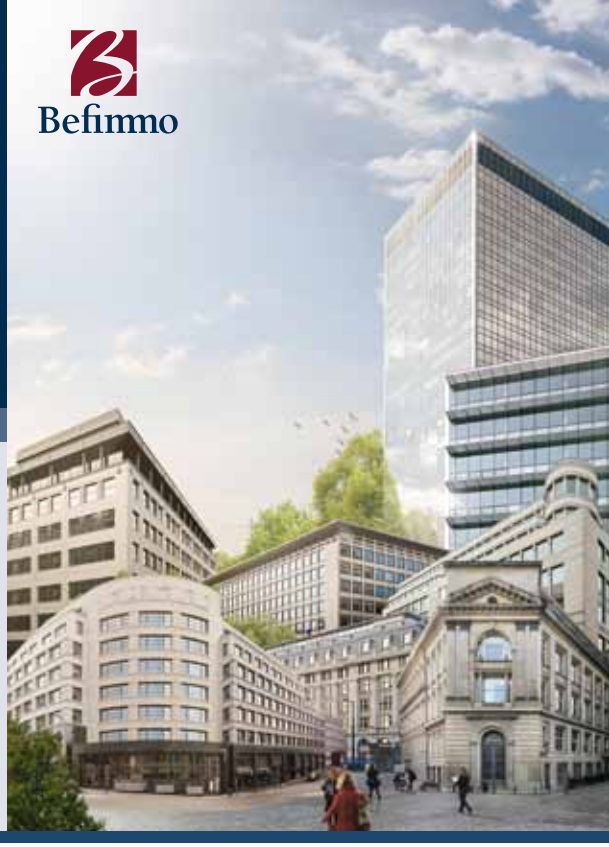
When a vision takes shape



Befimmo SCA
Half-Yearly Financial Report 2012
Regulated information

Half-yearly accounts for the period
01.01.2012 to 30.06.2012

KEY EVENTS

- Dividend forecast (**€3.45** gross per share) for the **2012 fiscal year** confirmed
- Stable fair value of portfolio, net asset value and EPRA earnings
- Occupancy rate rising to **95.5%** as at **30 June 2012** from **94.3%** as the fiscal year opened

Befimmo

Embargo
30 August 2012 - 5.40 PM

CONTENT

Any reference to the portfolio, assets, figures or activities of Befimmo should be understood on a consolidated basis, including those of its subsidiaries, except where clear from the context or expressly stated otherwise.

The Board of Directors of Befimmo SA, Managing Agent of the Befimmo Sicafi, met on 22 August 2012 to prepare the consolidated half-yearly financial statements of the Befimmo Sicafi as at 30 June 2012.

SUMMARY

At the close of the first half of the 2012 fiscal year, Befimmo emerges with strong results, in line with forecasts.

The occupancy rate rose to 95.5% as at 30 June 2012, owing mainly to the European Parliament occupying the Science-Montoyer building for 21 years.

The weighted average duration of leases in the consolidated portfolio was 9.62 years at the end of the first half of the fiscal year. The duration is thus maintained above 9 years since 2006.

The portfolio, worth €1,980.7 million as at 30 June 2012 and measuring over 850,000 m² only, saw a slight decline in value (-0.68%, excluding investments) during this first half, which is in line with forecasts.

As at 30 June 2012, the net asset value – group share – stood at €57.27 per share (as against €57.17 per share as at 31 December 2011).

At the end of the first half of 2012, EPRA earnings – group share – was €2.13 per share. It is stable in relation to the same period last year.

These results demonstrate that Befimmo is holding its course despite challenging market conditions, thanks to active management and the quality of its portfolio. The Company can therefore confirm the forecasted gross dividend of €3.45 per share for the 2012 fiscal year, if no other factors intervene.

KEY EVENTS OF THE HALF-YEAR

Leases

During the first half of the 2012 fiscal year, Befimmo signed new leases and lease renewals for some 13,500 m² of space, with offices accounting for just over 12,000 m² and nearly 1,500 m² being multi-purpose or archive space, as compared with 26,000 m² in the first half of the previous year[1].

Several tenants such as Lukoil and Carl Zeiss, and also Unamic, Electronic Partners and Krauss & Naimer, renewed their leases as they expired, totalling around 4,000 m² of space, which attests to the quality of the Company's portfolio.

During the first half of the year, Befimmo let a total space of around 9,500 m², primarily in the Brussels periphery, to new tenants.

Taking account of these new leases and the 25-year lease agreed with the Buildings Agency for the new Paradis building in Liège, as at 30 June 2012 the weighted average duration of the leases amounted to 9.62 years, as against 9.02 years as the fiscal year opened.

These new leases were agreed on terms that are in line with the assumptions made when preparing the three-year outlook, as published in the Annual Financial Report 2010/2011.

Take-up of the Science-Montoyer building

The main transaction was concluded in May 2012 with the European Parliament for the Science-Montoyer building (5,379 m²) in the Leopold district of Brussels, for a fixed 21-year term. This operation increased the value of the property by some €1.6 million.

This building was completely renovated in 2011 and was a prize winner in the "IBGE 2009 - Green Buildings" competition. It is the first building in Europe to be rated "Excellent" in the BREEAM Post Construction certification.

New lease in the Media building

In addition, after the half-yearly close on 30 June 2012, Befimmo signed a new lease (6/9) with the Goodman company to rent half of the space previously occupied by Samsung and for which Befimmo accepted an early termination. Samsung remains committed for the remaining space until March 2015.

Construction and renovation projects

Befimmo strives to sustain the highest possible occupancy rate in its portfolio. To that end, it invests in its portfolio to keep it at a high quality level.

During the first half, Befimmo carried out various investment work in its buildings at a total cost of some €23 million. In addition, €3 million were spent in Befimmo's portfolio on maintenance, repair and rehabilitation in its portfolio.

The excellent occupancy rate of the Befimmo portfolio demonstrates that the Company's investments are well targeted.

(1) The 2010/2011 fiscal year lasted exceptionally five quarters from September 2010 to December 2011. The comparison relates to the corresponding period in 2011.

KEY EVENTS OF THE HALF-YEAR

Construction of the new Finance Center at rue Paradis in Liège

As announced at the time, in early 2009 the Buildings Agency signed a lease with Fedimmo, a 90% subsidiary of Befimmo, for a building to be erected at rue Paradis in Liège (39,000 m²) under a public promotion contract. This building is to house the new offices of the Finance Federal Public Service, and is let for a fixed 25-year term. In 2011, Fedimmo obtained a "single permit" to erect the building, confirmed on appeal by the Ministerial Order of 10 February 2012. That Ministerial Order has been challenged by actions for suspension and annulment before the Council of State. Fedimmo has filed a voluntary third party's intervention against these actions. The Council of State hearing is scheduled for late September 2012. Fedimmo remains strongly confident that the project will go ahead.

The total of the project cost is estimated at €95 million for a rent of around €6 million at the start of the lease.

Tower 3 of the World Trade Center

The first two phases of the renovation work in Tower 3 in the World Trade Center (75,800 m²) in Brussels are finished, while the third and final phase is in progress and should be complete by the end of 2012. The total budget for the renovation work in the Tower is €19.2 million.

Central Gate

Befimmo is completing its programme to renovate the Central Gate building (32,500 m²) in Brussels. The programme covers the refurbishment of the facades and roofing, rearrangement of the car parks, patios and internal routes, and a general facelift of the building's common areas.

The total budget for investments in this occupied building amounts to €24.8 million. Work began in January 2011 and will be completed by the end of August 2012.

At the end of the first half, Befimmo welcomed Federal Express in this building, which has rented nearly 4,000 m² of space.

Brederode 1

In 2011, Befimmo agreed a long-term lease with the Linklaters law firm to re-let the historic part of the building at rue Brederode No 13 (13,400 m²), which it has now occupied for nearly 30 years. Under the agreement, this prestigious building, ideally located in the Brussels city centre, is to be fully renovated at a total cost of some €25.7 million. Work will commence once all the necessary permits have been obtained (Befimmo already has urban development permit). The new lease, with a fixed term of 15 years, will begin as soon as the major renovation work is complete, due around mid-2014. The buildings at rue Brederode 9 and rue de Namur 48, currently let to Linklaters, will be vacated when the new building is handed over and will thus be available to let during 2015.

Other investments

Befimmo carried out other work during the first half of the year, including the landscaping of the area around the Fountain Plaza building and installing air conditioning inside, and the renovation of buildings 17 and 19 of the Ikaros Business Park.

Befimmo also continued its multi-year investment programme to improve the energy performance of its buildings in use.

PROPERTY PORTFOLIO

Changes in the fair value (1)

The fair value of Befimmo's consolidated portfolio as at 30 June 2012 was €1,980.7 million, as against €1,971.3 million as at 31 December 2011. This change in value incorporates the cost of the renovation work carried out in the portfolio over the first half, and the changes in value recorded. Excluding investments, the fair value of the portfolio fell €13.5 million (-0.68%) during the first half of the 2012 fiscal year.

CHANGES IN FAIR VALUE

OFFICES	Changes over the half-year (2) (in %)	Proportion of portfolio (3) (30.06.2012) (in %)	Fair value (30.06.2012)	Fair value (31.12.2011) (€ million)	Fair value (30.06.2011)
Properties available for lease	*-1.22*	*97.7*	*1 934.6*	*1 939.7*	*1 910.8*
Brussels Central Business District (CBD)	0.80	57.9	1 147.7	1 124.9	1 100.3
Brussels decentralised	-12.36	5.7	112.0	127.3	127.9
Brussels periphery	-8.39	7.5	148.0	156.3	156.4
Wallonia	0.37	4.3	85.6	85.3	83.9
Flanders	-1.39	18.1	359.4	364.6	361.2
Luxembourg city	1.34	4.1	82.0	81.4	81.2
Properties that are being constructed or developed for own account in order to be leased	*28.92*	*2.3*	*46.1*	*31.5*	*45.7*
INVESTMENT PROPERTIES	**-0.68**	**100.0**	**1 980.7**	**1 971.3**	**1 956.5**
TOTAL	**-0.68**	**100.0**	**1 980.7**	**1 971.3**	**1 956.5**

(1) These values are established in application of standard IAS 40 which requires investment property to be booked at "fair value". Fair value is obtained by deducting the average costs for transactions established by independent real-estate experts from the "investment value". These costs amount to (i) 2.5% for property worth more than €2.5 million and (ii) 10% (Flanders) or 12.5% (Wallonia and Brussels) for property worth less than €2.5 million.
(2) The change over the half year is the change in fair value between 1 January 2012 and 30 June 2012 (excluding investments and disinvestments).
(3) The proportion of the portfolio is calculated on the basis of the fair value of the portfolio as at 30 June 2012.

PROPERTY PORTFOLIO

Note that, pursuant to the Royal Decree on Sicafis of 7 December 2010, since the mandates of the two experts, Jones Lang LaSalle and DTZ - Winssinger & Associés, expired on 31 December 2011, new three-year mandates for real-estate experts were assigned from 1 January 2012 to Jones Lang LaSalle, DTZ - Winssinger & Associés and Price Waterhouse Coopers, distributed as follows:

MISSION	Until 31 December 2011	From 1 January 2012
Fedimmo's property portfolio	Jones Lang LaSalle	DTZ - Winssinger & Associés
Befimmo property portfolio let to public institutions [1]	Jones Lang LaSalle	Price Waterhouse Coopers
Befimmo property portfolio let to private-sector tenants	DTZ - Winssinger & Associés	Jones Lang LaSalle

When the experts were rotated in Befimmo's consolidated portfolio, the overall valuation of the portfolio was confirmed and it was valued as at 30 June 2012 at €1,980.7 million (-0.68% in relation to 31 December 2011, i.e. -0.76% for the first quarter and +0.07% for the second quarter of the fiscal year).

For some buildings, substantial positive or negative differences in value were observed over the first quarter of the 2012 fiscal year, due mainly to each real-estate expert's specific estimate of the key valuation parameters and approach to the various sub-markets.

However, during the second quarter of the 2012 fiscal year, the values of the various sub-portfolios held up well, with a slight increase in value of +0.07%, resulting from valuation gains in the portfolio, primarily related to the conclusion of a 21-year usufruct agreement with the European Parliament for the Science-Montoyer building, and the signature of new leases and lease extensions. These gains were partially offset by falls in value on certain properties where the leases are approaching expiry.

Barring unforeseen events, the outlook for changes in value (-1.44%) over the full 2012 fiscal year, published in the Annual Financial Report 2010/2011, remain unchanged.

(1) With the addition of the Meir building (Antwerp) and Vital building (Leuven), on long-term leases mainly to BNP Paribas Fortis.

PROPERTY PORTFOLIO

SUMMARY OF DATA ON PROPERTIES IN THE BEFIMMO PORTFOLIO (as at 30.06.2012)	Rental space (in m²)	Percentage of portfolio [1] (in %)	Current rent [2] (€ thousand)	Occupancy rate (in %)
Brussels centre 10 buildings	111 431	18.6	25 069	97.3
Brussels Leopold district 10 buildings	96 057	14.1	18 987	95.9
Brussels North area 3 buildings	187 506	24.4	32 806	98.9
Brussels Central Business District (CBD) 23 buildings	**394 994**	**57.1**	**76 862**	**97.6**
Brussels decentralised 7 buildings	**60 366**	**6.0**	**8 062**	**84.0**
Brussels periphery 7 buildings and office parks	**106 470**	**8.5**	**11 437**	**83.1**
Total Brussels 37 buildings	**561 830**	**71.6**	**96 362**	**94.4**
Wallonia 20 buildings	95 601	8.7	11 695	100
Flanders 33 buildings	180 563	16.3	21 896	100
Luxembourg city 1 building	13 447	3.4	4 650	88.2
Properties available for lease	*851 441*	*100*	*134 602*	*95.5*
INVESTMENT PROPERTIES	**851 441**	**100**	**134 602**	**95.5**
TOTAL	**851 441**	**100**	**134 602**	**95.5**

(1) The proportion of the portfolio is calculated on the basis of the current annual rent as at 30 June 2012.
(2) The current annual rent at the closing date plus future rent on leases signed as at 30 June 2012.

PROPERTY PORTFOLIO

Occupancy rate and weighted average duration of leases

The occupancy rate[1] of buildings available for lease (i.e. investment properties excluding properties that were being constructed or developed for own account in order to be leased), and of all investment properties, are identical and amounted to 95.5% as at 30 June 2012, as against 94.3% as the fiscal year opened. The increase in the occupancy rate is due mainly to the 21-year usufruct agreement with the European Parliament for the Science-Montoyer building.

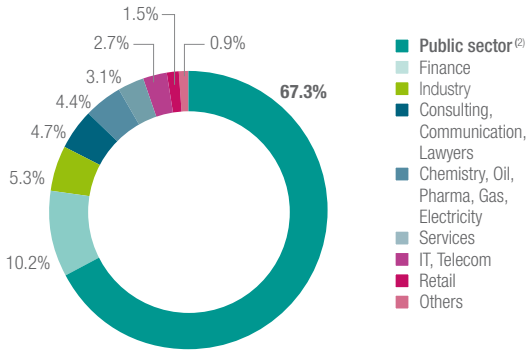
Taking account of the leases signed and the 25-year lease agreed with the Buildings Agency for the new Paradis building in Liège, as at 30 June 2012 the weighted average duration of these leases was 9.62 years, as against 9.02 years as the fiscal year opened.

TENANTS (as at 30.06.2012)		
	Weighted average duration[2]	Percentage of the current rent[3] (in %)
1. Public sector (federal & regional)[4]		57.5
2. European Institutions & representations[5]		9.8
PUBLIC SECTOR	**11.6 years**	**67.3**
3. BNP Paribas Fortis and affiliated companies		4.6
4. Linklaters		3.1
5. BGL BNP Paribas and affiliated companies		2.4
6. Levi Strauss		2.3
7. Citibank Belgium[6]		2.1
8. Sheraton Management LLC		1.4
9. General Electric		0.9
10. Federal Express		0.7
Next eight tenants	**7.7 years**	**17.5**
Next ten tenants	**3.6 years**	**4.2**
Top twenty tenants	**10.4 years**	**89.0**
Approx. 160 tenants	**3.1 years**	**11.0**
TOTAL	**9.62 years**	**100.0**

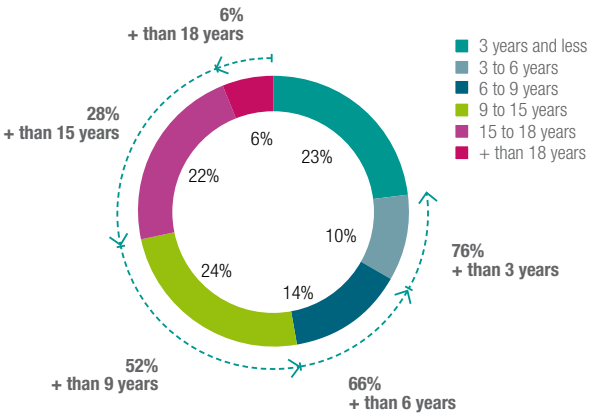
(1) Occupancy rate: current rent (including space already let but where the lease has yet to begin)/(current rent + estimated rental value for vacant space).
(2) Weighted average duration of leases, i.e. the sum of (current annual rents for each lease multiplied by the term remaining up to the first break in the lease) divided by the total current rent of the portfolio.
(3) The current annual rent at the closing date plus future rent on leases signed as at 30 June 2012.
(4) Public sector: Belgian Public Institutions: Federal (49.6%), Flemish Region (6.9%), Walloon Region (1.0%).
(5) European Institutions and representations: European Commission (6.1%), European Parliament (3.3%) and representations (0.4%).
(6) As at 1 May 2012, Citibank Belgium was acquired by Crédit Mutuel Nord Europe (CMNE).

PROPERTY PORTFOLIO

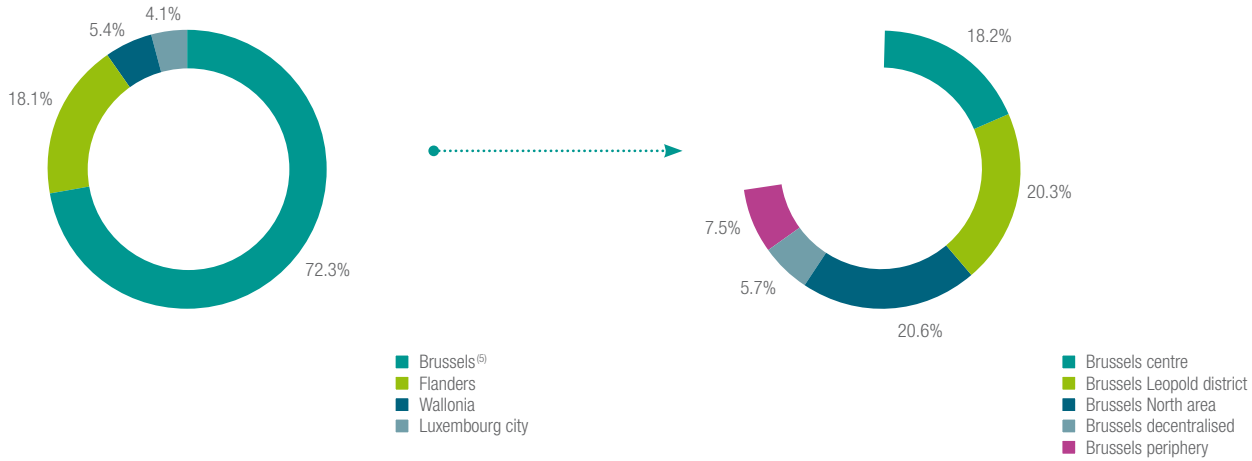
TENANTS (1)



DURATION OF LEASES (3)



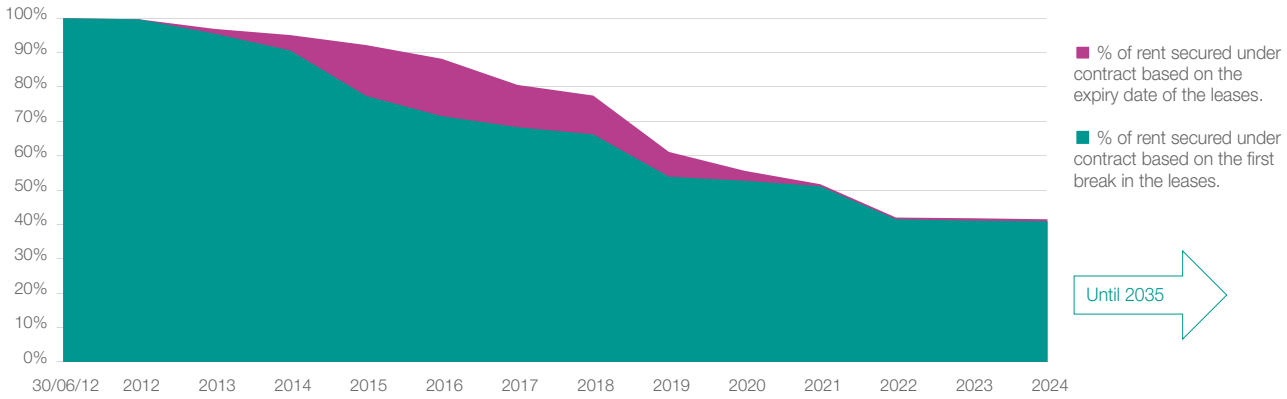
GEOGRAPHICAL BREAKDOWN (4)



(1) The proportions are expressed on the basis of the current rent as at 30 June 2012.
(2) Public sector: Belgian Public Institutions (federal & regional), European Institutions and representations.
(3) The proportions are expressed on the basis of the current rent as at 30 June 2012.
(4) The proportions are expressed expressed on the basis of the fair value of the investment properties as at 30 June 2012.
(5) Brussels: this means Brussels and its Economic Hinterland, i.e. CBD, decentralised and periphery.

PROPERTY PORTFOLIO

PERCENTAGE OF RENT SECURED UNDER CONTRACT IN RELATION TO THE RESIDUAL DURATION OF LEASES IN THE CONSOLIDATED PORTFOLIO [1] (for ongoing and signed future leases) (in %)



Initial yield

As at 30 June 2012, the overall rental yield on current rent (initial yield), on properties available for lease stood at 6.78%, compared with 6.61% as the fiscal year opened.

Again as at 30 June 2012, the overall rental yield on current rents, plus the estimated rental value of unoccupied premises (potential yield), on properties available for lease, was 7.10% as against 7.01% as at 31 December 2011.

Taking account of properties that are being constructed or developed for own account in order to be leased, these yields as at 30 June 2012 were 6.63% and 6.94% respectively.

(1) Rents for future years are calculated on the basis of the present situation, assuming that each tenant leaves at the first break and that no further lease is agreed in relation to the current rent as at 30 June 2012.

CORPORATE SOCIAL RESPONSIBILITY

Befimmo is continuing its efforts on the field of Corporate Social Responsibility and is implementing the environmental policy[1] it has adopted to reduce the impact of its portfolio on the environment.
Its programme in this area will be described in detail in the Annual Financial Report 2012.

In this chapter, we present the main achievements during the first half of the 2012 fiscal year.

BREEAM certifications

In January 2012, Befimmo was the first real-estate company in Europe to be rated "Excellent" for the BREEAM[2] Post-Construction certificate for its Science-Montoyer building.

In addition, in May 2012, the programme to renovate buildings 17 and 19 of the Ikaros Business Park was rated "Very Good" in the BREEAM Design phase certification. Befimmo's goal is also to obtain "Very Good" at the Post Construction certification phase.

These awards illustrate the external recognition of the sustainable environmental performance of Befimmo's projects.

External Stakeholders - questionnaires

Befimmo took part in the reporting of the carbon emissions associated with its activities by answering, for the second time, the questionnaire of the "Carbon Disclosure Project[3]", which aims to produce a global database of greenhouse emissions from businesses. This organisation acts on behalf of 655 investors representing more than $78 trillion.

Befimmo also answered the "Global Real Estate Sustainability Benchmark[4]" questionnaire. GRESB is an initiative that assesses the environmental and social performance of real-estate funds and real-estate companies, whether listed or private. The benchmark obtained is a starting point for improving this performance, and a collective effort to make the real-estate industry more sustainable.

(1) For more information, please see the 2010/2011 Annual Financial Report, or the Company's website via the following link: http://www.befimmo.be/en/environmental-programme.
(2) BREEAM is the first environmental assessment method for buildings. It is a benchmark for best practice in sustainable design. It has become the most widely used benchmark of a building's environmental performance.
(3) http://www.cdproject.net/
(4) http://www.gresb.com/

BRUSSELS PROPERTY MARKET[1]

The Brussels property market has rallied over the first half of 2012. The rental market in particular has seen an improvement. Demand has been supported mainly by the European Institutions.

With regard to the supply of new offices, the number of development projects is still relatively limited, with the exception of some projects in progress in the Leopold district of Brussels (for which tenants seem to be identified).

The downward trend in rental vacancies is therefore continuing: as at 30 June 2012 it was 11.2%, as against 11.9% as at 30 June 2011 and 11.5% as at 31 December 2011. Some people are forecasting a lack of prime properties in the coming years.

Activity on the market for investment in office buildings has remained relatively weak. Prime properties are still the most sought-after in a highly competitive market.

The Brussels rental property market

Demand

Take-up on the Brussels office property market rose to 253,190 m² in the first half of 2012, as against only 111,161 m² in the first six months of 2011. As stated above, 49% of the take-up came from the public sector, particularly the European Institutions. In addition to moving into Fedimmo's Science-Montoyer building (5,379 m² in the Leopold district) under a 21-year lease, the European Parliament has also undertaken to purchase the Trebel project (32,000 m² also in the Leopold district). The European Commission has rented 19,494 m² in the Covent Garden building, located in the North area, and 24,463 m² in the Espace Orban building, located in the Leopold district.

However, the uncertain climate that the national and international economies are experiencing explains the slack demand from private-sector companies which are still cautious for the time being, and controlling their costs. Private-sector demand comes mainly from small to medium-sized businesses looking to take advantage of favourable market conditions. The largest tenants, however, are focusing more on flexible space and performance in terms of sustainable development, and prefer to renegotiate their contracts and thereby reduce their occupancy costs in exchange for a longer commitment to the owner.

Development

Over the first half of the year, no office space was handed over onto the Brussels property market. Approximately 64,000 m² of office space is expected by the end of the year, 71% of which is pre-let, mainly to the European Institutions.

However, some developers are selectively implementing some of their development projects in the Leopold district, which is still the most active sub-market in terms of construction. In 2013, some 203,000 m² of space is expected to come onto the Brussels market, with rental commitments already forthcoming for 52% of it.

The volume of handovers is continuing to decline across the board on the Brussels market, because developers are reluctant to build new speculative projects, i.e. without first obtaining a pre-commitment from a tenant. The market for new buildings is therefore currently dominated by "build-to-suit" projects.

(1) Source: CBRE – 30 June 2012 (www.cbre.com).

BRUSSELS PROPERTY MARKET

Rental vacancies

Rental vacancies continue to decline from 11.9% as at 30 June 2011 and 11.5% as at 31 December 2011 to 11.2% as at 30 June 2012. As at 30 June 2012, they even reached their lowest level since the third quarter of 2009. This downward trend is due to the increase in take-up, the low number of new projects coming onto the market and the reconversion of empty offices for residential use or as hotels or nursing homes.

Note however that, in view of the economic climate, new space may be vacated in the coming months, notably by financial institutions seeking to rationalise their use of space.

Rental values

Prime rent held steady over the first half, at €285/m² in the Leopold district. Rents for second-rank buildings (in terms of location and features) are still under pressure, however.

The Brussels investment market

During the first half of 2012, €167 million were invested in office buildings in Brussels. This is a low figure compared with the volume of €213 million recorded during the first half of the 2011 fiscal year, which is explained mainly by a lack of top-quality products.

Given the scarcity of these assets and because of increased competition from investors for this type of property, values remain high. Yields for conventional leases (3/6/9) on this type of building are down, at around 6.25%. Properties of the same type but leased long-term are earning around 5%.

There is a trend towards diversification, with more investors also interested in office buildings on shorter leases, which could slightly remedy the lack of liquidity in this market segment.

CONCLUSIONS OF THE REAL-ESTATE EXPERT

To the Board of Directors Befimmo SA
Managing Agent of Befimmo SCA
Parc Goemaere • Chaussée de Wavre 1945 • 1160 Brussels

Dear Sirs,

Re: Valuation of the real-estate portfolio of Befimmo as at 30th June 2012

Context

In accordance with Chapter IV, Section 4 of the Royal Decree of 7th December 2010 with regard to the Sicafis Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 30th June 2012. We have been mandated to value part of the Befimmo property portfolio of which most of the buildings are let to companies from the private sector while Winssinger & Associés sa and PriceWaterhouse-Coopers Enterprise Advisory scrl have been mandated to value respectively the Fedimmo portfolio and the Befimmo portfolio mainly let to public institutions. Furthermore we have consolidated the results of the valuation of which the main conclusions are listed hereunder.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. Winssinger & Associés SA and Price Waterhouse Coopers Enterprise Advisory scrl also indicate that they benefit from sufficient knowledge of the property markets in which Befimmo is active, as well as the required professional qualifications and recognition to fulfil this assignment. The mission of the valuers has been carried out in full independence.

Consistently with market practice, our mission has been carried out on the basis of information provided by Befimmo, in particular relating to tenancy situation, costs and taxes borne by the landlord, works to be carried out, as well as any other element which could have an influence on the assets' value. We have assumed this information to be correct and complete. As specifically mentioned in our reports, our valuation does not constitute in any way a quality or technical survey of the properties, nor an analysis of the possible presence of deleterious materials. These elements are well known by Befimmo, which carries out a technical and legal due diligence prior to the acquisition of each property.

Opinion

The investment value is defined as the most likely value that could reasonably be obtained on the date of valuation in normal sales conditions between willing and well-informed parties before deduction of transaction costs.

As our principal valuation method we have adopted a static capitalisation approach and also carried out a simple "sanity check" in terms of price per square meter.

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method of valuation applies a multiplier to the current and future expected rent that is based on analysis of sales of comparable properties in the market.
The multiplier depends on the yield that investors require when acquiring in this market. The yield reflects the risks intrinsic to the sector (future voids, credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

- non-recovered charges or taxes in a market where recovery from the tenant is usual;
- renovation work or deferred repairs necessary at the date of valuation in order to continue to receive the rent;
- unusual outgoing costs.

It is important to understand the distinction between this "capitalisation" approach and the discounted cash flow method where future growth and inflation are explicit. This difference is why discount rates in a discounted cash flow valuation are higher than yields in a static capitalisation approach.

The yields used are based on the valuers judgement in comparison with evidence of comparable sales. Factors in the market that determine yield are numerous, and different factors are of importance to different buyers. The following criteria are often taken into account: the quality of the tenant and duration of the lease, the

CONCLUSIONS OF THE REAL-ESTATE EXPERT

location, the state of repair, the age and the architectural quality of the building and also the efficiency of the building (gross to net ratio/parking ratio).

Ultimately it is supply and demand in the investment market that determines the price. For the financial accounting of a Sicafi and in accordance with the IAS/IFRS norms it is common practice to use the Fair Value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006, the Fair Value can be obtained by subtracting 2.5% transaction costs from properties with an investment value of more than € 2.500.000. For properties with an investment value under € 2.500.000 registration duties of 10% or 12.5% should be subtracted, depending on the region where they are situated.

In the light of all comments mentioned above, we confirm that the investment value of the Befimmo property portfolio as at 30th June 2012 amounts to a total of

€ 2.031.497.060
(TWO BILLION AND THIRTY ONE MILLION FOUR HUNDRED AND NINETY SEVEN THOUSAND AND SIXTY EUROS);

this amount includes the valuation of the buildings which have been carried out by Winssinger & Associés SA and PriceWaterhouseCoopers Enterprise Advisory scrl.

The most likely sale value corresponding to the fair value of the Befimmo property portfolio as at 30th June 2012 amounts to a total of

€ 1.980.710.278
(ONE BILLION NINE HUNDRED AND EIGHTY MILLION SEVEN HUNDRED AND TEN THOUSAND TWO HUNDRED AND SEVENTY EIGHT EUROS);

this amount includes the valuation of the buildings which have been carried out by Winssinger & Associés SA and PriceWaterhouseCoopers Enterprise Advisory scrl.

On this basis, the initial yield of the portfolio with properties held for letting is 6.78 %. Should the vacant accommodation be fully let at estimated rental value, the initial yield would be 7.10 % for the same portfolio. The occupation rate of the portfolio with properties held for letting is 95.49 %. For the total portfolio of investment properties this rate is also 95.49 %.

The average level of passing and contractual rent is currently approximately ± 10.66 % above the current estimated rental value of the portfolio.

The property portfolio comprises:

Offices	Fair Value (in € million)	(in %)
INVESTMENT PROPERTIES	**1 980.7**	**100**
Properties available for lease	*1 934.6*	*97.7*
Brussels centre (CBD)	1 147.7	57.9
Brussels decentralised	112.0	5.7
Brussels periphery	148.0	7.5
Wallonia	85.6	4.3
Flanders	359.4	18.1
Luxembourg city	82.0	4.1
Properties that are being constructed or developed for own account in order to be leased	46.1	2.3
PROPERTIES HELD FOR SALE	**-**	**-**
TOTAL	**1 980.7**	**100**

Yours sincerely,

Brussels, 20th July 2012

R.P. Scrivener M.R.I.C.S.
National Director Head of Valuations and Consulting
On behalf of Jones Lang LaSalle

LIST OF MAIN RISKS

The information in this chapter is an update of the information published on this subject in the Annual Financial Report 2010/2011.

The economic and financial crisis can aggravate certain risks to Befimmo's business. This mainly entails the following risks: risk of a fall in the fair value of the assets, insolvent tenants, unlet space, changing interest rates and liquidity. These risks are detailed below.

The list of risks in this chapter is not exhaustive. It is based on information known at the time of writing of this Report, though other risks, which may be unknown, improbable or unlikely to have an adverse effect on the Company, its business or its financial situation, may of course exist.

Main risks relating to Befimmo and its business

Risk related to the rental market

The Brussels property market is currently characterised by higher supply than demand. Owing to the concentration of its portfolio – by segment – in the market for office buildings and – geographically – in Brussels, the Company is sensitive to developments in the Brussels office property market and faces a risk related to the occupancy of its buildings.

Density risk

Any investment, even in property, involves a certain level of risk. Befimmo's portfolio is not very diversified in terms of segment and geography (office buildings located mainly in Brussels and its economic hinterland, 72.3% as at 30 June 2012) and in commercial terms (the Belgian Government as a tenant accounted for 57.5% of total rents received as at 30 June 2012).

The portfolio also includes a building in Luxembourg (Axento). This asset was acquired as part of a limited international diversification that could be extended to the French market if appropriate.

Risks associated with tenants

The Company is exposed to risks relating to the departure or financial default of its tenants and the risk of vacant rental property. It is also exposed to the impact of government policy to optimise its needs for office space.

To mitigate these risks, the Company actively manages its relationships with its customers so as to minimise as far as possible vacancies in premises in its property portfolio.

As at 30 June 2012 the occupancy rate was 95.5% Nevertheless, the occupancy rate is still sensitive to the economic climate, especially in the decentralised area and the periphery. On an annual basis, a 1% fluctuation in the occupancy rate of the Company's portfolio would have an impact of some €1.2 million on the property operating result.

In line with standard market practice, private-sector tenants are generally required to provide a rental guarantee equivalent to six months' rent. Public-sector tenants (the Belgian Government, Flemish Region, Walloon Region and European Institutions), which account for a substantial proportion of the Company's portfolio (67.3% as at 30 June 2012), do not give rental guarantees, however.

The constancy of Befimmo's cash flow depends mainly on its rental income being secured over the long term. The Company therefore strives to ensure that a significant portion of its portfolio is let on long-term leases. The weighted average duration of leases agreed by Befimmo was 9.62 [1] years as at 30 June 2012.

(1) This duration takes account of the 25-year lease agreed with the Buildings Agency for the new Paradis building in Liège.

LIST OF MAIN RISKS

This strategy was again applied recently through:

- the signature of a 15-year usufruct agreement with the European Parliament for the Wiertz building;
- the award of the contract to provide offices to house the Finance Federal Public Service in Liège for a fixed 25-year term (Paradis project). Fedimmo obtained a "single permit", confirmed on appeal by the Ministerial Order of 10 February 2012. That Ministerial Order has been challenged by several appeals for suspension and annulment before the Council of State. The project is described more fully under "Key events of the half-year" on page 5 of this Report;
- the negotiation during fiscal years 2009/2010 and 2010/2011 of extensions for several years to leases in the Schuman 3, La Plaine and Brederode 1 buildings in Brussels;
- the acquisition in February 2011 of the shares of Ringcenter SA, owner of the Pavilion complex; the European Commission has a usufruct for this entire complex with a residual duration of almost 14 years;
- the signature in May 2012 of a 21-year usufruct agreement with the European Parliament for the Science-Montoyer building.

Risk related to the fair value of buildings

The Company is exposed to the risk of a negative change in the fair value of its portfolio as valued every quarter by independent experts, which affects the Company's net result and debt ratio: based on the figures as at 30 June 2012, a 1% change in value of the property assets would have an impact of some €20 million on the net result and about 0.45% on the debt ratio [(1)].

Risk related to inadequate insurance cover

The Company is exposed to the risk of major losses in its buildings. In order to mitigate this risk, all buildings in Befimmo's consolidated portfolio are covered by a number of insurance policies (covering fire, storm, water damage, etc.) for a total sum insured (new reconstruction value, excluding the land) of around €1,696.2 million as at 30 June 2012.

Risk of deterioration of buildings

The Company is exposed to the risk of depreciation of its buildings as a result of wear and tear in use, and the risk of obsolescence associated with the growing (legislative and societal) demands mainly in terms of sustainable development (energy performance, etc.). Befimmo ensures that its property is kept in a good state of repair and is upgraded in terms of sustainable performance by making an inventory of the preventive and corrective maintenance work to be carried out, and establishing works programmes, in cooperation with the property manager (AG Real Estate Property Management). Befimmo is also keen to have most of its buildings covered by "total guarantee" maintenance contracts. As at 30 June 2012, 72% of the consolidated portfolio was covered by such a "total guarantee" contract.

Risks related to execution of major works

The Company is exposed to the risks of delays, overshooting the budget and organisational problems when carrying out major works on the buildings in its portfolio. Detailed monitoring of technical, budgetary and planning aspects has been introduced to manage the risks associated with this work. Furthermore, the contracts with building firms generally provide for a number of measures to limit these risks (price ceilings, delay penalties, etc.).

(1) The debt ratio is calculated in accordance with the Royal Decree of 7 December 2010.

LIST OF MAIN RISKS

Risks of inflation and deflation

The Company is exposed to the risk of the costs that it has to bear (property charges) being indexed on a basis that changes more quickly than the health index (used as a basis for indexing rents); the impact of rent adjustments in line with inflation can be estimated at €1.3 million annualised per percentage point of change in the health index.

Regarding the risk of deflation, 84.61% [1] of the leases in Befimmo's consolidated portfolio are hedged against the effect of any negative indexing (46.37% provide for a minimum equal to the base rent and 38.24% contain a clause that sets a minimum of the last rent paid). The remaining 15.39% of the leases do not provide for any minimum rent.

Risks related to co-contractors

Besides the risk of defaulting tenants, the Company is also exposed to the risk of default by its other co-contractors (property-management, building companies, etc.).

Risks related to merger, demerger or acquisition

Many buildings entered the Befimmo property portfolio as a result of a merger, demerger or acquisition of companies.

While the Company has taken the usual precautions in operations of this type, mainly by carrying out due diligence exercises on the properties involved and on the absorbed or acquired companies, it cannot be precluded that hidden liabilities have been transferred to the Company during such operations.

Risks specific to possible operations outside Belgium or Luxembourg

The Company has less experience and knowledge of foreign markets and the parties it would be doing business with.

Regulatory risks

The Company is exposed to the risk of infringing increasingly complex regulations, notably environmental and fire-safety regulations, environmental risks related to property purchase or ownership, and the risk of refusal, non-renewal or cancellation of urban-development, environmental or other permits.

Legislative changes, notably regarding taxation (such as the budgetary measures taken or announced by the government on, among other things, the withholding tax, notional interest and anti-abuse provisions), environment, urban development, mobility policy and sustainable development, and the entry into force of new constraints regarding the letting of property and the renewal of certain permits, which could apply to the Company and/or its subsidiaries, could have an impact on the Company's profitability and the value of its portfolio.

The Company is likely to be affected by the transposition into Belgian law of the EU Directives UCITS IV (Directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities), and AIFM (Alternative Investment Fund Managers Directive), EMIR (European Market Infrastructure Regulation) and their implementing measures. The additional requirements of these new regulations, including on systems of administrative management, internal audit, management of conflicts of interest and risk management, could compel the Company to adapt its internal organisation, rules or procedures, which would make its management more cumbersome and require additional resources to implement these new provisions. Should the EMIR Regulation be implemented, the Company would be potentially exposed to expensive margin calls on its hedging instruments.

(1) Based on the current rent as at 30 June 2012.

LIST OF MAIN RISKS

Risk of staff turnover

Given the relatively small size of its team (46 staff members as at 30 June 2012), the Company is exposed to a certain risk of organisational problems if certain key members of staff were to leave.

Risk of legal proceedings

The Company is a party to legal proceedings and may be involved in others in future. Befimmo is currently involved, as defendant or plaintiff, in a number of legal proceedings which, on the whole, are unlikely to have a major impact on Befimmo, as the potential gains or losses are highly unlikely to materialise and/or are of insignificant amounts.

Main financial risks

Risk related to financing cost

The Company obtains financing at fixed rates or rates that have been fixed (IRS) and at floating rates. The aim of using floating rates is to avoid having financial charges set at relatively high fixed rates, while income could suffer from downward pressure on rents.

This financing mix creates a situation in which the result is nevertheless sensitive to changes in interest rates. An increase in the Company's financial charges could also have an influence on its rating, currently BBB/ outlook stable for the long term and A-2 for its short-term debt (Standard & Poor's financial notation).

However, the interest rate risks of floating-rate financing are mitigated by implementing a policy of hedging interest rate risks over a five- to ten-year period, covering a decreasing proportion of total borrowings. The goal is to protect against a significant rise in rates, while preserving at least some possibility of the Company benefiting from falling rates. Thus, on the basis of borrowings as at 30 June 2012, part of the debt (€555 million or 62% of the total) is financed at fixed rates (conventional fixed rates or IRS). The remaining borrowings, of €339 million, are at variable rates, protected against rises by means of option instruments (CAPS).

As at 30 June 2012, the hedging ratio was 97.9% [(1)]. The choice and level of instruments is based on an analysis of rate forecasts by a number of banks, arbitrage between the cost of the instrument and the level and type of protection offered, an estimate of the level of EPRA earnings needed in particular to pay out the forecast dividend and the aim of limiting changes in financial charges under existing covenants.

Without hedging, based on the borrowings situation (assumed to be constant over a 12-month period) and the Euribor rates as at 30 June 2012 (not including the impact of the hedging instruments), the impact of any change in market rates of 0.25% is estimated at €0.895 million (annual basis).

Based on the hedging arranged, the borrowings situation and the Euribor rates as at 30 June 2012 (all assumed to be constant over a 12-month period), the impact of any change in the market rate of 0.25% would increase or reduce financial charges by an estimated €0.698 million.

The Company's financing cost is influenced mainly by Standard & Poor's rating, which depends among other things on its indebtedness. Should the debt ratio remain significantly above the Company's target of around 50%, one possible consequence would be a credit watch on Befimmo's rating, and a possible downgrade to BBB-. Any such downgrade in the rating would make it harder to obtain new financing, generate an additional financing cost, estimated at €0.821 million, and could damage the Company's image with investors.

The Company's financing cost also depends on the margins charged on the financial markets. Following the financial crisis of 2008, followed more recently by the sovereign debt crisis, financing margins have risen sharply, which affects the cost of additional financing and renewals.

(1) Hedge ratio: (fixed-rate debts + notional rate of IRS and CAPS)/total debt.

LIST OF MAIN RISKS

After making two bond issues in 2011 (of €162 million and €110 million), during the first half of 2012 Befimmo arranged a private bond placement in the United States (US Private Placement "USPP") which is divided into three tranches: £22 million and $75 million in bonds for a 7-year term and $90 million in bonds for an 8-year term. Befimmo has hedged the currency risk by arranging Cross Currency Swaps (CSS) at the same time. These three issues are a step in the diversification of the Company's sources of finance under its refinancing programme scheduled up to June 2013.

Risk related to a change in fair value of the hedging instruments

A change in the forecast movements of short-term interest rates could alter the fair value of the hedging instruments. Based on the fair value of the hedging instruments as at 30 June 2012, it can be estimated that if the rate curve as at 30 June 2012 had been 0.5% lower than the reference rate curve, the change in fair value of hedging instruments would have been -€6.75 million. In the opposite case, the change would have been +€7.26 million. Changes in the Euro-US Dollar and Euro-Pound Sterling exchange rates could have a significant impact on the fair value of the Cross Currency Swaps arranged when financing the USPP.

Such changes are offset, however, by an opposite change in the debt in foreign currency, also valued at fair value.

Liquidity risk

Befimmo is exposed to a liquidity risk should its financing agreements not be renewed or be terminated. To mitigate this risk, in early 2011 the Company began a process of diversifying its sources of finance.
The ratio of debt provided by bank financing was 53% as at 30 June 2012, as against 100% in early 2011.

The Company's debt ratio[1] was 46.3% as at 30 June 2012 and 45.8% as at 31 December 2011. Loan-to-value[2] (LTV) was 45.5% as at 30 June 2012 and 44.2% as at 31 December 2011. The short-term liquidity risk is covered by the use of medium- to long-term lines as a back-up for the commercial paper programme (up to €400 million maximum).

The weighted average duration of financing was 5.06 years as at 30 June 2012.

The next due dates for renewing the Company's financing are in March and June 2013 and relates to two syndicated loans totalling €520 million. Part of this refinancing need has already been covered by a bond issue, in December 2011, with a four year term for an amount of €110 million, and the conclusion, in May 2012, of a private placement bond (in US Dollar and Pound Sterling) equivalent to some €150 million.

As at 30 June 2012, the Company had unused lines of around €415 million, including cash but excluding the short-term credit line for an amount of €50 million. The high level of unused lines is due to the decision to anticipate partly the refinancing due dates in 2013.

Risk related to counterparty banks

Arranging a financing contract or a hedging instrument with a financial institution creates a counterparty risk of that institution defaulting.

Therefore Befimmo ensures a diversification of its banking relationships. The Company currently has a business relationship with nine banks:

- The main banks providing finance, in order of importance of their commitment towards Befimmo, are Fortis Bank, ING, Belfius, KBC and BECM (CM-CIC group). The financing by these banks accounts for €769 million out of the €933 million of bank lines available to Befimmo as at 30 June 2012.
- The counterparty banks for the hedging instruments are Fortis Bank, ING, Belfius, KBC and RBS.

(1) Debt ratio: [liabilities - provisions - other financial liabilities (permitted hedging instruments) - deferred tax liabilities - accruals/total assets]. This ratio is calculated in accordance with the Royal Decree of 7 December 2010.
(2) Loan-to-value (LTV): (financial debts – cash)/fair value of portfolio.

LIST OF MAIN RISKS

Since Befimmo's financial model is based on structural borrowing, the amount of cash deposited with financial institutions is structurally very limited. It was €3.4 million as at 30 June 2012 and €4.2 million as at 31 December 2011.

Risk related to covenants for financing agreements

The Company is exposed to the risk of its financing agreements being cancelled, renegotiated, terminated or subject to early repayment should it fail to abide by its commitments to certain financial ratios (covenants) that it made when signing those.

Exchange risk

Befimmo invests solely in the eurozone and has no plans to take exchange risks in its real-estate investments.

When the Company arranges financing outside the euro zone, as it did in May 2012, it hedges the exchange risk through the acquisition of exchange swap contracts.

Risk related to the Sicafi status

Should the Company lose approval for its Sicafi status, it would no longer qualify for the favourable tax regime applicable to Sicafis. Loss of approval is also generally regarded as grounds for early repayment by acceleration of payment of loans arranged by the Company.

The Company is also exposed to the risk of future adverse changes in the Sicafi regime, which could for example lead to a decline in results or net asset value, increase the debt ratio (e.g. simply by applying new accounting rules), reduce the maximum debt ratio, or affect the extent to which a Sicafi must distribute dividends to shareholders.

FINANCIAL STRUCTURE

Financing renewal programme

Befimmo is going ahead with its overall programme to renew its financing and is continuing to focus on diversifying its sources of financing. Now, alongside the financing provided by the banks, Befimmo is also obtaining significant financing directly on the financial markets, from institutional investors and private individuals. Accordingly, the ratio of debt provided by bank financing was 53% as at 30 June 2012, as against 100% in early 2011.

The programme to renew the financing, planned by June 2013, relates to an amount of €450 million, €150 million of which Befimmo had refinanced at the publication date of this Report. To that end, in May 2012 the Company completed a fixed-rate private bond placement in the United States (USPP) which is divided in three series: £22 million and $75 million for a period of 7 years and an amount of $90 million for a period of 8 years, equivalent to some €150 million. Befimmo has hedged the currency risk by arranging Cross Currency Swaps at the same time. This financing helps to cover the syndicated loans maturing in March 2013 (€220 million) and June 2013 (€300 million), totalling €520 million.

The next steps in this programme will probably take the form of bank loans, some of which are currently under negotiation.

Main characteristics of the financial structure

As at 30 June 2012, Befimmo's financial structure had the following main characteristics:

- confirmed credit facilities for a total sum of €1,305 million, €894 million of which were drawn;
- a debt ratio of 46.32% (1), and LTV (Loan-to-value) of 45.52% (2);
- an increased weighted average duration of borrowings of 5.06 years;
- 62% of total borrowings at fixed rates (including IRS);
- an average financing cost (hedging margin and cost included) amounting to 3.46% over the first half of the year, compared to 3.55% for 2011.

As at 30 June 2012, the Company had €415 million of unused credit lines, including cash but excluding the short-term credit line of €50 million. The high level of unused lines is due to the decision to anticipate partly the refinancing 2013 due dates.

As at 30 March 2012, the Standard & Poor's rating agency confirmed the rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

(1) The debt ratio is calculated in accordance with the Royal Decree of 7 December 2010.
(2) Loan-to-value (LTV): (financial debts – cash)/fair value of portfolio.

FINANCIAL STRUCTURE

Debt structure as at 30 June 2012

The Company makes sure that it arranges the necessary finance in due time, seeking a balance between cost, duration and diversification of its sources of finance.

FINANCING							
(€ million)	Final maturity date	Use 31.12.2011	Total of confirmed lines (notional amount) 31.12.2011	Debt reaching maturity in the cours of 2012	Total of confirmed lines (notional amount) 31.12.2012	Debt reaching maturity in the cours of 2013	Total of confirmed lines (notional amount) 31.12.2013
Syndicated loan 2006	2012 - 2013 (1)	210	350	-130	220	-220	-
Syndicated loan 2008	2013	-	300		300	-300	-
Bilateral lines	2017	-	250		250		250
Fixed-rate loans (2)	2021 - 2025 - 2027	115	115	-7	108	-7	101
Bond issues	2015 - 2017	272	272		272		272
USPP (3)	2019 - 2020				150		150
Commercial paper	-	262					
Bilateral line (short term)	-	17					
Total financing		**877**	**1 287**		**1 300**		**773**
Indebtness (outlook at constant perimeter) (4)			877		914		978
Objective New financing in 2012/2013					300		300
Total financing			**1 287**		**1 600**		**1 073**
Indebtness (outlook at constant perimeter) (4)			877		914		978
Temporary excess			411		686		95

In order to reduce its financing costs, Befimmo has set up a commercial paper programme for up to €400 million (maximum). As at 30 June 2012, €251.38 million were in use under this programme. This programme has back-up facilities consisting of the various credit lines arranged.

(1) Syndicated loan of €220 million extended for a further year (2013).
(2) These fixed-rate loans correspond to assignments of receivables of future rents (excluding indexation).
(3) Funding as at 30 May 2012.
(4) As published in the Annual Financial Report 2010/2011 (pages 44-45).

FINANCIAL STRUCTURE

Hedging the interest rate and exchange risk

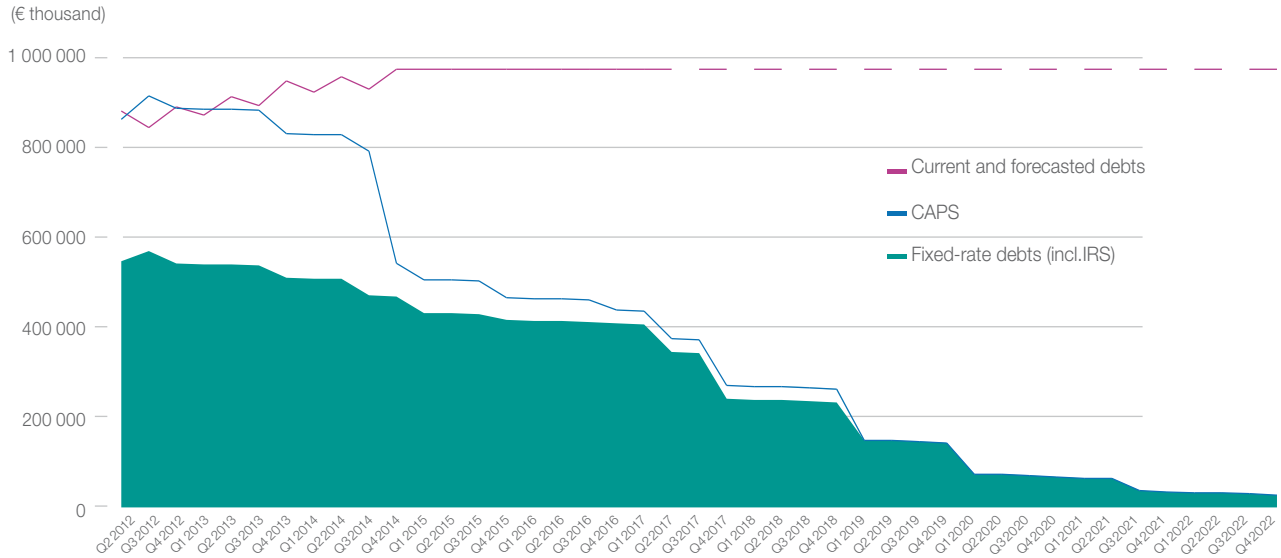
The interest rate hedging policy is designed to hedge a decreasing portion of borrowings, over a period of 5 to 10 years. The objectives and implementation of this policy are regularly reviewed. The choice and level of instruments is based on an analysis of rate forecasts by a number of banks, and arbitrage between the cost of the instrument and the level of protection offered.
The Company's hedging policy also aims to limit variations in financial charges under existing covenants and to protect EPRA earnings as required to pay the forecast dividend.

In recent months, Befimmo has also added to its portfolio of interest-rate hedging instruments and extended its duration. The package of instruments currently in place gives the Company a hedging ratio of 97.9% [1] as at 30 June 2012. This hedging ratio is currently above 96% until the third quarter of 2013, above 85% until the third quarter of 2014 and above 47% until the third quarter of 2016.

Under this hedging policy, the Company sold off various IRS (Interest Rate Swaps) for a notional amount of €125 million. These IRS were actually duplicating the fixed-rate financing (USPP) arranged during the period. During the previous fiscal year, IRS worth a notional amount of €110 million were also sold in the framework of the bond issue in December 2011.

In addition, as part of the arrangement of the private bond placement in the United States (USPP), the Company immediately bought foreign-exchange swaps (Euro-US Dollar and Euro-Pound Sterling exchange swaps) to hedge the currency risk associated with this financing.

EVOLUTION OF THE PORTFOLIO OF HEDGING INSTRUMENTS AND FIXED-RATE FINANCING IN RELATION TO FORECASTED DEBTS (excluding Floors)



	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Hedge ratio/Total debt (in %)	97.9	108.3	99.7	101.5	96.9	98.8	87.6	89.8	86.6	85.2	55.7	51.9	51.9	51.7	47.9	47.6	47.6	47.4	45.1	44.8	38.5	38.3	27.8	27.6	27.6	27.3	27.0	15.3	15.3	15.0	14.7	7.6	7.6	7.3	6.9	6.6	6.6	3.9	3.5	3.3	3.3	3.1	2.8
Fixed-rate debts (including IRS)/ Total debt (in %)	62.1	67.5	60.9	61.9	59.2	60.2	53.9	55.1	53.1	50.7	48.1	44.3	44.3	44.1	42.8	42.6	42.6	42.3	42.0	41.8	35.5	35.2	24.8	24.5	24.5	24.3	24.0	15.3	15.3	15.0	14.7	7.6	7.6	7.3	6.9	6.6	6.6	3.9	3.5	3.3	3.3	3.1	2.8

(1) Hedge ratio: (fixed-rate debts + notional rate of IRS and CAPS)/total debt.

FINANCIAL RESULTS

CONSOLIDATED KEY FIGURES	30.06.2012 (6 months)	31.12.2011 (12 months)	30.06.2011 (6 months)
		restated periods	
Number of shares issued	18 175 440	18 175 440	17 427 474
Number of shares in circulation [1]	17 517 150	17 538 069	16 790 103
Average number of shares in circulation during the period	17 536 525	16 822 216	16 790 103
DATA PER SHARE (group share)			
Net asset value (€)	57.27	57.17	60.40
Net result (€)	1.07	3.69	2.53
EPRA earnings (€)	2.13	4.18	2.13
Return on shareholders' equity (€) [2]	2.51	3.95	4.36
Return on shareholders' equity (%) [2]	4.34	6.85	7.52
Closing share price (€)	44.91	50.28	61.31
Gross dividend (€)	-	-	-
Gross dividend yield (%) [3]	7.68	-	-
Return on share price (%) [2]	-18.94	-11.16	16.82
Shareholders' equity (€ million)	1 003.2	1 002.6	1 014.1
Debt ratio (%)	46.32	45.80	45.00
Loan-to-value (%) [4]	45.52	44.18	43.41

Net asset value as at 30 June 2012

As at 30 June 2012, Befimmo's total net asset value – group share – was €1,003 million. The net asset value – group share – was therefore €57.27 per share.

NET ASSET VALUE	€ thousand	€/share
Net asset value as at 31 December 2011	**1 002 628**	**57.17**
Final dividend for fiscal year closed as at 31 December 2011	-17 316	
Purchase of own shares	-932	
Net result as at 30 June 2012	18 773	
Net asset value as at 30 June 2012	**1 003 153**	**57.27**

EPRA	30.06.2012
EPRA NAV (€/share)	56.67
EPRA NNNAV (€/share)	56.78

(1) The number of shares in circulation does not take account of the number of shares held by Befimmo or its subsidiaries.
(2) Calculated for a shareholder investing in Befimmo for the last 12 months.
(3) Gross dividend divided by the closing share price as at 30 June 2012.
(4) Loan-to-value: (financial debts – cash)/fair value of portfolio.

FINANCIAL RESULTS

Trend of results

Events changing the company's floor area

The floor area of the Company's property did not change during the first six months of the fiscal year. The comparison between the first half of 2012 and the restated figures for the six months ended as at 30 June 2011[1] is nevertheless influenced by the impact of the acquisition in February 2011 of Ringcenter SA, owner of the Pavilion complex.

Analysis of the result

The **net rental result** rose by €2.4 million, or +4%. This increase is due mainly to the indexing of rents, improved occupancy of various buildings (Axento, Central Gate, etc.) and the full-year impact of the Pavilion complex in the portfolio. These positive effects were partly offset by the impact of the renegotiation of certain leases, departures of some tenants and the less significant impact of the spreading of rental gratuities, in accordance with IFRS[2], as compared with last year.

Net real-estate charges are up €0.8 million, which is due mainly to non-recurring revenue in 2011 (compensation received in resolution of commercial disputes), the increase in commercial charges in 2012 (as a result of leases agreed) and higher rental charges and taxes on unlet properties in 2012.

The **property operating result** is up €1.7 million (+2.9%).

Corporate overheads are down on the previous year (-€0.3 million, -3.9%). This is explained by a decrease in the remuneration of the Managing Agent and expenses for real-estate and financial project studies, partially offset by higher staff and operating costs.

Other operating income and charges amounted to +€0.7 million for the fees charged for coordinating the initial installation work on behalf of the Belgian State, under the lease agreed for WTC Tower 3 in Brussels, and the IFRS restatement of rental gratuities included in income.

No property was sold during the first half.

The realised **financial result (excluding changes in fair value of financial assets and liabilities)** fell from -€13.3 million in the first half of 2011 to -€15.1 million in the first half of 2012. This development is related to the increase in the overall volume of borrowings (+€28 million), combined with a higher average financing cost (higher margins and a higher proportion of borrowings financed at fixed rates), resulting in an average annualised financing cost of 3.46% over the period, compared with 3.38% for the same period of the previous year.

The **change in fair value of the investment property (excluding investments)** is -€13.5 million (-0.68%) as against -€15.1 million in the first six months of 2011.

The **change in fair value of the financial assets and liabilities** is -€4.5 million as against +€7 million in the first six months of 2011. This decrease is due to the impact of the decline in the interest rate curve since early 2012 on the valuation of the financial interest-rate hedging instruments.

All of these factors produce a **net result** (group share) of +€18.8 million, compared with a net result of +€42.4 million for the first six months of 2011. This decrease is due mainly to the fact that no properties were sold during the first half of 2012 (a gain of €15 million was realised on disposals of assets during the first half of 2011) and the negative unrealised differential in changes of fair value of the hedging instruments (€11.5 million).

(1) Exceptionally, the 2010/2011 fiscal period lasted five quarters, from September 2010 to December 2011.
(2) These amounts have a neutral effect on the net result of the Company.

FINANCIAL RESULTS

EPRA earnings (group share) were €37.3 million, up 4.3% in relation to the figure of €35.8 million for the same period the previous year.

Moreover, **EPRA earnings per share** (group share) held steady at €2.13 per share, following the slight dilution brought about by the increase in the number of shares issued in the framework of the dividend payment in shares.

Outlook

At this stage of the fiscal year, assuming no other factors intervene, the Managing Agent confirms the dividend forecast for the fiscal year (namely €3.45 gross per share) and plans to distribute an interim dividend for the fiscal year, payable as at 20 December 2012. This interim dividend should amount to €2.59 gross per share while, in April 2013, the Ordinary Meeting of Shareholders held to approve the accounts for the 2012 fiscal year should include an agenda item on a decision to declare a final dividend of €0.86 gross per share for the 2012 fiscal year.

Meir
Antwerp

FINANCIAL RESULTS

Summary of consolidated statement of comprehensive income (€ thousand)	30.06.2012 (6 months)	30.06.2011 (6 months) *restated period*	Change (in %)
NET CURRENT RESULT			
Net rental result	63 582	61 141	4.0
Net real-estate charges	-3 398	-2 646	28.4
Property operating result	**60 184**	**58 496**	**2.9**
Corporate overheads	-6 980	-7 264	-3.9
Other operating income and charges	680	-52	-1 414.6
Gains or losses on disposals of investment properties	-	14 992	-100.0
Net real-estate result	**53 884**	**66 171**	**-18.6**
Financial result (excluding changes in fair value of financial assets and liabilities)	-15 114	-13 329	13.4
Income taxes on net current result	-360	-343	5.0
Net current result	**38 410**	**52 500**	**-26.8**
Changes in fair-value of investment properties	-13 530	-15 058	-10.2
Changes in fair value of financial assets and liabilities	-4 541	7 008	-164.8
Changes in fair value of investment properties & of the financial assets and liabilities	**-18 071**	**-8 051**	**124.5**
NET RESULT	**20 339**	**44 449**	**-54.2**
NET RESULT (group share)	**18 773**	**42 411**	**-55.7**
NON-CONTROLLING INTERESTS	**1 565**	**2 038**	**-23.2**
NET RESULT (group share)	**18 773**	**42 411**	**-55.7**
Changes in fair-value of investment properties	13 530	15 058	-10.2
Changes in fair-value of financial assets and liabilities	4 541	-7 008	-164.8
Close-out costs on financial assets and liabilities	741	-	-
Non-controlling interests	-277	48	-675.1
NET CURRENT RESULT (group share)	**37 308**	**50 510**	**-26.1**
Of which: - EPRA earnings (group share)	37 308	35 757	4.3
- Gains or losses on disposals of investment	-	14 992	-100.0
- Non-controlling interests (result on disposal of investment properties)	-	-239	-100.0

Net result (€/share) (group share)	1.07	2.53
EPRA earnings (€/share) (group share)	2.13	2.13

Forcasted gross dividend per share for the 2012 fiscal year (€/share)	3.45

BEFIMMO ON THE STOCK MARKET

Buyback programme of own shares

During the first half of the fiscal year, Befimmo launched a share buyback programme of own shares of up to a maximum of €4.5 million, commencing on 21 May and ending on 20 August 2012. This programme is a response to the current troubled economic climate, marked by a significant decline in share prices. It reflects Befimmo's confidence in its strategy and the realisation that its share price had reached a particularly low level in relation to net asset value.

As at 30 June 2012 Befimmo had bought back 20,919 shares on NYSE Euronext Brussels at an average price of €44.53 per share. After the half-yearly closing and until the end of the programme, a total of 25,127 shares were bought back under this programme at an average price of €44.57 per share.

Befimmo on NYSE Euronext Brussels

The market price of the Befimmo share reached its lowest level in the half-year on 18 May 2012, closing at €42.71. The share price later recovered and stood at €44.91 at the close of the first half. Since the half-year close, the share price has regularly exceeded that figure.

With a share price of €44.91, Befimmo offers a gross yield of 7.68% (1) and is trading at -21.6% below net asset value.

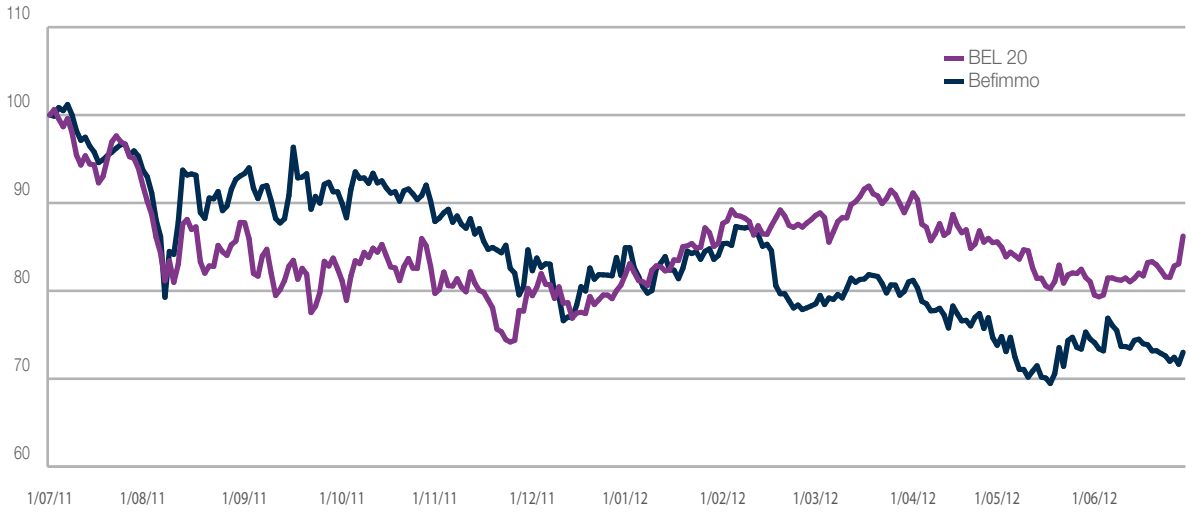
As at 30 June 2012, market capitalisation was €816.3 million. The average daily trading volume is holding steady at around 24,000 shares.

The graphs hereafter illustrate the trends described in this chapter.

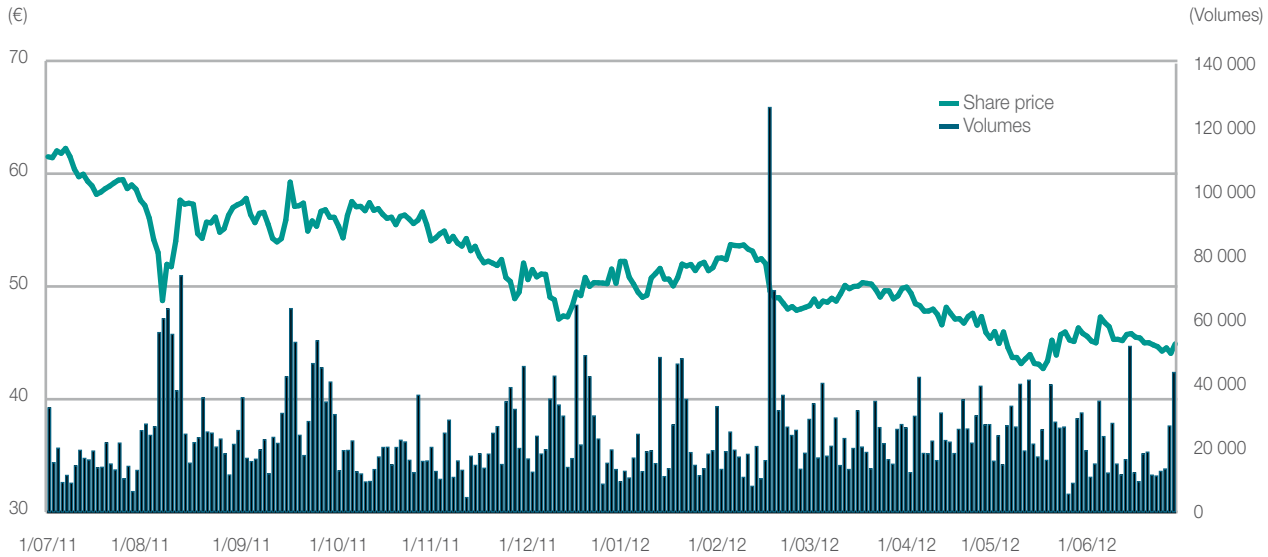
(1) Gross dividend divided by the closing price as at 30 June 2012.

BEFIMMO ON THE STOCK MARKET

EVOLUTION OF THE BEFIMMO SHARE PRICE RELATIVE TO BEL 20 (OVER ONE YEAR)



SHARE PRICE AND VOLUMES (OVER ONE YEAR)



INFORMATION TO THE SHAREHOLDERS

Shareholder structure

The Company applies a statutory declaration threshold of 3% for the application of the legal rules relating to notification of large holdings in issuers whose shares are admitted for trading on a regulated market.

According to the transparency declarations received, the share ownership of Befimmo SCA is structured as follows:

SHAREHOLDERS (as at 30.06.2012)

	Number of shares declared the day of statement	(in %)	Number of voting rights declared the day of statement	(in %)
Declarants				
AG Insurance and affiliated companies	3 156 080	17.4 [1]	3 156 080	18.0 [1]
Own shares				
Befimmo SCA [2]	25 127	0.14	-	
Befimmo's subsidiaries				
Meirfree SA	424 914	2.3	-	
Vitalfree SA	212 457	1.2	-	
Free float	14 356 862	79.0	14 356 862	82
Number of shares	**18 175 440**	**100**	**17 512 942**	**100**

Befimmo is not aware of the existence of shareholder agreements.

(1) Based on the transarency declaration received on 15 October 2008 and the prior undertaking to subscribe to the capital increase of June 2009 for all the rights they held.
(2) The own shares of Befimmo SCA were purchased under the buyback programme of own shares announced on 21 May 2012.

INFORMATION TO THE SHAREHOLDERS

Key dates for shareholders 2012

KEY DATES FOR SHAREHOLDERS 2012	
Interim statement - publication of the net asset value as at 30 September 2012	Thursday 15 November 2012 [1]
Payment of the interim dividend [2] of the 2012 fiscal year on presentation of coupon No 23	
- Ex-date	Monday 17 December 2012
- Record date	Wednesday 19 December 2012
- Payment date	from Thursday 20 December 2012
Publication of the annual results and the net asset value as at 31 December 2012	Tuesday 19 February 2013 [1]
Online publication of the Annual Financial Report 2012 on Befimmo's website	Monday 25 March 2013
Ordinary General Meeting of the fiscal year closing as at 31 December 2012	Wednesday 24 April 2013
Payment of the final dividend [2] of the 2012 fiscal year on presentation of coupon No 24	
- Ex-date	Monday 29 April 2013
- Record date	Thursday 2 May 2013
- Payment date	from Friday 3 May 2013

Science-Montoyer
Brussels Leopold district

(1) Publication after the closing of the stock exchange.
(2) Subject to the approval of the appropriate bodies.

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (€ thousand)

		30.06.12 (6 months)	30.06.11 (6 months) *restated period*	31.03.11 (6 months)
I.	(+) Rental income	63 793	61 207	61 114
III.	(+/-) Charges linked to letting	- 211	- 66	- 115
NET RENTAL RESULT		**63 582**	**61 141**	**60 999**
IV.	(+) Recovery of property charges	2 472	2 994	4 085
V.	(+) Recovery of rental charges and taxes normally paid by tenants on let properties	14 485	13 353	13 627
VII.	(-) Rental charges and taxes normally paid by tenants on let properties	-14 204	-13 070	-13 119
VIII.	(+/-) Other revenue and charges for letting	20	347	252
PROPERTY RESULT		**66 356**	**64 766**	**65 844**
IX.	(-) Technical costs	-3 402	-4 029	-4 314
X.	(-) Commercial costs	- 540	- 350	- 424
XI.	(-) Charges and taxes on unlet properties	-1 444	-1 148	-1 302
XII.	(-) Property management costs	- 766	- 740	- 766
XIII.	(-) Other property charges	- 20	- 4	- 24
	(+/-) Property charges	**-6 172**	**-6 270**	**-6 831**
PROPERTY OPERATING RESULT		**60 184**	**58 496**	**59 013**
XIV.	(-) Corporate overheads	-6 980	-7 264	-7 530
XV.	(+/-) Other operating income and charges	680	- 52	363
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**53 884**	**51 180**	**51 846**
XVI.	(+/-) Gains and losses on disposals of investment properties	-	14 992	14 746
XVIII.	(+/-) Changes in fair value of investment properties	-13 530	-15 058	-13 070
OPERATING RESULT		**40 354**	**51 113**	**53 523**
XX.	(+) Financial income	44	73	45
XXI.	(-) Net interest charges	-13 114	-11 958	-10 627
XXII.	(-) Other financial charges	-2 043	-1 444	-1 181
XXIII.	(+/-) Changes in fair value of financial assets and liabilities	-4 541	7 008	17 364
	(+/-) Financial result	**-19 655**	**-6 321**	**5 601**
PRE-TAX RESULT		**20 699**	**44 792**	**59 124**
XXV.	(-) Corporation tax	- 360	- 343	- 330
XXVI.	(-) Exit tax	-	-	9
	(+/-) Taxes	**- 360**	**- 343**	**- 321**
NET RESULT		**20 339**	**44 449**	**58 803**
NET RESULT (group share)		18 773	42 411	56 679
NON-CONTROLLING INTERESTS		1 565	2 038	2 124
BASIC NET RESULT AND DILUTED (€/share) (group share)		**1.07**	**2.53**	**3.38**
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		**20 339**	**44 449**	**58 803**
TOTAL COMPREHENSIVE INCOME (group share)		18 773	42 411	56 679
NON-CONTROLLING INTERESTS		1 565	2 038	2 124

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (€ thousand)

ASSETS	30.06.12	31.12.11
I. Non-current assets	**2 017 797**	**1 998 258**
A. Goodwill	15 774	15 774
C. Investment properties	1 980 710	1 971 282
D. Other property, plant and equipment	741	978
E. Non-current financial assets	18 488	8 080
F. Finance lease receivables	2 083	2 144
II. Current assets	**34 459**	**29 591**
B. Current financial assets	126	221
C. Finance lease receivables	121	120
D. Trade receivables	21 188	15 670
E. Tax receivables and other current assets	7 116	6 800
F. Cash and cash equivalents	3 360	4 179
G. Deferred charges and accrued income	2 548	2 601
TOTAL ASSETS	**2 052 255**	**2 027 849**
SHAREHOLDERS' EQUITY AND LIABILITIES	**30.06.12**	**31.12.11**
TOTAL SHAREHOLDERS' EQUITY	**1 071 175**	**1 070 459**
I. Equity attributable to shareholders of the parent company	**1 003 153**	**1 002 628**
A. Capital	254 111	254 111
B. Share premium account	516 194	516 194
C. Reserves	214 074	216 639
D. Net result for the fiscal year	18 773	15 683
II. Non-controlling interests	**68 022**	**67 830**
LIABILITIES	**981 080**	**957 390**
I. Non-current liabilities	**800 674**	**866 242**
B. Non-current financial debts	792 925	855 831
a. Credit institution	105 497	319 746
c. Other	687 429	536 085
Bond issues	*271 806*	*271 791*
Commercial papers	*251 380*	*262 280*
USPP	*162 177*	*-*
Guarantees received	*2 066*	*2 014*
C. Other non-current financial liabilities	7 748	10 411
II. Current liabilities	**180 407**	**91 148**
A. Provisions	2 021	2 383
B. Current financial debts	114 045	21 405
a. Credit institution	114 045	21 317
c. Other	-	88
C. Other current financial liabilities	88	1 239
D. Trade debts and other current debts	42 867	47 318
E. Other current liabilities	728	4 272
F. Accrued charges and deferred income	20 657	14 532
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2 052 255**	**2 027 849**

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (€ thousand)

	30.06.12	31.03.11
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	**4 179**	**3 492**
Net result for the fiscal year	**20 339**	**58 803**
Operating income	40 354	53 523
Interest paid	-12 840	-9 484
Interest received	3 125	41
Dividends received	-	8
Taxes paid	- 180	- 150
Changes in fair value of non-current financial assets/liabilities booked to income statement (+/-)	-4 541	17 364
Other income	-5 579	-2 500
Items with no effect on cash flow to be extracted from earnings	**22 071**	**-2 087**
Loss of (gain in) value on trade receivables (+/-)	60	- 15
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	182	145
Fair value adjustment for investment buildings (+/-)	13 530	13 070
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	4 541	-17 364
Net interest charges accrued	2 992	874
Other items	766	1 204
Items with cash flow effects to be extracted from the operating result	**741**	**-14 752**
Capital gain realised on disposal of investment property	-	-14 752
Capital loss realised on disposal of hedging instrument	741	-
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**43 150**	**41 963**
Change in working capital requirements	**-21 352**	**-14 652**
Change in assets items	-5 629	4 023
Change in liabilities items	-15 723	-18 674
CASH FLOW FROM OPERATING ACTIVITIES	**21 799**	**27 312**
Investments (-) / Disposals (+)		
Acquisition Ringcenter	-	-54 756
Investment properties		
Investments	-13 224	-10 610
Disposals	-	62 998
Other property, plant and equipment	55	- 95
Hedging instruments and other financial assets	-6 742	- 1
CASH FLOW OF INVESTMENT ACTIVITIES	**-19 911**	**-2 464**
CASH FLOW BEFORE FINANCING ACTIVITIES	**1 888**	**24 847**
Financing (+/-)		
Increase (+) / Decrease (-) in financial debts		
Debt USPP	149 358	-
Other financial debts	-132 442	43 826
Purchase own shares (-)	- 932	-
Dividend for previous fiscal year (-)	-18 690	-67 421
CASH FLOW OF FINANCING ACTIVITIES	**-2 707**	**-23 595**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**- 819**	**1 252**
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	**3 360**	**4 744**

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (€ thousand)

	Capital	Share premium account	Reserves	Net result of the fiscal year	Equity: group share	Non-controlling interests	Total shareholders' equity
EQUITY AS AT 30.09.10	**233 985**	**485 340**	**251 462**	**46 659**	**1 017 445**	**64 439**	**1 081 884**
Appropriation of the result	-	-	46 659	-46 659	-	-	-
Dividend distributed	-	-	-65 580	-	-65 580	-1 841	-67 421
Befimmo 2010 final dividend	-	-	-65 580	-	-65 580	-	-65 580
Fedimmo 2010 dividend to non-controlling interests	-	-	-	-	-	-1 841	-1 841
Total comprehensive income period (6 months)	-	-	-	56 679	56 679	2 124	58 803
EQUITY AS AT 31.03.11	**233 985**	**485 340**	**232 541**	**56 679**	**1 008 544**	**64 722**	**1 073 267**
Capital increase - merger Ringcenter	9 260	6 642	-15 902	-	-	-	-
Capital increase - optional dividend	10 867	24 213	-	-	35 080	-	35 080
Befimmo 2011 interim dividend	-	-	-	-66 173	-66 173	-	-66 173
Total comprehensive income period (9 months)	-	-	-	25 177	25 177	3 108	28 285
EQUITY AS AT 31.12.11	**254 111**	**516 194**	**216 639**	**15 683**	**1 002 628**	**67 830**	**1 070 459**
Appropriation of the result	-	-	15 683	-15 683	-	-	-
Dividend distributed	-	-	-17 316	-	-17 316	-1 374	-18 690
Befimmo 2011 final dividend	-	-	-17 316	-	-17 316	-	-17 316
Fedimmo 2011 dividend to non-controlling interests	-	-	-	-	-	-1 374	-1 374
Purchase own shares	-	-	- 932	-	- 932	-	- 932
Total comprehensive income period (6 months)	-	-	-	18 773	18 773	1 565	20 339
EQUITY AS AT 30.06.12	**254 111**	**516 194**	**214 074**	**18 773**	**1 003 153**	**68 022**	**1 071 175**

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. GENERAL BUSINESS INFORMATION

Befimmo (the Company) is a SICAFI (*Société d'Investissement à capital fixe publique de droit belge* – fixed-capital investment trust incorporated under Belgian law). It is organised as a *"Société en commandite par actions"* (partnership limited by shares). Its registered office is at Chaussée de Wavre 1945, 1160 Brussels (Belgium).

Following the approval of the change in the Befimmo fiscal year by the General Meeting of Shareholders held on 22 June 2011, the Company's accounting period closes at 31 December.

In the 2006/2007 fiscal year, Befimmo acquired a 90% majority holding in the Belgian public company Fedimmo SA, which also closes its accounting periods at 31 December. In June 2008, Befimmo founded Meirfree SA and Vitalfree SA, of which it is shareholder. These companies also close their fiscal years at 31 December. In 2009, Befimmo acquired all the shares in the Luxembourg company Axento SA, which also closes its accounts at 31 December.

The Company is presenting its consolidated condensed financial statements as at 30 June. The Board of Directors of the Managing Agent Befimmo SA adopted and authorised the publication of these consolidated condensed financial statements on 22 August 2012.

The Company's activities are dedicated solely to the acquisition and management of a real-estate portfolio. As at 30 June 2012, the portfolio consisted principally of office buildings located in Brussels and let mostly to public authorities and to a lesser extent to private businesses. The Befimmo portfolio also comprises office buildings located in Flanders and Wallonia, on long-term lets to government agencies, and one property located in Luxembourg city.

The Company is listed on NYSE Euronext Brussels and is included in the Bel 20 index.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated condensed financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union.

The significant accounting policies are as set out in the Annual Financial Report 2010/2011 (pages 185 to 195) which can be found on the Company's website (www.befimmo.be).

Neither the amendments to IFRS 7 and IAS 24 nor the improvements to some existing standards that enter force during this fiscal year have any impact on the consolidated condensed financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTY REGARDING ESTIMATES

The other significant accounting judgments and main sources of uncertainty regarding estimates are identical to those set out in the Annual Financial Report 2010/2011 (page 195) which can be found on the Company's website at www.befimmo.be.

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(€ thousand)	Brussels centre (CBD)		Brussels decentralised		Brussels periphery	
	30.06.12 (6 months)	31.03.11 (6 months)	30.06.12 (6 months)	31.03.11 (6 months)	30.06.12 (6 months)	31.03.11 (6 months)
INCOME STATEMENT						
A. Rental income	35 949	33 382	3 975	4 156	4 898	5 105
B. Property operating result	34 564	32 467	3 283	4 109	4 069	4 409
C. Change in fair value of investment properties	7 845	- 3 001	- 15 799	- 1 652	- 13 550	- 4 228
D. Gains and losses on disposal of buildings	-	12 329	-	140	-	-
E. SEGMENT RESULT (= B+C+D)	**42 409**	**41 795**	**- 12 516**	**2 597**	**- 9 482**	**181**
Percentage by segment	90.9%	68.9%	-26.8%	4.3%	-20.3%	0.3%
F. Corporate overheads						
G. Other operating income and charges						
H. Financial result						
I. Income tax						
NET RESULT (= E+F+G+H+I)						
Group share						
Non-controlling interests						
	30.06.12	**31.12.11**	**30.06.12**	**31.12.11**	**30.06.12**	**31.12.11**
BALANCE SHEET						
Assets						
Goodwill	7 391	7 391	-	-	-	-
Investment properties	1 172 300	1 150 853	111 975	127 275	147 981	156 323
of which investment during the year	*13 602*	*105 813*	*498*	*3 306*	*5 209*	*5 398*
Other assets	-	-	-	-	-	-
TOTAL ASSETS	**1 179 691**	**1 158 244**	**111 975**	**127 275**	**147 981**	**156 323**
Percentage by segment	57.5%	57.1%	5.5%	6.3%	7.2%	7.7%
TOTAL LIABILITIES	-	-	-	-	-	-
Total shareholders' equity						
Group share						
Non-controlling interests						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY						

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Wallonia		Flanders		Luxembourg city		Unallocated amounts		Total	
30.06.12 (6 months)	31.03.11 (6 months)	30.06.12 (6 months)	31.03.11 (6 months)	30.06.12 (6 months)	31.03.11 (6 months)	30.06.12 (6 months)	31.03.11 (6 months)	30.06.12 (6 months)	31.03.11 (6 months)
10 885	5 604	5 847	10 638	2 239	2 229	-	-	**63 793**	**61 114**
5 572	5 362	10 564	10 395	2 133	2 270	-	-	**60 184**	**59 013**
11 964	- 2 699	- 5 077	158	1 087	- 1 647	-	-	**- 13 530**	**- 13 070**
-	-	-	2 278	-	-	-	-	**-**	**14 746**
17 536	**2 663**	**5 487**	**12 831**	**3 220**	**623**	**-**	**-**	**46 654**	**60 690**
37.6%	4.4%	11.8%	21.1%	6.9%	1.0%	-	-	**100%**	**100%**
						- 6 980	- 7 530	**- 6 980**	**- 7 530**
						680	363	**680**	**363**
						- 19 655	5 601	**- 19 655**	**5 601**
						- 360	- 321	**- 360**	**- 321**
								20 339	**58 803**
								18 773	**56 679**
								1 565	**2 124**
30.06.12	**31.12.11**	**30.06.12**	**31.12.11**	**30.06.12**	**31.12.11**	**30.06.12**	**31.12.11**	**30.06.12**	**31.12.11**
2 673	2 673	5 710	5 710	-	-	-	-	**15 774**	**15 774**
107 027	90 826	359 444	364 590	81 983	81 415	-	-	**1 980 710**	**1 971 282**
4 237	*2 431*	*- 70*	*1 224*	*- 518*	*- 158*	-	-	***22 958***	***118 014***
2 205	2 264	-	-	-	-	53 566	38 529	**55 771**	**40 793**
111 904	**95 763**	**365 154**	**370 300**	**81 983**	**81 415**	**53 566**	**38 529**	**2 052 255**	**2 027 849**
5.5%	4.7%	17.8%	18.3%	4.0%	4.0%	2.6%	1.9%	**100%**	**100%**
-	-	-	-	-	-	981 080	957 390	**981 080**	**957 390**
						1 071 175	1 070 459	**1 071 175**	**1 070 459**
						1 003 153	1 002 628	**1 003 153**	**1 002 628**
						68 022	67 830	**68 022**	**67 830**
						2 052 255	**2 027 849**	**2 052 255**	**2 027 849**

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

5. FINANCIAL RESULT

(€ thousand)		30.06.12 (6 months)	30.06.11 (6 months) *restated period*	31.03.11 (6 months)
(+)	**XX. Financial income**	**44**	**73**	**45**
(+)	Interests and dividends received	9	40	12
(+)	Fees for finance leases and similar	35	33	33
(+/-)	**XXI. Net interest charges**	**-13 114**	**-11 958**	**-10 627**
(-)	Nominal interest on loans	-11 303	-7 820	-5 924
(-)	Reconstitution of the face value of financial debts	- 370	- 324	- 305
(-)	Other interest charges	- 24	- 17	- 19
(+)	Proceeds of authorised hedging instruments	2 207	528	-
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*2 207*	*528*	-
(-)	Charges of authorised hedging instruments	-3 624	-4 324	-4 380
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-3 624*	*-4 324*	*-4 380*
(-)	**XXII. Other financial charges**	**-2 043**	**-1 444**	**-1 181**
(-)	Bank charges and other commissions	-1 302	-1 444	-1 181
(-)	Net losses realised on sale of financial assets	- 741	-	-
(+/-)	**XXIII. Changes in fair value of financial assets and liabilities**	**-4 541**	**7 008**	**17 364**
(+/-)	Authorised hedging instruments	-4 598	7 007	17 363
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-4 598*	*7 007*	*17 363*
(+/-)	Others	56	1	1
(+/-)	**Financial result**	**-19 655**	**-6 321**	**5 601**

The realised financial result (excluding changes in fair value of financial assets and liabilities) fell from -€13.3 million in the first half of 2011 to -€15.1 million in the first half of 2012. This development is related to the increase in the overall volume of borrowings (+€28 million), combined with a higher average financing cost (higher margins and a higher proportion of borrowings financed at fixed rates), resulting in an average annualised financing cost of 3.46% over the first half of 2012, compared with 3.38% for the same period the previous year.

6. GOODWILL

Befimmo's acquisition of Fedimmo generated goodwill from the positive difference between the acquisition cost (including transaction costs) and Befimmo's share of the fair value of the net asset acquired. The method of recording this goodwill is described in the Annual Financial Report 2010/2011 (pages 208 and 209).

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Impairment test

As at 30 June 2012, the goodwill was subject to an impairment test, in accordance with the method described in the Annual Financial Report 2010/2011 (p. 209). The result of this test shows that no impairment need be recorded.

7. INVESTMENT PROPERTIES

(€ thousand)	
Carrying value as at 30.09.2010	**1 922 611**
of which: - Investment properties	*1 884 964*
- Assets held for sale	*37 647*
Acquisitions	77 951
Other investments	12 046
Disposals	- 42 384
Changes in fair value	- 13 070
Carrying value as at 31.03.2011	**1 957 154**
of which: - Investment properties	*1 956 598*
- Assets held for sale	*556*
Acquisitions	-
Other investments	28 017
Disposals	- 556
Changes in fair value	- 13 333
Carrying value as at 31.12.2011	**1 971 282**
of which: - Investment properties	*1 971 282*
- Assets held for sale	-
Acquisitions	- 604
Other investments	23 563
Disposals	-
Changes in fair value	- 13 530
Carrying value as at 30.06.2012	**1 980 710**
of which: - Investment properties	*1 980 710*
- Assets held for sale	-

In the 2010/2011 fiscal period, Befimmo acquired the shares of Ringcenter SA, owner of the Pavilion complex, for €55.3 million. The Pavilion complex has an investment value of €78 million. Over the 2010/2011 fiscal period, Befimmo also sold the Empress Court building (December 2010) and Kattendijkdok building (January 2011) and two floors of offices in a jointly owned building at Chaussée de la Hulpe, 177, Brussels (December 2010 and June 2011).

There were no new acquisitions or disposals during the first half of 2012.

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL LIABILITIES

Several of the Company's financing agreements require it to comply with certain financial ratios (covenants). It complied with them all as at 30 June 2012.

As part of its programme to renew its financing, the Company has arranged a private placement of fixed-rate bonds in the United States (USPP). The chapter "Financial Structure" on page 23 of this Report contains detailed information on the subject.

In order to limit the risks related to changes in interest rates, the Company buys hedging instruments. As at 30 June 2012, the hedging ratio was 97.9%. The following table lists all the hedging instruments owned by the Company as at 30 June 2012.

			CURRENCY		€				
	Level in IFRS	Class in IFRS	Notional amount (millions)	Interest rate	Notional amount (millions)	Interest rate	Period of hedge		Reference interest rate
CAP	2	Option			100	3.50%	Jan. 2012	[Jan. 2014 / Jan. 2016]	Euribor 1 month
CAP	2	Option			100	4.00%	Jan. 2012	Jan. 2015	Euribor 1 month
CAP	2	Option			100	4.50%	Jan. 2012	Jan. 2015	Euribor 3 month
CAP	2	Option			20	3.50%	Jan. 2012	Jan. 2017	Euribor 3 month
Floor	2	Option			20	1.51%	Jan. 2012	Jan. 2017	Euribor 3 month
CAP	2	Option			30	2.25%	July 2012	Jan. 2019	Euribor 1 month
Floor	2	Option			30	0.82%	July 2012	Jan. 2019	Euribor 1 month
Payer's IRS	2	Forward			100	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			25	1.02%	Sept. 2011	Dec. 2012	Euribor 1 month
Payer's IRS	2	Forward			25	1.14%	Sept. 2011	Dec. 2013	Euribor 1 month
Payer's IRS	2	Forward			35	2.05%	Oct. 2011	Oct. 2014	Euribor 1 month
Payer's IRS	2	Forward			35	2.04%	Sept. 2011	March 2015	Euribor 1 month
Receiver's IRS	2	Forward			100	3.12%	April 2011	April 2017	Euribor 1 month
CCS	2	Forward	75 USD	4.83%	56	4.54%	May 2012	May 2019	Fix USD for Fix EUR
CCS	2	Forward	22 GBP	4.90%	26	4.53%	May 2012	May 2019	Fix GBP for Fix EUR
CCS	2	Forward	90 USD	5.05%	67	4.77%	May 2012	May 2020	Fix USD for Fix EUR

For Payer's IRS Befimmo pays the fixed interest rate and receives the variable rate (based on the Euribor 1-month or 3-month rate depending on the IRS). For Receiver's IRS Befimmo pays the floating rate (based on Euribor 3-month) to receive the fixed rate. The Cross Currency Swaps were arranged in March 2012 to hedge the exchange risk related to the conclusion of a private placement of bonds in the United States (USPP) denominated in sterling and US dollar. Note, finally, that the Company arranged another IRS after the close of the half-year for an amount of €25 million at 1.51% for the period July 2012 to July 2021.

STATUTORY AUDITOR'S REPORT

Befimmo Comm.VA/SCA

Limited review report on the consolidated interim financial information for the six-month period ended 30 June 2012

The original text of this report is in Dutch/French

DELOITTE
Réviseurs d'Entreprises
Berkenlaan 8b
1831 Diegem
Belgium

To the statutory director,

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed w flow statement, condensed statement of changes in equity and selective notes 1 to 8 (jointly the "interim financial information") of Befimmo Comm. VA/SCA ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2012. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2012 is not prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 22 August 2012

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises
BV o.v.v.e. CVBA/SC s.f.d. SCRL
Represented by

The statutory auditor

Rik Neckebroeck

Kathleen De Brabander

Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid/
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

STATEMENT

Statement by persons responsible

Befimmo SA, Managing Agent of the Company, represented by its Permanent Representative Mr Benoît De Blieck and Mr Laurent Carlier, Chief Financial Officer of the Company, declare for and on behalf of Befimmo SCA, that to the best of their knowledge:

a) the condensed financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and the results of the Company and the businesses included in the consolidation;

b) the interim management report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation, and a description of the main risks and uncertainties they face.

Profile

Befimmo is a Sicafi specialising in investing in office buildings located mainly in city centres, notably in Brussels.
As at 30 June 2012, its portfolio consists of around a hundred office buildings, with a total area of 851,441 m², a large part of which is let long-term to public institutions. As at 30 June 2012, its portfolio is valued at €1,980.7 million.






Listed on NYSE Euronext Brussels and member of the BEL 20 index, Befimmo pursues a sound and informed strategy of optimising its results over the long term. It offers satisfactory liquidity for most of its shareholders.

Befimmo is keen to face the challenges of Sustainable Development in its strategic thinking, and models its day-to-day activities on the principles of corporate social responsibility.

Befimmo's activities are for the most part in Brussels and it economic hinterland (where some 72.3% of its portfolio is located), but also in Flanders 18.1%, Wallonia 5.4% and the Grand Duchy of Luxembourg 4.1% (situation as at 30 June 2012).

While still giving priority to the Belgian market, Befimmo may get involved in new investment prospects abroad, as it already has in Luxembourg, in other eurozone countries with strong growth prospects whose legislation guarantees the fiscal transparency specific to Sicafis, and especially in cities offering sufficient liquidity and market depth. For the time being, Befimmo considers that only the French and Luxembourg markets satisfy these criteria.

Befimmo aims to offer its shareholders a stable dividend of a yield level that is balanced in relation to the Company's risk profile. Building on its experience, Befimmo will continue to work with the same philosophy of creating long-term value for investors.

Further information:

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Befimmo

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