-5,584
= OPERATING PROFIT	42,171	68,744	68,470
- NET FINANCIAL RESULT	-6,952	-16,628	-15,782
- TAXES	-	66	-95
= EARNINGS BEFORE EXTRAORDINARY ITEMS	35,219	52,182	52,593
PORTFOLIO RESULT			
- UNREALIZED UNDERLYING DEPRECIATION	-	-1,927	-7,746
+ CAPITAL GAINS REALIZED ON PORTFOLIO DISPOSALS	20,152	-	-
+ WRITE-BACKS OF DEPRECIATION AND PROVISIONS	3	55	268
+ CHANGE IN MARKET VALUE	24,443	2,506	-5,862
PORTFOLIO RESULT	44,598	634	-13,340
NET EXTRAORDINARY RESULT	-1,312	-2,040	-
RESULT FOR THE PERIOD	78,505	50,776	39,253
REVALUATION GAIN TRANSFER	-29,281	-2,506	5,862
ECONOMIC RESULT FOR THE PERIOD	49,224	48,270	45,115
+ WRITE-BACK OF REVALUATION GAIN	4,838	-	-
ACCOUNTING RESULT	54,062	48,270	45,115

NOTE ON RESULTS

During fiscal year 2003, the scope of the portfolio remained virtually unchanged with no significant sale or purchase made.

The operating profit is EUR 68.47 million compared with EUR 68.74 million for the previous year. This stability is actually due to an increase in the rents paid compensated by an increase in net real estate charges.

The real estate charges (EUR 4.24 million) include:

- recurring charges (mainly withholding tax on real estate income, regional taxes, insurance charges and agency fees not charged to the building occupants): EUR 2.41 million;

- repair and maintenance work: EUR 2.05 million;
- a non-recurring net income (agency commissions, compensation received, etc.): EUR 0.22 million.

Recurring operating costs, totaling EUR 5.58 million include:

- overheads and fees for third parties (EUR 3.30 million);
- costs linked to the Sicafi itself (EUR 1.36 million) (cost of real estate experts, tax on mutual funds, dividend payment commissions, etc.);
- remuneration of the Managing Agent Befimmo SA (EUR 0.92 million).

FINANCIAL RESULTS

The net cash-flow for the fiscal year is stable, standing at EUR 52.71 million, compared with EUR 52.72 million the year before.

The net current cash-flow is EUR 52.71 million, a level similar to the EUR 52.18 million the previous year.

The net current profit is EUR 45.11 million, compared with EUR 50.31 million in 2002. This decrease is mainly the result of unrealized write-downs on real estate, standing at EUR 7.5 million, compared to EUR 1.9 million (see the chapter on the real estate portfolio). Befimmo records its results in strict compliance with the rules set out in the Royal Decree of 10 April 1995. As such, only the realized capital gains and losses appear in the income statement and so are also the unrealized depreciations when the value in the expert report is less than the purchase value. The other capital gains and losses are presented in equity.

On 30 September 2003 the net book value before appropriation is EUR 644.8 million, compared with EUR 605.6 million at the start of the fiscal year.

During the fiscal year, equity at the start of the year changed as follows:

(in millions of EUR)		
EQUITY AT THE START OF THE YEAR:		605.60
CASH-FLOW FOR THE YEAR	52.71	
LOWER VALUE BOOKED TO THE PROFIT AND LOSS ACCOUNT	- 7.60	
PROFIT FOR THE YEAR	= 45.11	
VARIATION IN PORTFOLIO VALUE NOT BOOKED TO THE PROFIT AND LOSS ACCOUNT	- 5.86	
RETURN FOR THE YEAR	= 39.25	39.25
EQUITY AT THE END OF THE YEAR BEFORE APPROPRIATION		644.85
GROSS DIVIDEND PRESENTED TO THE GENERAL MEETING	- 43.55	
VARIATION IN EQUITY AFTER APPROPRIATION OF THE RESULTS	= - 4.30	- 4.30
EQUITY AT THE END OF THE YEAR:		601.29

The gross dividend accounts for 82.8% of the net product for the fiscal year as defined by the Royal Decree of 10 April 1995 on real estate Sicafs.

The net book value, after appropriation, is EUR 61.39 per share. The return for the year is therefore EUR 4.01 per share or 6.49% of the net assets at the start of the fiscal year.

INTEREST RATE RISK HEDGING

In view of the historically low interest rates, Befimmo took the opportunity to protect itself against risks posed by any sudden increase. As such, Befimmo signed 3% and 4% "option CAP" hedge contracts in June and July 2003 which will run until 30 June 2006. The amounts effectively hedged were calculated to give Befimmo sufficient room for maneuver with a view to arbitraging the portfolio.

Furthermore, in June 2002 and in connection with its syndicated loan of EUR 200 million, Befimmo concluded a collar contract on 70% of the outstanding loan, with:

- a floor of 3% and a cap of 5% on the 3-month Euribor until June 2004;
- a floor of 3.5% and a cap of 5.5% on the 3-month Euribor from June 2004 to June 2006.

APPROPRIATION OF RESULTS

The profit for this fiscal year totals EUR 45,114,557.60. In view of the profit carried forward from the previous year, the profit to be appropriated amounts to EUR 111,163,414.98.

In accordance with Article 60 of the Royal Decree of 10 April 1995 on real estate Sicafs, no depreciation was booked on the buildings.

In accordance with Article 119 para. 4 of the law of 4 December 1990 on closed-end mutual funds, no transfer was made to the legal reserves.

No event occurred during the fiscal year to justify setting up provisions as defined in Article 13 of the law of 17 July 1975 on company accounting and annual accounts.

With a view to being prudent and in the context of adaptation of the valuation rules to IFRS standards, the Managing Agent decided – as last year – to retain the provisions of EUR 2,350,680 made at the time by Cibix and not make any other new allocation.

In accordance with the distribution policy pursued to date, the Managing Agent proposes to the Ordinary General Meeting of Shareholders that EUR 67,607,911.38 be carried forward.

This further reinforces the capacity to finance any expenses relating to the risks inherent in the company's activities, while future dividend payments are also protected.

Dividend growth this year will be 3.8%, more than double the rate of inflation. We will therefore propose to the General Meeting that a dividend should be paid out in line with the forecasts published in the annual report for 2002.

We propose appropriating the amounts as follows:

PROFIT TO BE CARRIED FORWARD	EUR 67,607,911.38
PROFIT FOR DISTRIBUTION	EUR 43,555,503.60

If you approve this appropriation, the net dividend after deduction of the withholding tax on income derived from securities will amount to EUR 3.78 (EUR 4.45 gross) for each of the 9,794,227 shares. This will be payable as of 16 December 2003 on presentation of coupon no. 9 detached from the shares, at the following banks:

- DEXIA BANK
- ING BANK BELGIUM
- FORTIS BANK

The proposed dividend is higher than the minimum of 80% of net profit required by Article 62 of the Royal Decree of 10 April 1995. The distribution percentage is 82.8%.

EVENTS TAKING PLACE AFTER YEAR-END

Outside its day-to-day management duties, the Managing Agent reports no specific events taking place after year-end.

Mr Alain Devos, permanent representative of the Chairman of the Board of Directors of Fortis Real Estate SA, has been appointed Chairman of the Board of Directors.

As explained in the chapters on Strategy and Real Estate Portfolio, Befimmo plans to pursue a growth strategy for as long as this offers prospects for creating value for its shareholders.

THIS GROWTH CAN BE ACHIEVED IN TWO WAYS:

- regular and gradual growth by direct and indirect acquisition, in line with Befimmo's debt capacity;
- selective growth with other real estate portfolios, depending upon market opportunities.

Below we present the balance sheet and profit and loss account forecasts for the next three years, ending on 30 September 2004, 2005 and 2006, using a scenario of regular growth.

THE FOLLOWING PARAMETERS ARE TAKEN INTO ACCOUNT:

- Fluctuation in portfolio value:

2004 :	CBD:	+0.6%
	Decentralized:	-1%
	Suburbs:	-2.3%
	Overall:	-0.3%
2005 and 2006:	Overall:	+0.5%

- Health index to rise by 1.5%.
- Short-term interest rate (Euribor three month) of 3%.
- Debt ratio: 46%.
- Investments of EUR 47 million in 2004. No other external growth operations are included in the projections.

The provisional accounts presented here in no way constitute a commitment on the part of Befimmo and have not been certified by the statutory auditor.

Whether or not these forecasts prove to be accurate will of course depend on the actual development of the real estate and financial markets.



DIVIDEND POLICY

Befimmo believes it will be able to continue its policy of annual dividend growth that outpaces the rate of annual inflation. The balance of the profit available for distribution will then be carried forward.

OUTLOOK (on 30/09 - in thousands of EUR)

BALANCE SHEET	2003	2004	2005	2006
TOTAL ASSETS	1,102,188	1,150,153	1,159,865	1,173,280
REAL ESTATE PORTFOLIO	1,064,596	1,126,095	1,134,570	1,139,988
OTHER ASSETS	37,592	24,058	25,295	33,292
TOTAL SHAREHOLDERS' EQUITY	601,294	602,865	616,325	628,565
TOTAL DEBT	500,894	547,288	543,540	544,715
DEBT RATIO	45%	47%	46%	46%
BOOK VALUE PER SHARE (EUR)	61.39	61.55	62.93	64.18

INCOME STATEMENT	2003	2004	2005	2006
INCOME				
GROSS RENT	77,561	79,202	82,210	84,519
REAL ESTATE CERTIFICATES	736	488	498	508
REALIZED CAPITAL GAINS	-	2,596	-	-
COSTS				
NET REAL ESTATE COSTS	-4,243	-7,216	-4,340	-5,992
UNREALIZED DEPRECIATION	-7,746	-4,782	-	-
WRITE-BACKS ON WRITE-DOWNS	268	-	1,475	1,406
NET OPERATING EXPENSES	-5,584	-6,103	-5,984	-6,040
TAXES	-95	-470	-500	-500
NET FINANCIAL EXPENSES	-15,782	-16,179	-16,788	-16,800
NET RESULT	45,115	47,536	56,571	57,101
TRANSFERRED TO RESERVES	1,559	2,287	9,559	8,228
GROSS DIVIDEND	43,556	45,249	47,012	48,873

DATA PER SHARE (EUR)	2003	2004	2005	2006
PRICE ON 30 SEPTEMBER 2003	69.80	-	-	-
BOOK VALUE AT BEGINNING OF FISCAL YEAR	61.83	61.39	61.55	62.93
BOOK VALUE AT END OF FISCAL YEAR	61.39	61.55	62.93	64.18
NET CASH FLOW	5.38	5.34	5.63	5.69
NET RESULT	4.61	4.85	5.78	5.83
GROSS DIVIDEND	4.45	4.62	4.80	4.99
NET DIVIDEND	3.78	3.93	4.08	4.24
GROSS YIELD	6.40%	6.62%	6.88%	7.15%
RETURN	6.50%	7.80%	10.03%	9.92%
NUMBER OF SHARES	9,794,227	9,794,227	9,794,227	9,794,227

BEFIMMO SHARES

DATA PER SHARE (on 30/09 - in EUR)

	1999	2000	2001	2002	2003
NUMBER OF SHARES	7,549,042	7,549,042	7,907,420	9,794,227	9,794,227
STOCK MARKET PRICE					
HIGHEST	77.59	73.40	63.10	69.45	74.90
LOWEST	64.00	51.10	55.10	59.00	59.00
CLOSING	64.00	58.00	63.00	62.45	69.80
REVALUED NET BOOK VALUE ⁽¹⁾	54.78	57.20	60.43	61.83	61.39
RETURN	5.63	6.42	7.35	5.68	4.01
RETURN ⁽²⁾ (%)	10.6%	11.7%	12.9%	9.4%	6.5%
CASH FLOW	4.46	5.02	6.94	5.38	5.38
EARNINGS	4.64	4.95	6.84	4.93	4.61
DISTRIBUTION PERCENTAGE	87%	92%	96%	84%	83%
GROSS DIVIDEND	3.84	4.00	4.12	4.28	4.45
GROSS YIELD ⁽³⁾	6.01%	6.90%	6.54%	6.85%	6.38%
NET DIVIDEND	3.27	3.4	3.5	3.64	3.78
PER (PRICE EARNINGS RATIO)	13.79	11.72	9.21	12.67	15.14

(1) This intrinsic value is calculated on the basis of the "deed in hands" value of the buildings, which includes variable transaction costs up to a maximum of 13% that an investor would have had to pay if he had made a direct real estate investment.

(2) The return is the gross dividend for the fiscal year in question plus the increase in the book value over the same period, divided by the book value at the start of the year.

(3) The gross yield is equal to the gross dividend divided by the price on 30 September.

ANALYSIS OF THE BEFIMMO SHARE

PERFORMANCE ON THE STOCK MARKET

SHARE PRICE BETWEEN NOVEMBER 1996 AND SEPTEMBER 2003 (in EUR)



SHARE PRICE FROM OCTOBER 2001 TO SEPTEMBER 2003 (in EUR)



This trend was consolidated over the past year, with the share price rising from EUR 63.90 on 1 October 2002 to EUR 69.80 on 30 September 2003.

BEFIMMO COMPARED TO THE BEL 20 (in %)



During the past year, the evolution of the Befimmo share price performed better than the BEL 20, showing less volatility. This demonstrates the extent to which real estate constitutes a more stable option for investors in the current economic climate.

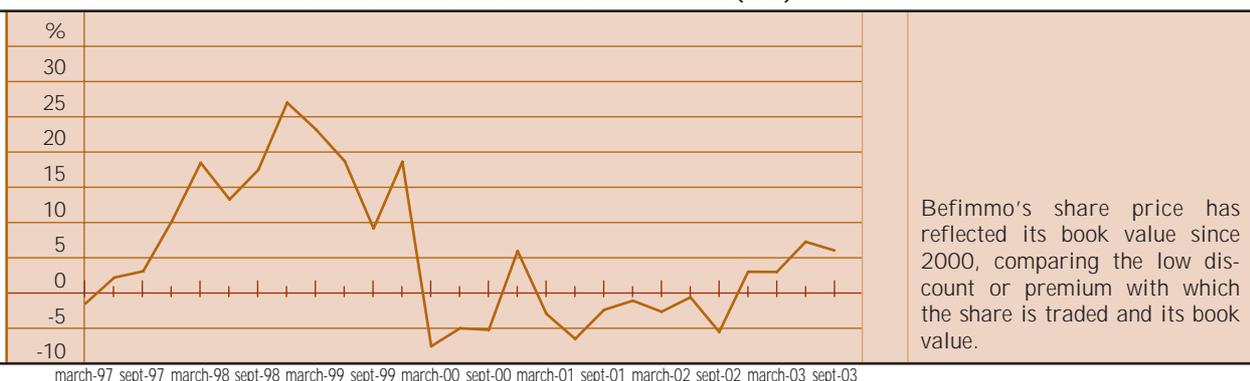
MARKET CAPITALIZATION (in millions of EUR)



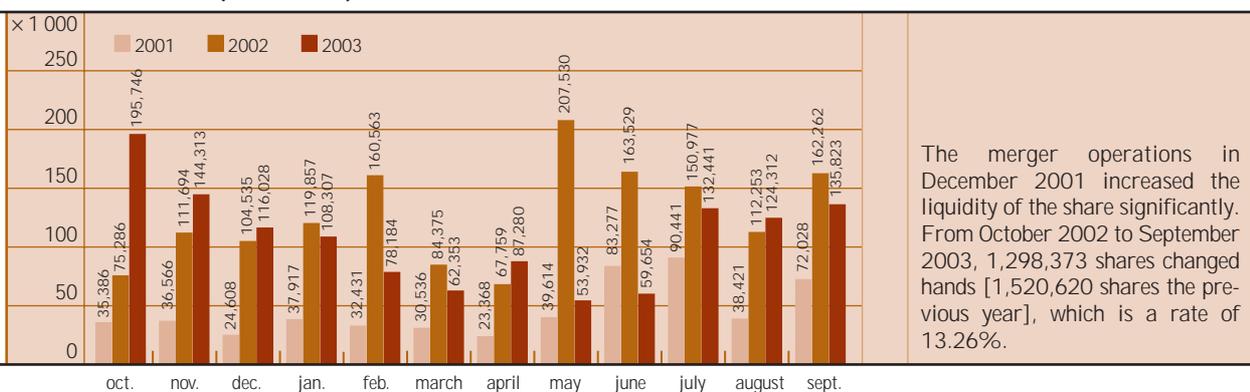
Since 1995, Befimmo's market capitalization rose steadily, progressing from EUR 136 million in December 1995 to EUR 684 million in September 2003.

BEFIMMO SHARES

PREMIUM AND DISCOUNT BETWEEN MARCH 1997 AND SEPTEMBER 2003 (in %)



MONTHLY VOLUMES (No. of shares)



DIVIDEND (in EUR)

EUR	1999	2000	2001	2002	2003
GROSS DIVIDEND	3.85	4.00	4.12	4.28	4.45
NET DIVIDEND	3.27	3.40	3.50	3.64	3.78
NUMBER OF SHARES	7,549,042	7,549,042	7,907,420	9,794,227	9,794,227

SHAREHOLDERS

Befimmo's capital is owned by a large number of shareholders. The table below was drawn up on the basis of the latest declarations of transparency received (for stakes > 5%).

SHAREHOLDING (on 30/09/2003)

DECLARANTS	DATE OF DECLARATION	TOTAL NUMBER OF DECLARED VOTING RIGHTS	%
BERNHEIM GROUP COMPANIES	11/10/2001	791,998	8.09
MR. ALAIN DE PAUW	08/02/2000	721,152	7.36
MR. PATRICK DE PAUW	08/02/2000	712,382	7.27
FREE FLOAT		7,568,695	77.28

KEY DATES FOR SHAREHOLDERS

	DATE
PAYMENT OF THE 2003 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS ON PRESENTATION OF COUPON No. 9	FROM 16 DECEMBER 2003
PUBLICATION OF THE BOOK VALUE ON 31 DECEMBER 2003	FRIDAY 20 FEBRUARY 2004
PUBLICATION OF THE FIRST-HALF RESULTS AND BOOK VALUE ON 31 MARCH 2004	THURSDAY 13 MAY 2004
PUBLICATION OF THE BOOK VALUE ON 30 JUNE 2004	THURSDAY 26 AUGUST 2004
PUBLICATION OF THE ANNUAL RESULTS AND THE BOOK VALUE ON 30 SEPTEMBER 2004	WEDNESDAY 17 NOVEMBER 2004
ORDINARY GENERAL MEETING 2004	TUESDAY 14 DECEMBER 2004
PAYMENT OF THE 2004 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS	FROM 21 DECEMBER 2004

Increasing value for our shareholders



INDEPENDENT MANAGEMENT IN THE SOLE INTEREST OF ALL SHAREHOLDERS

PHILOSOPHY

The Sicafi Befimmo is organized under the Belgian legal structure of "Société en commandite par actions".

There are two main categories of partner:

- partners or shareholders, who own the actual shares. They are only liable for the amount of their contribution and are not jointly or severally liable with the other shareholders;
- the acting partner, Befimmo SA, the Managing Agent of the Sicafi. Befimmo SA has very wide-ranging management powers and unlimited liability for the Sicafi's undertakings.

The company's founder, Bernheim-Comofi SA, opted for this partnership structure because:

- It allows for the consistent application of the rules of corporate governance.
- The statutory Managing Agent, Befimmo SA, is run by a Board of Directors operating wholly independently, assisted by its Audit Committee and in compliance with the Royal Decree of 10 April 1995 and the controlling measures stipulated therein.
- A majority of the directors are also totally independent of the Befimmo SA shareholders. The Managing Agent is thus better able to perform its legal task of managing the Sicafi in the sole interest of its shareholders and is subject to controls that are at least as effective as those of a General Meeting of a public limited company.

■ Befimmo SA is entitled, in its capacity as the statutory Managing Agent, to receive remuneration in proportion to the net result generated by the Sicafi. Its interests are therefore fully in line with those of all the Sicafi's shareholders.

■ It enables the Sicafi Befimmo SCA to benefit on a long-term basis from the Bernheim group's 40 years of experience as a real estate owner, developer, operator and issuer of real estate certificates.

■ This experience is offered via the statutory Managing Agent Befimmo SA which is wholly owned by Bernheim-Comofi SA and its subsidiary Bernheim Asset Management SA.

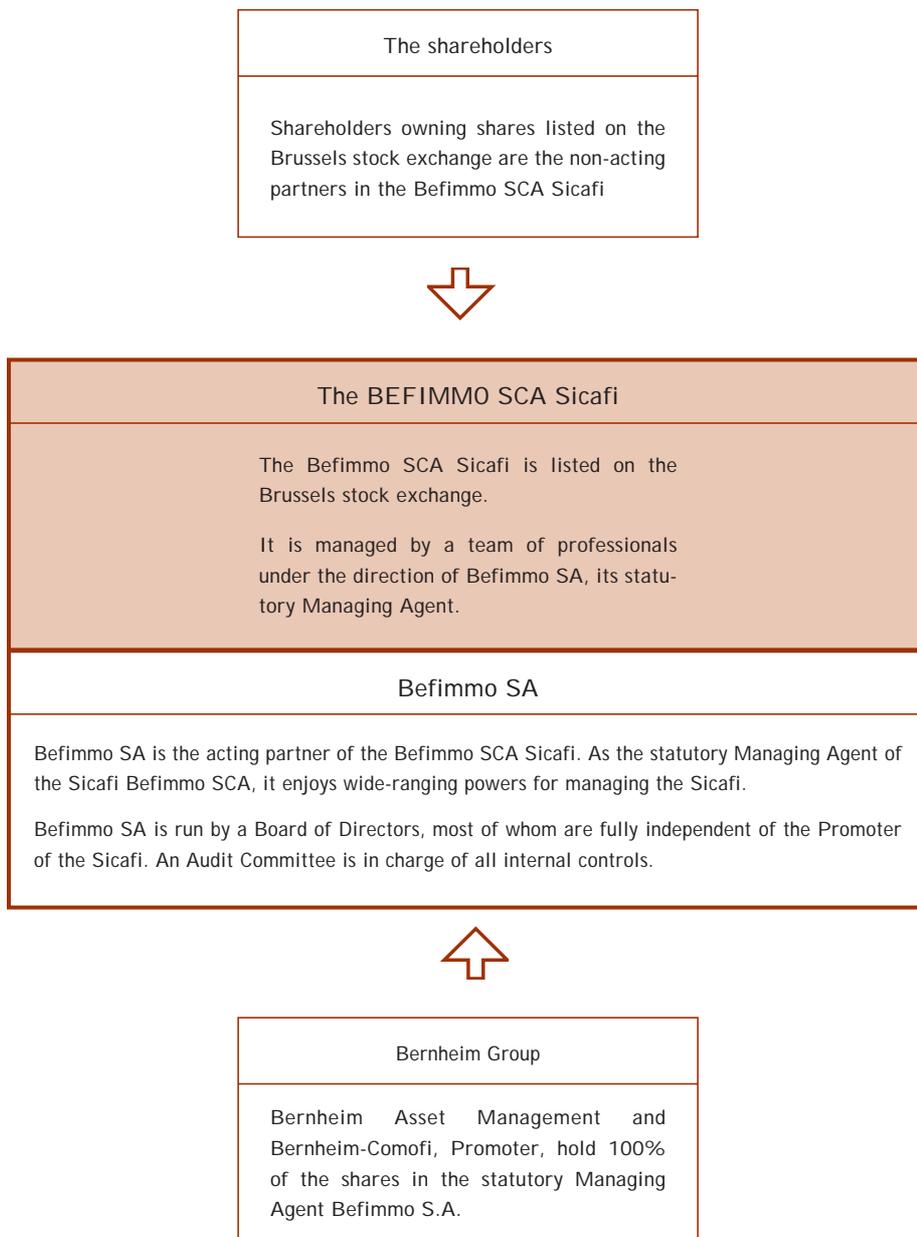
The Bernheim group is involved in the Sicafi at three levels:

■ **Shareholder of Befimmo SA:** the Managing Agent's interests are identical to those of all other shareholders in the Sicafi.

■ **Shareholder of the Sicafi itself, Befimmo SCA:** same status as all other shareholders.

■ **Service provider:** building management services and help in structuring operations are provided under normal market conditions while offering the best value for money and in compliance with the conflict of interest rules laid down in the Companies Code and the Royal Decree of 10 April 1995.

STRUCTURE AND ORGANIZATION





DECISION-MAKING BODIES: BEFIMMO SA, THE STATUTORY MANAGING AGENT OF THE SICAFI BEFIMMO SCA

BEFIMMO SA MANAGES THE SICAFI

Befimmo SA's registered capital, which on 30 June 2003 stood at EUR 741,755, is wholly owned by the Bernheim group. In accordance with its articles of association as Managing Agent, Befimmo SA is empowered to carry out all acts necessary or useful for achieving the corporate aims of Befimmo SCA: to form and manage the Befimmo SCA management team, to draw up the half-yearly report and draft annual reports and prospectuses for Befimmo SCA, to appoint real estate experts, to propose changes to the list of experts, to propose a change of depositary, to inform the depositary of each transaction made by Befimmo SCA involving real estate assets, to grant special powers to its authorized representatives, to determine their remuneration, to increase company capital within the limits of the authorized capital and to carry out all operations intended to benefit Befimmo SCA; be it via a merger or some other transaction.

BEFIMMO SA IS MANAGED BY A BOARD OF DIRECTORS

The Board of Directors of Befimmo SA, the Managing Agent of the Sicafi Befimmo SCA, acts in the sole interest of all shareholders, ruling on strategic decisions, long-term financing, investments and disposals.

It closes the annual and half-yearly accounts of the Sicafi Befimmo; it draws up the management report for the General Meeting of Shareholders; it approves merger reports; it rules on the use of the authorized capital and convenes Ordinary and Extraordinary General Meetings of Shareholders.

Furthermore, the Board ensures the rigor, accuracy and transparency of communications to shareholders, financial analysts and the general public, such as prospectuses, annual and half-yearly reports, and press releases.

It delegates day-to-day management to a Managing Director who regularly reports back on his management activities.

It supervises the quality of the work done by the Managing Director via two specially appointed directors operating on a collegial basis.

The Board of Directors meets at least four times a year, and every time a specific or exceptional operation requires the Board to meet.

It is made up of eleven directors, proposed by Bernheim, the Promoter of the Sicafi Befimmo, with the approval of the Banking and Finance Commission. Most of these directors have no ties whatsoever with the Bernheim group. At the current time:

- two directors are representatives of the Promoter of the Sicafi;
- two directors are appointed major shareholders of the Sicafi;
- one director is a representative of the banks promoting of the Sicafi;
- five directors are independent;
- one managing director.

Directorships run for three years and are renewable.

The Board met 14 times in 2001/2002.

In the event of a vote, Board decisions are taken by an absolute majority of all directors present or represented, or, in the event of one or several abstentions, by an absolute majority of all other directors. In the event of a split vote, the chairman of the meeting shall have the casting vote. Without prejudice to the terms of Articles 523 and 524 of the Belgian Companies Code, when a

potential conflict of interests arises, either with the Promoter or a director, the Managing Director must call a meeting of the Board to resolve the particular issue. The Board will then rule in the absence of those of its members concerned by the potential conflict of interest.

The Board of Directors consists of:

CHAIRMAN LINKED TO THE PROMOTER

■ Alain Devos, permanent representative of the Chairman of the Board of Directors of Fortis Real Estate SA.

MANAGING DIRECTOR

■ Benoît De Blicq

DIRECTOR LINKED TO THE PROMOTER

■ Benoît Godts, Managing Director of Bernheim Asset Management SA.

DIRECTOR LINKED TO THE BANKS PROMOTING THE SICAFI

■ Luc Vandewalle, Chairman of ING Belgium.

DIRECTORS, MAJOR SHAREHOLDERS OF THE SICAFI

■ Alain De Pauw, Joint Chairman and Managing Director of Compagnie De Promotion SA.

■ Patrick De Pauw, Joint Chairman and Managing Director of Compagnie De Promotion SA.

INDEPENDENT DIRECTORS

■ Marc Blanpain, President of the Banque Belgoise.

■ Gustaaf Buelens, Managing Director of NV Buelens.

■ Jozef Colruyt, Chairman of the Board of Directors of Colruyt SA/NV.

■ Gaëtan Piret, Director of Compagnie Immobilière de Belgique SA.

■ Daniel Schuermans, Chairman of Copropriété du World Trade Center.

Directors' attendance fees (with the exception of the Managing Director) are paid by Befimmo SCA. They

amount to EUR 1,250 per Board meeting and EUR 248 per Audit Committee meeting.

All directorships expire at the end of the Ordinary General Meeting of Befimmo SA in March 2005 with the exception of Mr Jozef Colruyt whose directorship expires in March 2004.

BEFIMMO SA ORGANIZES THE DAY-TO-DAY MANAGEMENT OF THE SICAFI:

INDEPENDENT MANAGEMENT

IN THE SOLE INTEREST OF THE SHAREHOLDERS

As the Sicafi has grown, Befimmo has continued to expand its own operational team while keeping costs at a competitive level compared with its rivals. This team is separate and independent from the Promoter. It works exclusively in the interests of Befimmo SCA.

The team reports directly to the Managing Director, who manages it in accordance with the decisions of the Board of Directors of Befimmo SA.

■ Two Directors, Marc Blanpain (since 15 October 2003) and Benoît Godts supervise day-to-day management on a collegial basis, in accordance with the provisions of the Royal Decree of 10 April 1995. Those supervising the day-to-day management are paid EUR 400 per meeting.

■ The management and technical maintenance of buildings is entrusted to external suppliers, as are all specialist accounting, tax and legal activities.

■ Contracts for subcontractors or external service providers are awarded on a competitive basis taking full account of value-for-money criteria and subject to normal market conditions. Befimmo SCA's policy in this regard is to avoid using third-party service providers if these could, in the course of their duties, obtain access to information that could potentially be used in such a way that is detrimental to the sole interest of the shareholders of Befimmo SCA.



THE INTERESTS OF BEFIMMO SA COINCIDE COMPLETELY WITH THOSE OF ALL SICAFI SHAREHOLDERS

The remuneration paid to Befimmo SA, as statutory Managing Agent, is determined according to the provisions set out below in accordance with Article 19 of the Royal Decree of 10 April 1995.

In addition to the reimbursement of any costs directly relating to its mission, Befimmo SA is entitled to a payment in proportion to the net result for the current fiscal year.

This remuneration shall amount to 2/100ths of a benchmark profit (if a profit was made) corresponding to 100/98ths of the pre-tax profit after this remuneration has been booked to the fiscal year concerned. In this way, once the remuneration has been entered in Befimmo SCA's accounts, the remuneration for the year will represent 2.04% of the pre-tax profit specified in the accounts approved by the General Meeting of Befimmo SCA.

This remuneration is due as of 30 September of the fiscal year concerned, but is only payable after approval of the annual accounts.

The calculation of the remuneration is checked by the company's statutory auditor.

The fact that the remuneration of the statutory Managing Agent of the Sicafi, Befimmo SA, is linked in this way to the Sicafi's results means that its interests coincide with those of the shareholders as a whole.

CONTROL

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors with internal control procedures, drawing up the financial statements and other financial information, appointing the official company auditors and in relation with them. It meets prior to each Board meeting with one or more of these issues on the agenda.

The Audit Committee comprises one director representing the Promoter of the Sicafi, Mr Benoît Godts, and one director, major shareholder, Mr Alain De Pauw.

The audit committee met four times during this fiscal year.

STATUTORY AUDITORS

Deloitte & Touche, Statutory Auditors S.C. s.f.d. S.C.R.L., represented by Mr Joseph Vlamincx. From 9 December 2003, Deloitte & Touche will be represented jointly by Mr Joseph Vlamincx and Mr Jurgen Kesselaers, statutory auditors.

REAL ESTATE EXPERTS

In accordance with the Royal Decree of 10 April 1995, Befimmo calls on external experts for the regular valuation of its assets and whenever it issues shares, registers or buys shares on a stock exchange other than the one on which it buys and sells its real estate assets. This expert valuation is required to determine the book value, draw up the annual accounts, and justify the price of new issues or acquisitions.

These missions are currently assigned to:

- Winssinger & Associés, a member of the DTZ Debenham-Winssinger group, valuing the following buildings: La Plaine, chaussée de La Hulpe, Woluwe Garden D, Woluwe Garden B, Ikaros Business Park, boulevard Industriel, rue Bollinckx, Wiertz, Brederode 1, Brederode 2, Empereur, Impératrice, Extension Justice, Borschette, Guimard, Schuman 2, View Building, Triomphe I, Triomphe II, Triomphe III, Jean Dubrucq, Ocean House, Eagle Building and Waterloo Office Park.
- In addition, Winssinger & Associés has been entrusted with coordinating all valuation activities.
- Cushman & Wakefield Healey & Baker value the buildings acquired from the merger with Prifast, namely: Goemaere, Fountain Plaza, Green Hill and the building located in rue de la Montagne in Charleroi.
- CB Richard Ellis value the buildings acquired from the mergers of 23 December 1998: World Trade Center, Noord Building, rue Devroye, rue du Jonquois, digue du Peuplier and rond point Schuman.
- Catella Codemer value the Shell building.

DEPOSITORY BANK

Banque Dexia has been assigned as the depository bank of Befimmo SCA within the meaning of Article 12 et seq. of the Royal Decree of 10 April 1995 on real estate Sicafs.

As the depository of Befimmo SCA, Banque Dexia must fulfil the obligations and duties prescribed by the law of 4 December 1990 and its implementing decree of 10 April 1995.

During fiscal year 2003, the fees of the depository bank amounted EUR 62,500.

It is therefore entrusted with:

- ensuring that Befimmo SCA immediately receives the corresponding income when assets are sold. To this end, the managers or people concerned with the day-to-day management of Befimmo SCA will immediately inform Banque Dexia of each transaction concerning real estate assets;
- keeping authentic copies and engrossed versions of notarized deeds concerning the buildings owned by Befimmo SCA, as well as the documents concerning the mortgage situation of these properties. The depository bank shall also keep the equivalent documents for any buildings located outside of Belgium.

Befimmo SCA must entrust Banque Dexia with all transferable securities and cash. The bank must then in turn:

- retain them and fulfil all the usual tasks with regard to cash deposits and the open deposit of transferable securities;
- implement, at the request of Befimmo SCA, all decisions taken by the latter concerning these assets, and in particular deliver the disposed assets, pay for acquired assets, receive the dividends and interest generated by these assets, and exercise all of the subscription and appropriation rights attached to them;
- ensure that, for operations concerning the assets of Befimmo SCA, the consideration is received within the normal deadlines.

FINANCIAL REPORT

SUMMARY

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BALANCE SHEET (as of 30 September - in thousands of EUR)

ASSETS	2001	2002	2003
FIXED ASSETS	610 383	1 074 438	1 064 788
I. ESTABLISHMENT COSTS	2 573	-	-
III. TANGIBLE ASSETS	595 414	1 065 033	1 054 697
C. Furniture and vehicles	25	215	170
E. Other tangible assets	595 390	1 064 818	1 054 527
IV. FINANCIAL ASSETS	12 395	9 405	10 091
A. Connected companies			
1. Stakes	4 735	-	-
C. Other financial assets			
1. Shares	7 646	9 383	10 069
2. Receivables and cash guarantees	14	22	22
CURRENT ASSETS	88 784	9 962	37 400
V. RECEIVABLES AFTER MORE THAN ONE YEAR	228	515	438
A. Trade accounts receivable	228	-	-
B. Other receivables	-	515	438
VII. RECEIVABLES WITHIN ONE YEAR	30 716	7 287	6 379
A. Trade accounts receivable	8 196	6 563	5 340
B. Other receivables	22 520	724	1 039
VIII. SHORT-TERM DEPOSITS	55 499	-	14 022
B. Other deposits	55 499	-	14 022
IX. CASH	287	1 377	13 887
X. DEFERRED CHARGES AND ACCRUED INCOME	2 054	783	2 674
TOTAL ASSETS	699 167	1 084 400	1 102 188

(in thousands of EUR)

LIABILITIES AND SHAREHOLDERS' EQUITY	2001	2002	2003
SHAREHOLDERS' EQUITY	477 856	605 596	601 294
I. CAPITAL	114 883	142 295	142 295
A. Subscribed capital	114 883	142 295	142 295
II. ISSUE PREMIUMS	76 372	161 261	161 261
III. REVALUATION OF CAPITAL GAINS	209 513	214 878	209 017
IV. RESERVES	17 367	21 113	21 113
A. Legal reserve	1 293	1 295	1 295
B. Unavailable reserves	–	3 633	3 633
D. Available reserves	16 074	16 185	16 185
V. PROFIT CARRIED FORWARD	59 721	66 049	67 608
PROVISIONS AND LIABILITIES	221 311	478 804	500 894
PROVISIONS FOR LIABILITIES AND CHARGES		2 351	2 351
VIII. AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR (Long-term debt)	52 978	161 203	117 668
A. Financial debts	52 806	160 336	116 774
D. Other debts	172	867	894
IX. AMOUNTS PAYABLE WITHIN ONE YEAR (Short-term debt)	150 136	308 249	375 489
A. Long-term debt maturing within the year	8 380	43 562	43 562
B. Financial debts	100 382	181 044	261 339
C. Commercial debts	4 066	39 675	22 499
E. Tax, salary and social security debts	2 544	205	2 494
1. Taxes	2 425	37	2 336
2. Remuneration and social security	119	168	158
F. Other debts	34 764	43 763	45 595
X. DEFERRED INCOME AND ACCRUED CHARGES	18 197	7 001	5 386
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	699 167	1 084 400	1 102 188

INCOME STATEMENT (as of 30 September - in thousands of EUR)

	2001	2002	2003
I. SALES AND SERVICES	54 825	91 978	94 345
A. Turnover	46 619	76 312	77 561
D. Other operating income	8 206	15 666	16 784
II. COST OF SALES AND SERVICES	- 14 448	- 25 952	- 34 778
B. Services and other goods	- 8 543	- 12 624	- 13 840
C. Remuneration, social security and pensions	- 431	- 810	- 880
D. Depreciations and write-downs of establishment costs and tangible and intangible assets	- 836	- 1 998	7 553
E. Write-downs of stocks, orders, trades receivable (write-downs +, write-backs -)	38	- 72	217
G. Other operating costs	- 4 676	- 10 448	- 12 722
III. OPERATING INCOME	40 377	66 026	59 567
IV. FINANCIAL INCOME	2 301	2 068	1 597
A. Income from financial assets	495	693	736
B. Income from current assets	1 519	1 249	643
C. Other financial income	287	126	218
V. FINANCIAL EXPENSES	- 7 813	- 17 849	- 16 433
A. Interest charges	- 7 761	- 17 559	- 15 691
C. Other financial expenses	- 52	- 290	- 742
VI. CURRENT PRE-TAX PROFIT	34 865	50 245	44 731

(in thousands of EUR)

	2001	2002	2003
VII. EXTRAORDINARY INCOME	20 201	5 508	450
A. Write-backs of write-downs on tangible assets	3	–	–
D. Capital gains on disposal of fixed assets	20 198	5 508	–
E. Other extraordinary income	–	–	450
VIII. EXTRAORDINARY EXPENSES	- 1 312	- 7 548	–
A. Extraordinary depreciation and write-down of establishment costs, tangible and intangible assets	–	–	–
E. Other extraordinary expenses	- 1 312	- 7 548	–
IX. PRE-TAX PROFIT	53 754	48 205	45 181
X. TAXES ON THE RESULT	- 2	65	- 66
A. Taxes	- 6	- 198	- 106
B. Tax adjustments and write-back of tax provisions	4	263	40
XI. PROFIT FOR THE FISCAL YEAR	53 752	48 270	45 115
XIII. PROFIT TO BE APPROPRIATED FOR THE FISCAL YEAR	53 752	48 270	45 115
APPROPRIATIONS AND WITHDRAWALS	2001	2002	2003
A. PROFIT TO BE APPROPRIATED	92 300	107 991	111 164
1. Profit to be appropriated for the fiscal year	53 752	48 270	45 115
2. Profit carried forward from previous year	38 548	59 721	66 049
C. APPROPRIATION TO EQUITY	–	–	–
D. PROFIT CARRIED FORWARD	- 59 721	- 66 049	- 67 608
F. PROFIT FOR DISTRIBUTION	-32 579	- 41 942	- 43 556

SUMMARY OF THE VALUATION RULES

The valuation rules comply with the provisions of the Royal Decree of 10 April 1995 concerning real estate investment funds.

ASSETS

I. Establishment costs

The establishment costs are directly covered in the profit and loss accounts.

III. Tangible assets

At the time of their application, tangible assets are posted to the accounts at their acquisition value or at the cost price including incidental costs and non-deductible VAT.

Buildings under construction are posted to the accounts at the cost price, including incidental costs and non-deductible VAT as work progresses.

For buildings acquired through a merger, division or addition of a branch of activity, the taxes due on the potential capital gains on the companies absorbed are posted under assets and form part of the cost price.

Without prejudice to the obligation under Article 7 of the law of 17 July 1975 concerning company accounting and annual accounts to establish an inventory at least once a year, Befimmo draws up an inventory every time it issues or buys back shares other than on the stock market.

At the end of each fiscal year, an independent surveyor values the following real estate assets in detail:

- buildings and real rights to buildings held by Befimmo or by a real estate company that it controls;
- options on buildings held by Befimmo or by a property company that it controls, as well as buildings covered by such rights.

These valuations are binding on Befimmo when establishing its annual accounts.

Tangible assets are therefore posted to the accounts at the value determined by the surveyor, after all costs, registration duties and fees have been paid.

Moreover, at the end of each of the first three quarters of the fiscal year, the surveyor updates the overall valuation of real estate held by Befimmo in line with developments in the market and the specific characteristics of the real estate concerned.

Capital gains realized are directly entered under heading III of liabilities "Revaluation of capital gains".

By way of derogation from Articles 28(2) and 30 of the Royal Decree of 8 October 1976 on company annual accounts, Befimmo does not depreciate buildings, real rights to buildings or real estate on lease to Befimmo.

Maintenance and major repair costs are charged during the fiscal year .

Tangible assets other than real estate with a limited useful life are depreciated using the straight-line method starting in the year when they are first posted to the accounts which is considered a full year.

If the fiscal year is shorter or longer than 12 months, depreciation is calculated pro rata.

The following annual rates are applied:

- Installations and machinery: 20 %, except:
 - vehicle: 25 %
 - leased equipment: duration of the contract
 - building finishing costs and hired equipment: depreciation covers the stated legal duration of the lease and, where there is no lease, ten annual installments.
- Acquisitions for a unit price lower than EUR 2,479 before VAT are posted to the year when the acquisition was made.

Tangible assets other than real estate without a limitation on their useful life are written down where they depreciate over a long period. They may be revalued.

IV. Financial assets

Financial assets are posted to the accounts at the time they are acquired and at their acquisition value, excluding incidental costs shown in the annual accounts.

The Managing Agent is allowed to post incidental costs for major acquisitions on the asset side.

Securities held in the portfolio for which there is a liquid market are valued at their market price. Fixed-yield securities held in the portfolio for which there is no liquid market are valued on the basis of the market price that applies to similar securities with a comparable residual life.

Article 34, sub-paragraph 3 of the Royal Decree of 8 October 1976 concerning company annual accounts does not apply.

Articles 10, 14 (1) and (5), 15, sub-paragraph 1, 16(1) sub-paragraph 1, (2) sub-paragraph 1 of the Royal Decree of 8 March 1994 on the accounting and annual accounts of certain open-ended joint investment organizations apply to Befimmo.

Capital gains are directly posted under heading III, "Revaluation of capital gains", on the liabilities side.

V. Receivables after more than one year

Receivables are posted at their nominal value or at their acquisition price. Write-downs are posted when there is a persistent fall in value.

VII. Receivables within one year

These receivables follow the same rules as for receivables after more than one year.

Write-downs are posted when there is a fall in value.

VIII. Short-term deposits

All deposits are posted to the accounts at their acquisition value, excluding incidental costs shown in the profit and loss accounts. Shares quoted on a stock exchange are valued at the prevailing stock-market price.

Premiums paid for the acquisition of financial instruments to hedge against interest rate risk on the company's debt are booked to the assets side of the balance sheet. These premiums are depreciated over the duration of coverage provided the instrument in question. The interest flows generated by these financial instruments are booked directly to the profit and loss account, in line with the interest generated by the elements so covered.

LIABILITIES

VII. Provisions for risks and costs

Each year the Managing Agent conducts a full examination of provisions previously established, or to be established to cover risks and charges to which the company is subject, and makes the necessary adjustments.

■ COMMITMENTS AND CLAIMS

The Managing Agent evaluates commitments and claims at the nominal value of the legal undertaking mentioned in the contract; where there is no nominal valuation or in borderline cases, they are mentioned for information only.

■ SUPPLEMENTARY PENSION SCHEME

Members of staff benefit from a retirement and survivors' pension scheme guaranteeing a pre-defined level of resources that varies in line with their seniority and last salary. The supplementary pension is established partly by a group insurance scheme and partly through a legally distinct pension fund. The annual subscription is included under staff costs and the amount is calculated by a pension fund actuary.

NOTES TO THE ACCOUNTS (as of 30 September - in thousands of EUR)

III. TANGIBLE ASSET SITUATION

	FURNITURE AND VEHICLES	OTHER TANGIBLE ASSETS
A. ACQUISITION VALUE		
NET BOOK VALUE		
AT END OF PREVIOUS PERIOD	364	844 033
TRANSFERS DURING THE FISCAL YEAR		
• Acquisitions (including real estate development)	30	4 258
• Transfers from one caption to another (+) (-) ^(*)		77 377
AT THE END OF THE FISCAL YEAR	394	925 668
B. CAPITAL GAINS		
NET BOOK VALUE		
AT END OF PREVIOUS PERIOD		297 538
TRANSFERS DURING THE FISCAL YEAR		
• Carried out		9 038
• Canceled		(16 109)
• Transferred from one caption to another (+) (-) ^(*)		(77 085)
AT THE END OF THE FISCAL YEAR		213 382
C. DEPRECIATION & WRITE-DOWNS (-)		
NET BOOK VALUE		
AT END OF PREVIOUS PERIOD	149	76 753
TRANSFERS DURING THE FISCAL YEAR		
• Carried out	75	7 478
• Transferred from one caption to another (+) (-)		292
AT THE END OF THE FISCAL YEAR	224	84 523
D. NET BOOK VALUE AT THE END OF THE FISCAL YEAR	170	1 054 527

(*) The revaluation gains booked by Cibix took on acquisition value following Befimmo's takeover of Cibix.

(in thousands of EUR)

IV. FINANCIAL ASSET SITUATION	2003
1. SHARES AND SHAREHOLDINGS	
A. ACQUISITION VALUE	
NET BOOK VALUE	
AT END OF PREVIOUS PERIOD	7 363
TRANSFERS DURING THE FISCAL YEAR	
• Acquisitions	118
• Disposals	(643)
AT THE END OF THE FISCAL YEAR	6 838
B. CAPITAL GAINS	
NET BOOK VALUE	
AT END OF PREVIOUS PERIOD	2 021
TRANSFERS DURING THE FISCAL YEAR	
• Carried out	2 105
• Canceled	(895)
AT THE END OF THE FISCAL YEAR	3 231
NET BOOK VALUE AT THE END OF THE FISCAL YEAR	10 069
2. RECEIVABLES AND CASH GUARANTEES	
NET BOOK VALUE	
AT END OF PREVIOUS PERIOD	22
NET BOOK VALUE AT THE END OF THE FISCAL YEAR	22
VI. CASH INVESTMENTS: OTHER INVESTMENTS	
DEPOSIT ACCOUNTS HELD WITH CREDIT INSTITUTIONS	13 500
WITH A RESIDUAL DURATION OR NOTICE PERIOD:	
• of no more than one month	13 500
OTHER CASH INVESTMENTS NOT LISTED ABOVE	522
VII. DEFERRED CHARGES AND ACCRUED INCOME	
CHARGES TO BE CARRIED FORWARD	469
RENTS AND FEES PAID IN ADVANCE	87
CHARGES BOOKED IN ADVANCE	2 118

NOTES TO THE ACCOUNTS (as of 30 September - in thousands of EUR)

VIII. CAPITAL SITUATION	AMOUNT	NO. OF SHARES
A. NOMINAL CAPITAL		
1. SUBSCRIBED CAPITAL		
AT THE END OF THE PREVIOUS PERIOD	142 295	9 794 227
AT THE END OF THE FISCAL YEAR	142 295	9 794 227
2. BREAKDOWN OF THE CAPITAL		
2.1. Categories of shares		
• Ordinary shares	142 295	9 794 227
2.2. Registered or bearer shares		
• Registered		1 276 612
• Bearer		8 517 615
E. AUTHORIZED CAPITAL NOT SUBSCRIBED	88 246	
G. COMPANY SHAREHOLDING STRUCTURE ON THE CLOSING DATE FOR THE ACCOUNTS		

DECLARANT	DATE OF DECLARATION	TOTAL NUMBER OF ISSUED SHARES	TOTAL NUMBER OF DECLARED VOTING RIGHTS	%
Bernheim group companies	11/10/01		791 998	8.09
Mr Alain De Pauw	08/02/00		721 152	7.36
Mr Patrick De Pauw	08/02/00		712 382	7.27
Denominator			9 794 227	

(in thousands of EUR)

X. DEBT SITUATION			
	MATURING WITHIN ONE YEAR	MORE THAN 5 YEARS OLD BUT WITH LESS THAN ONE YEAR TO GO	
A. BREAKDOWN OF AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR BY RESIDUAL PERIOD			
FINANCIAL DEBTS	43 562	116 774	
4. Credit institutions	43 562	116 774	
OTHER DEBTS		894	
AT THE END OF THE FISCAL YEAR	43 562	117 668	
			2003
C. TAX, SALARY AND SOCIAL SECURITY DEBTS			
1. TAXES			
b) Tax debts not yet due			2 304
c) Estimated tax debts			32
2. REMUNERATIONS AND SOCIAL SECURITY COSTS			
b) Other salary and social security debts			158
XI. DEFERRED INCOME AND ACCRUED CHARGES			
INTEREST PAYABLE, NOT YET DUE			3 000
RENTS BOOKED AND TO BE CARRIED FORWARD			947
RECOVERED CHARGES TO BE CARRIED FORWARD			966
OTHER			473
XII. OPERATING RESULTS			
	2001	2002	2003
A. NET TURNOVER	54 825	91 978	94 345
a) Turnover	46 619	76 312	77 561
b) Other operating income	8 206	15 666	16 784
C1. EMPLOYEES			
a) Total number at the year end	8	11	14
b) Average number of employees calculated on a full-time basis	7,1	10,1	11,6
c) Effective number of hours worked	10 039	14 660	17 402
C2. STAFF COSTS			
a) Remuneration	277	532	580
b) Employers' contributions	81	194	179
c) Employers' premiums	36	21	34
d) Other staff costs	37	9	16
e) Pensions	–	54	71

NOTES TO THE ACCOUNTS (as of 30 September - in thousands of EUR)

XII. OPERATING RESULTS		2001	2002	2003
D. WRITE-DOWNS				
2. ON TRADE RECEIVABLES				
• Realized	20	72	10	
• Written back	(58)	–	(227)	
F. OTHER OPERATING COSTS				
• Taxes	4 207	9 752	12 460	
• Other	469	696	262	
G. TEMPORARY PERSONNEL AND PERSONNEL SUPPLIED TO THE COMPANY				
1. Total number at year-end	2	–	2	
2. Average number in full-time equivalents	1.7	–	1.0	
Actual number of hours worked	1 379	–	1 972	
Cost to the company	43	–	67	
XV. INCOME TAX				2003
A. BREAKDOWN OF ITEM 670/3				
1. TAX ON THE RESULT FOR THE YEAR				
a) Taxes and withholding payable or paid				106
B. MAIN SOURCES OF DISPARITY BETWEEN PRE-TAX PROFIT, as expressed in the accounts, and the ESTIMATED TAXABLE PROFIT, with a specific mention of those sources deriving from time lags between the book profit and the fiscal profit (if the result for the year is significantly impacted in terms of tax).				
The tax system governing Sicafis is an exception to the tax regime under ordinary law. The tax base of a Sicafi is not determined by the amount of its book profit, but only by the amount of unallowed expenditure and, where appropriate, abnormal or charitable benefits received.				
XVI. VAT AND TAXES PAYABLE BY THIRD PARTIES		2001	2002	2003
A. VAT POSTED:				
1. To the company (deductible)	665	1 503	1 543	
2. By the company	1 898	3 319	3 428	
B. AMOUNTS WITHHELD TO BE PAID BY THIRD PARTIES FOR:				
1. Income tax	105	159	197	
2. Withholding tax	4 415	6 291	6 123	
XVII. OFF-BALANCE-SHEET CLAIMS AND COMMITMENTS		2001	2002	2003
MAJOR DISPUTES AND OTHER MAJOR COMMITMENTS				
• Guarantees received in the form of bank guarantees	7 203	10 524	13 891	
• EUR 122.5 million is the subject of a collar contract with:				
- a floor of 3% and a cap of 5% on the 3-month Euribor until June 2004;				
- a floor of 3.5% and a cap of 5.5% on the 3-month Euribor from June 2004 to June 2006.				
XIX. FINANCIAL RELATIONS				2003
4. Direct and indirect remuneration and pensions charged to the profit and loss account, provided that this item does not relate exclusively or principally to the situation of a single identifiable person:				
• directors and managers				922

DETAILS ABOUT THE ACCOUNTS (in thousands of EUR)

DETAILS	2003
OTHER DEBTS	45 595
Coupons payable	44 467
Managing agent's remuneration	922
Other third party debts	206
OTHER OPERATING INCOME	16 784
Property tax recovered	8 198
Office tax, insurance recovered	2 621
Other general expenses recovered	5 965
OTHER OPERATING COSTS	12 722
Property tax	8 787
Regional, municipal and provincial taxes	3 673
Miscellaneous tax	262

CASH FLOW STATEMENT

(as of 30 September - in thousands of EUR)

	2000-2001	2001-2002	2002-2003
Profit for the fiscal year	53 752	48 270	45 115
Depreciation and write-downs on costs	833	4 446	7 505
CASH FLOW	54 585	52 716	52 620
CHANGE IN WORKING CAPITAL	- 16 781	56 181	- 15 549
OPERATIONAL CASH FLOW	37 804	108 897	37 071
Dividends	- 32 579	- 41 942	- 43 556
AVAILABLE CASH FLOW	5 225	66 955	- 6 485
Acquisitions of intangible assets	36	-	-
Acquisitions of tangible assets	52 367	471 402	4 288
Acquisitions of financial assets	5 298	- 3 183	- 572
INVESTMENT OPERATIONS	- 57 701	- 468 219	- 3 716
EQUITY INCREASE	24 907	123 480	-
FINANCING NEEDS	- 27 569	- 277 784	- 10 201
Cash investments	- 54 500	55 500	- 14 022
Cash and liquid assets	129	- 1 090	- 12 510
Financial debts over one year	- 8 380	142 711	- 43 562
Financial debts < 1 year	90 320	80 663	80 295
SOURCES OF FINANCING	27 569	277 784	10 201

DEBTS, GUARANTEES AND RATING

DETAILS OF DEBTS AND OTHER MORTGAGES GRANTED AS WELL AS GUARANTEES AND COLLATERAL OBTAINED OR GRANTED

DEBTS OVER ONE YEAR WITH CREDIT INSTITUTIONS

SYNDICATED LOAN

In June 2002 Befimmo signed a contract for a syndicated credit facility arranged by Société Générale (France) for EUR 200 million, in two tranches of EUR 100 million each:

- the first tranche of EUR 100 million was drawn down in full in June 2002; it is repayable within 4 years. On 30 September 2003, the balance payable on this tranche stood at EUR 75 million;
- the second tranche of EUR 100 million is a 4-year revolving credit facility in response to rating requirements. It serves as a backup facility for the commercial paper program. As of 30 September 2003, this credit facility had not been drawn down.

OTHERS

Befimmo also has access to long-term credit lines, whose principal stood at EUR 85.3 million on 30 September 2003.

These credit facilities are repayable in constant annuities, the last of which falls due in 2009.

COMMERCIAL PAPER PROGRAM

Befimmo has established a commercial paper program with investors. The amount covered by the program is EUR 300 million, of which:

- EUR 200 million with Banque Dexia and Fortis Banque;
- EUR 100 million with KBC Banque.

The program makes it possible to cover a large proportion of the company's short-term cash requirements in a flexible, low-cost way.

On 30 September 2003, outstanding commercial paper stood at EUR 191.3 million.

RATING OF CORPORATE DEBT

Since 11 March 2002, Befimmo's corporate debts have been rated by Standard & Poor's as BBB for the long term and A-2 for the short term. This assessment enables Befimmo to envisage the use of new types of financing with a view to guaranteeing growth.

OBTAINED GUARANTEES

Amount: EUR 2 981 000

Form: Guarantee received from Bernheim-Comofi covering a dispute with the tax authorities.
Befimmo has a claim in the same amount on the tax authorities (off balance sheet).

GRANTED GUARANTEES

- In connection with the acquisition of the Ikaros buildings, Befimmo has granted Payment guarantees to Codic covering the buildings of which it has taken delivery but not yet paid.
- EUR 905 000 in favor of the Belgian State: Property dealer.

REGULARITY OF THE INFORMATION PASSED ON TO THE MARKET

Befimmo passes on information to the market in annual and half-yearly reports, in press releases and via its website (www.befimmo.be). So-called "road shows" have also been organized in Brussels and other main European cities: London, Paris, Amsterdam.

REPORT OF THE STATUTORY AUDITOR

Report of the statutory auditor for the year ended September 30, 2003
to the Shareholders' Meeting of the company C.V.A./S.C.A. Befimmo

DELOITTE & TOUCHE
Reviseurs d'Entreprises
Lange Lozanastraat 270
B-2018 Antwerp
BELGIUM

To the shareholders,

In accordance with the legal and statutory requirements, we report on our audit assignment which you have entrusted to us.

We have examined the annual accounts for the year ended September 30, 2003, which have been prepared under the responsibility of the director and which show a balance sheet total of EUR 1.102.188(000) and an income statement resulting in a profit for the year of EUR 45.115(000).

In addition, as required by law, we have performed specific additional audit procedures.

UNQUALIFIED AUDIT OPINION ON THE FINANCIAL STATEMENTS

Our examination has been conducted in accordance with the auditing standards of the "Institut des Reviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement and are in compliance with the Belgian legal and regulatory requirements.

In accordance with these standards we have taken into account the administrative and accounting organization of your company as well as the procedures of internal control. The responsible officers of the company have clearly replied to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the accounting policies used, the significant estimates made by the company and the overall presentation of the annual accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the legal and regulatory requirements that govern them, the annual accounts present fairly the financial position of the company as of September 30, 2003, and the results of its operations for the year then ended and the supplementary information given in the notes is adequate.

ADDITIONAL CERTIFICATIONS

We supplement our report with the following certifications which do not impact on our audit opinion on the financial statements:

- The directors' report includes the information required by the law and is in accordance with the financial statements.
- Without prejudice to certain formal aspects of minor importance, the accounting records are kept in accordance with the applicable Belgian legal and regulatory requirements ; we note, however, that the director has accounted for general provisions amounting to EUR 2.351(000), which has been disclosed in the director's report in the comments on the appropriation of results.
- In the course of our examination, no transaction or decision in violation with the articles of Association of the Company or the Company Law came to our attention. The appropriation of the results proposed to the General Meeting is in accordance with legal and statutory requirements.

Antwerpen, November 19, 2003.

The Statutory Auditor

DELOITTE & TOUCHE
Statutory Auditors S.C. s.f.d. S.C.R.L.
Represented by Jos VLAMINCKX

OBLIGATORY INFORMATION

BERNHEIM-COMOFI SUPPORT MISSIONS

In accordance with Article 524 of the Companies Code, Befimmo concluded a non-exclusive framework agreement with Sogepro, a subsidiary of the Bernheim group, for the management of its real estate assets. This agreement covers virtually the entire Befimmo portfolio and concerns owner management, tenant management and the organization of technical maintenance.

Each building is the subject of a specific amendment with an initial duration of three years reflecting these specific characteristics. These amendments may then be terminated on an annual basis by either party, Sogepro or Befimmo.

For the fiscal year to 30 September 2003, this cost Befimmo EUR 375,187 net.

In its day-to-day management, and with a view to achieving economies of scale, Befimmo also has access to certain services provided by the Bernheim group: legal, fiscal, social, IT and the sharing of infrastructures such as premises, reception, telephones, etc.

All of these services are subject to invoicing at market conditions. For the fiscal year to 30 September 2003, Befimmo was invoiced an amount of EUR 418,284 for these services.

In the context of extraordinary transactions, such as growth operations, Befimmo can call on the resources of the Bernheim group to help it develop these special projects. The services provided by the Bernheim group can be remunerated either by a "success fee" or on an hourly basis. In this case, there is an hourly rate of EUR 300 (excl. VAT), comparable to the rates charged by lawyers or auditors. For the fiscal year to 30 September 2003, no significant sale or acquisition had been effected, meaning that Befimmo had not made use of the Bernheim group's resources in connection with these transactions.

DELOITTE & TOUCHE FEES

Deloitte & Touche, Statutory Auditors S.C. s.f.d. S.C.R.L., represented by Mr Jos Vlaminckx, is the auditor. Its fees, set by the General Meeting of Shareholders on 11 December 2001, are EUR 37,250 (excl. VAT). Its duties will end after the General Meeting of December 2004.

Deloitte & Touche carried out a number of fiscal support duties (totaling EUR 70,402) mainly following the Cibix merger.

RESEARCH & DEVELOPMENT

Befimmo is not active in research and development.

Fiscal year 2003

GENERAL INFORMATION

SUMMARY

56	Identification
57	Registered capital
58	The founder of Befimmo SCA
58	« Société en commandite par actions »
58	Name and qualifications of the experts
59	Real estate Sicaf

GENERAL INFORMATION ON BEFIMMO SCA AND ITS CAPITAL

1. IDENTIFICATION

1.1. COMPANY NAME

BEFIMMO SCA a Sicaef incorporated under Belgian law

1.2. REGISTERED OFFICE

Chaussée de la Hulpe 166 – 1170 BRUSSELS.

This can be transferred by simple decision of the managing agent to anywhere in Belgium.

1.3. LEGAL FORM

Société en commandite par actions under Belgian law.

1.4. FORMATION

BEFIMMO SCA was founded on Wednesday 30 August 1995 by a deed executed before Gilberte RAUCQ, notary public in Brussels, and published in the Annexes to the Official Journal of 13 September 1995 under the number 950913-24. The coordinated articles of association have last been modified on 11 December 2001.

1.5. DURATION

BEFIMMO SCA has been established for an indefinite period.

1.6. TRADE REGISTER

BEFIMMO SCA is registered in the Trade Register in Brussels under the number 594.182.

1.7. COMPANY'S OBJECT (ARTICLE 5 OF THE ARTICLES OF ASSOCIATION)

The principal aim of BEFIMMO SCA is the investment of capital collected from the public in "real estate" assets, as defined in Article 122(1) indent 1 – 5 of the law of 4 December 1990 on financial operations and the financial markets.

Real estate assets are understood to mean:

- buildings as defined in Article 517 et seq. of the civil code and the rights in rem on buildings;
- shares with voting rights issued by affiliated real estate companies;
- option rights on buildings;
- shares in other undertakings investing in real estate, in accordance with Article 120(1) indent 2 or Article 137 of the said law of 4 December 1990;
- real estate certificates covered by Article 106 of the said law;
- the rights of BEFIMMO SCA on one or more assets under real estate leasing contracts;
- as well as other assets, shares or rights which fall within the definition of real estate assets under the royal decrees executing the law of 4 December 1990 on financial operations and the financial markets.

BEFIMMO SCA may, however, on an ancillary or temporary basis, invest in securities other than those defined in the preceding indent, in accordance with the terms and conditions set out in Article 6.2. of its articles of association, and hold liquid assets. These investments and the holding of liquid assets must be the result of a special decision by the managing agent, justifying their ancillary or temporary nature. The holding of securities must be compatible with the implementation in the short or medium-term of the investment policy described above. The said securities must in addition be listed on a regulated, recognized stock exchange that is open to the public. Liquid assets may be held in whatever currency by way of sight or term deposits or any money market instruments with a high degree of liquidity.

- BEFIMMO SCA can acquire personal property and real estate necessary to the accomplishment of its object.

BEFIMMO SCA can take any measures and carry out all operations, in particular those covered in Article 6 of its by laws, that it considers useful for the accomplishment and development of its object, subject to the fact that legal provisions governing it are respected.

BEFIMMO SCA cannot change its company's object by application of Article 70a of the coordinated laws on trading companies; that provision does not apply to closed-end mutual funds, in accordance with Article 119(4) of the law of 4 December 1990 on financial operations and the financial markets.

1.8. PLACES WHERE PUBLICLY ACCESSIBLE DOCUMENTS CAN BE CONSULTED

- The articles of association of BEFIMMO SCA and of Befimmo SA can be consulted at the Clerk's Office of the Brussels Commercial Court and at the registered office.
- The corporate financial statements will be deposited at the Banque Nationale de Belgique and may be consulted at the Clerk's Office of the Brussels Commercial Court.
- The annual accounts as well as the relative reports of BEFIMMO SCA are sent every year to registered shareholders as well as to any other person requesting a copy.
- The decisions concerning the appointment and dismissal of the members of the governing bodies of Befimmo SA are published in the Annexes to the Belgian Official Journal.
- Financial notices concerning BEFIMMO SCA are published in the financial press and may be consulted on the website www.befimmo.be.

The other documents accessible to the public and referred to in the prospectus can be consulted at the registered office of BEFIMMO SCA.

2. REGISTERED CAPITAL

2.1. ISSUED CAPITAL

As of 30 September 2003, the company capital totaled EUR 142,295,000. It was represented by 9,794,227 fully paid-up no par value shares.

2.2. AUTHORIZED CAPITAL

The managing agent is authorized to increase the capital in one or more operations to EUR 88,246,381. This capital increase may be performed as a cash contribution, a contribution in kind or by the incorporation of the reserves.

Authorization was given on 11 December 2001 for a period of five years. This period may be renewed one or more times by the General Meeting of Shareholders, ruling in the conditions laid down by law.

2.3. CHANGES TO THE CAPITAL SINCE 30 SEPTEMBER 2002 (IN EUR)

		AMOUNT	NUMBER OF SHARES
As of 30 September 2002	EUR	142 295 272	9 794 227
No change	EUR	142 295 272	9 794 227
As of 30 September 2003	EUR	142 295 272	9 794 227

2.4. STRUCTURE OF THE SHAREHOLDING (AS OF 30 SEPTEMBER 2003)

DECLARANTS	DATE	NUMBER OF VOTING RIGHTS DECLARED	%
Bernheim group companies	11/10/2001	791 998	8.09
Mr Alain De Pauw	08/02/2000	721 152	7.36
Mr Patrick De Pauw	08/02/2000	712 382	7.27

3. THE FOUNDER OF BEFIMMO SCA

BEFIMMO SCA was set up on the initiative of Bernheim-Comofi SA

Bernheim-Comofi SA is a public limited company under Belgian law and has its registered office at St Lazare B^{ld} 10, 1210 Brussels.

CAPITAL AND SHAREHOLDERS:

As of 31 December 2002, the capital of Bernheim-Comofi SA was EUR 164,320,000 and was represented by 5,284,354 shares. As of 31 December 2002 the total consolidated equity was EUR 293,697,027.

Bernheim-Comofi SA has been a subsidiary of Fortis Real Estate SA.

4. SOCIÉTÉ EN COMMANDITE PAR ACTIONS

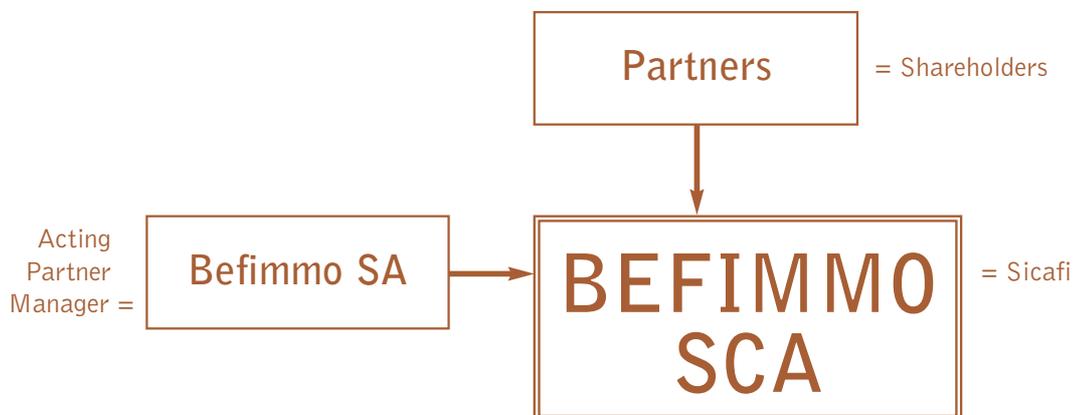
BEFIMMO SCA's legal structure is of "Société en commandite par actions". It is similar to but different from a partnership limited by shares.

An SCA is made up of two categories of partners.

- the acting partner whose designation appears in the business name and who has unlimited liability for the company's commitments;
- the partners or shareholders who are liable only for the amount of their contribution and are not jointly and severally liable.

Moreover, the management of an SCA is carried out by one or more managers.

In the case of BEFIMMO SCA, the acting partner is Befimmo SA which also has sole management responsibility in accordance with the articles of association of the Sicafi.



Befimmo SA is wholly owned by the BERNHEIM Group.

5. NAME AND QUALIFICATIONS OF THE REAL ESTATE EXPERTS USED BY BEFIMMO SCA

BEFIMMO SCA uses several real estate experts, namely Catella Codemer, CB Richard Ellis, Cushman & Wakefield Healey & Baker and Winssinger & Associates.

These are real estate experts companies with specialized knowledge of the market and which enjoy a first-class reputation worldwide.

The Sicafi system was created in 1995 to promote collective real estate investment. This concept of closed-end real estate investment companies is similar to the Real Estate Investment Trusts (USA) or the Beleggingsinstellingen (Netherlands).

The aim of the legislature was for the Sicafi to ensure a form of real estate investment of high transparency, making it possible to distribute cash flow to the greatest possible extent while benefiting from numerous advantages.

Sicafis are controlled by the Banking and Finance Commission and are subject to a specific set of regulations, among other things requiring that they:

- take the form of a public limited company or a "Société en commandite par actions".
- Be quoted on the stock exchange.
- Have a debt limited to 50% of the total asset value at market value.
- Strict rules governing internal conflicts.
- have a portfolio that is recorded in the accounts at its true market value with no depreciation;
- proceed with a quarterly valuation of assets performed by independent experts;
- diversify their risk: no more than 20% of all assets in a single real estate complex;
- distribute at least 80% of profits, whereupon they are exempted from corporate income tax;
- deduct a 15% withholding tax when the dividend is paid.

All these rules are intended to help reduce risk exposure.

Any company merging with a Sicafi will see all unrealized capital gains and tax-exempt reserves taxed at 20.085% (19.5% plus 3% crisis supplement).

Design and Production : CHRIS COMMUNICATIONS S.A.
Photography : J.-M. Byl, Getty Images, Van Parijs.
Photoengraving and photosetting : SNEL GRAFICS.
Printer : SNEL GRAFICS.

KEY DATES FOR SHAREHOLDERS

PAYMENT OF THE 2003 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS ON PRESENTATION OF COUPON No. 9	from 16 December 2003
PUBLICATION OF THE BOOK VALUE ON 31 DECEMBER 2003	20 February 2004
PUBLICATION OF THE FIRST-HALF RESULTS AND BOOK VALUE ON 31 MARCH 2004	13 May 2004
PUBLICATION OF THE BOOK VALUE ON 30 JUNE 2004	26 August 2004
PUBLICATION OF THE ANNUAL RESULTS AND THE BOOK VALUE ON 30 SEPTEMBER 2004	17 November 2004
ORDINARY GENERAL MEETING 2004	14 December 2004
PAYMENT OF THE 2004 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS	from 21 December 2004

BEFIMMO SCA
Partnership limited by shares

Registered Office
166 Chaussée de La Hulpe, 1170 Brussels
Brussels Company Register n° 594182
Tel. +32 2 679 38 60 - Fax +32 2 679 38 66
e-mail : contact@befimmo.be
www.befimmo.be

