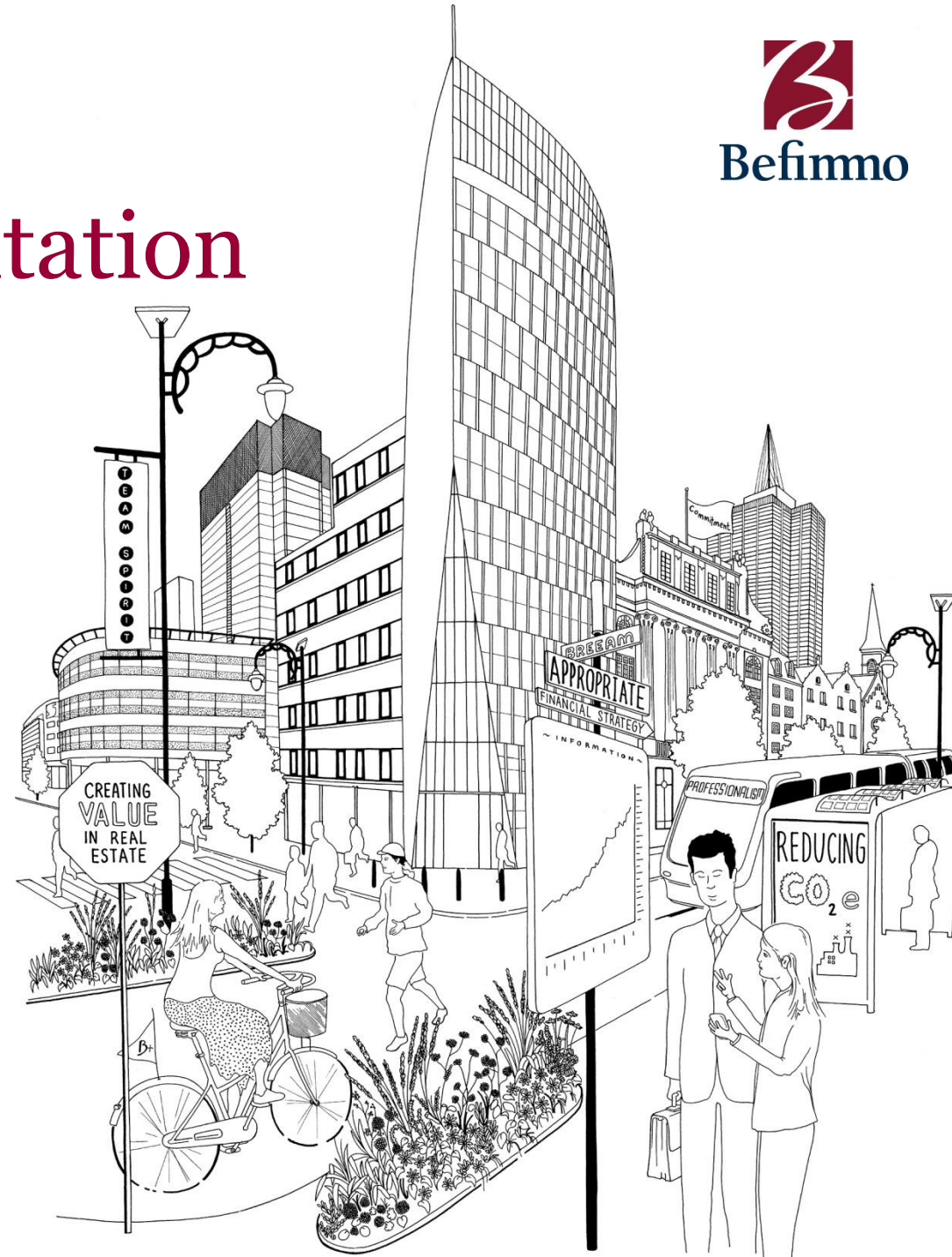
Befimmo SA
Investors presentation

VFB
Dag van de Tips



10 October 2015

Befimmo at a glance

Pure Player

Focus on **quality offices** located in Brussels, other Belgian cities and Grand Duchy of Luxembourg

Befimmo at a glance

City centre locations

67% of the portfolio located in Brussels of which **55% in CBD**

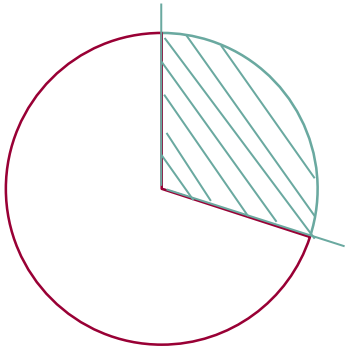
1. North Area	16.6%
2. Center	16.8%
4. Louise District	3.6%
5. Leopold District	17.7%
6. Decentralised	4.0%
7. Periphery	6.0%
8. Airport	2.6%

Flanders 20.9%

Luxembourg 3.7%

Wallonia 8.1%

Quality tenants



34%
Well-diversified private-sector tenants

66%
Public-sector tenants

Portfolio value of **±€2.4 billion**
for a total space of **>900,000 m²**

High occupancy rate[(1)] of **±94%**

Long average duration of leases of **± 9 years**

Figures as at 30 June 2015.

(1) Occupancy rate for properties available for lease.

Befimmo at a glance | CSR

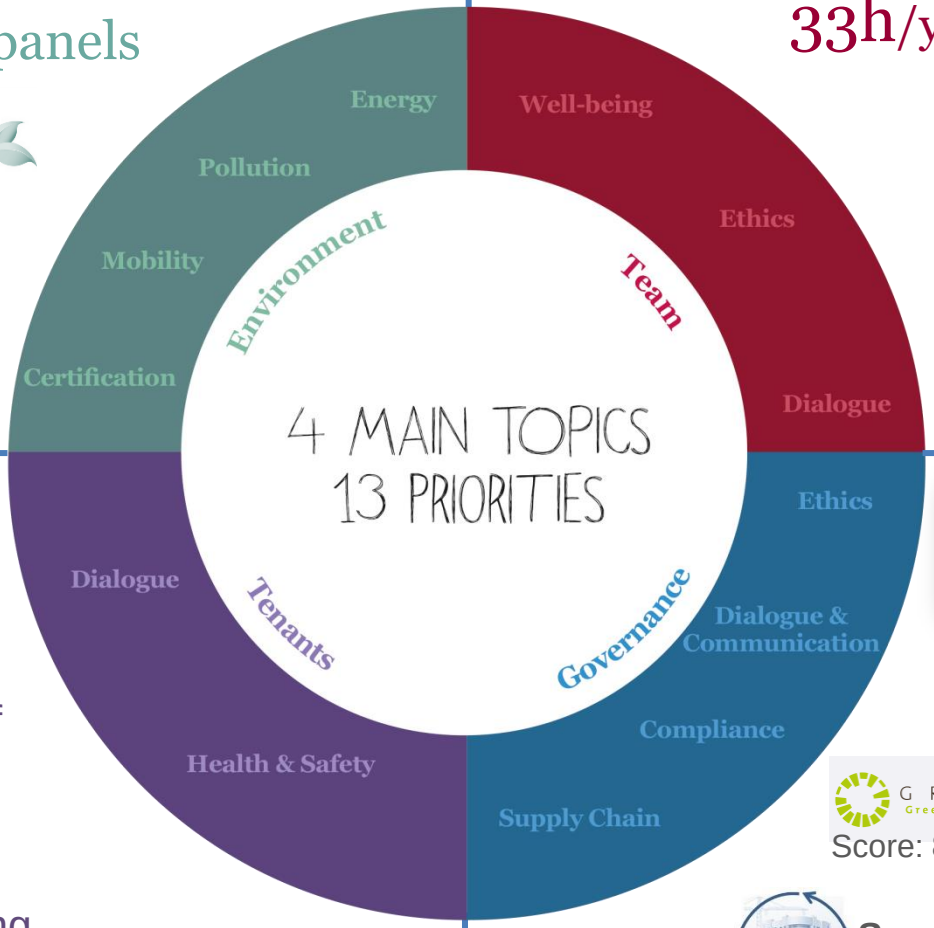
Solid results in 2014, clear goals for 2015

Reduction of energy consumption of Befimmo's portfolio

3,310 m² of solar panels

33h/year of training per employee

Comprehensive analysis (in 2015) of the changing world of work = **NWOW**



Improving of the **recycling rate**

142 tenants visited of 16 buildings

50%↘ of waste
40%↗ of paper recycling

CDP Disclosure Score: 83 — Performance Band Score: B

EPRA SBPR GOLD SUSTAINABILITY REPORTING

GRESB Green Star 2015 Score: **83/100**

vigeo

Award for Best Belgian Sustainability Report

NEW **Supply Chain Management** (in 2015)

* Befimmo porfolio, common areas – intensity measures [kWh/m²]

Continuous Delivery

> H1 highlights p.05

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> Share performance p.20

01 H1 highlights

Acquisition of Gateway (Brussels airport)

- 34,000 m² off-plan
- Let 18 years to Deloitte
- Handover and start of lease: end of 2016
- Gross initial yield: 4.65%
- Provisional investment amount of ±€140 million
- BREEAM “Excellent” in Pre-Assessment
- Expected EPRA earnings increase by ±€0.18/share (full-year impact, as of handover)

Continuous Delivery

- > H1 highlights
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- > Brussels office market
- > Value creating projects
- > Strong financials
- > Share performance

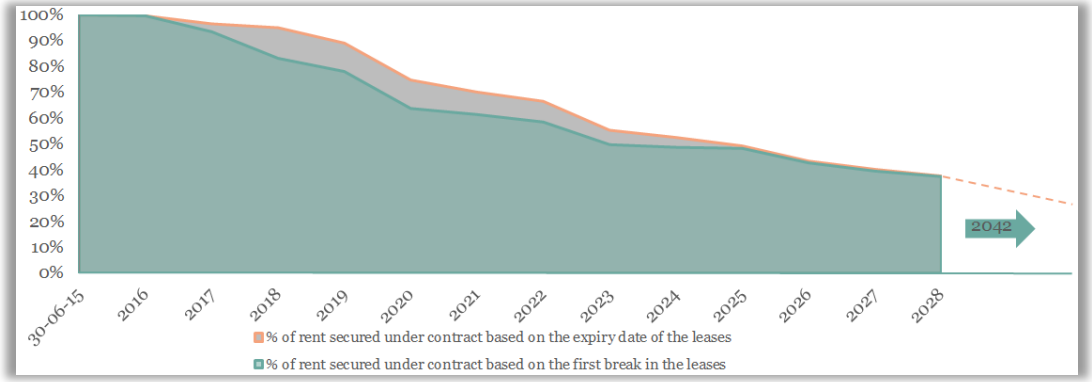
02 H1 portfolio metrics

Strong portfolio fundamentals

> Long average duration of leases: **8.78 years**

> High occupancy rate[1] of **±94%**

Percentage of **rent garanteed under contract** on the basis of the remaining term of the lease
(for ongoing and signed future leases)



Befimmo's vacancy rate compared to the market

CBRE	Brussels office market	Befimmo portfolio	
	Vacancy rate (CBRE) (in %)	Vacancy rate (in %)	% of current rent
North area	5.57	1.12	22.1
Centre	4.06	1.76	14.6
Louise district	10.57	20.35	3.3
Leopold district	6.29	4.78	15.5
Subtotal CBD	**5.87**	**3.72**	**55.5**
Decentralised	14.09	36.10	3.4
Periphery	24.43	25.09	6.4
Subtotal BRUSSELS	**10.52**	**8.64**	**65.3**
Flanders	-	0.56	19.8
Wallonia	-	0.71	6.6
Luxembourg	5.32	2.68	3.6
Properties available for lease	-	6.32	95.3
Investment properties	-	7.06	100.0

Over H1 2015
8,400 m² leases signed compared with 6,655 m² in H1 2014 and 8,600 m² in H1 2013

41% New leases
59% Renegociations

[1] Occupancy rate for properties available for lease.

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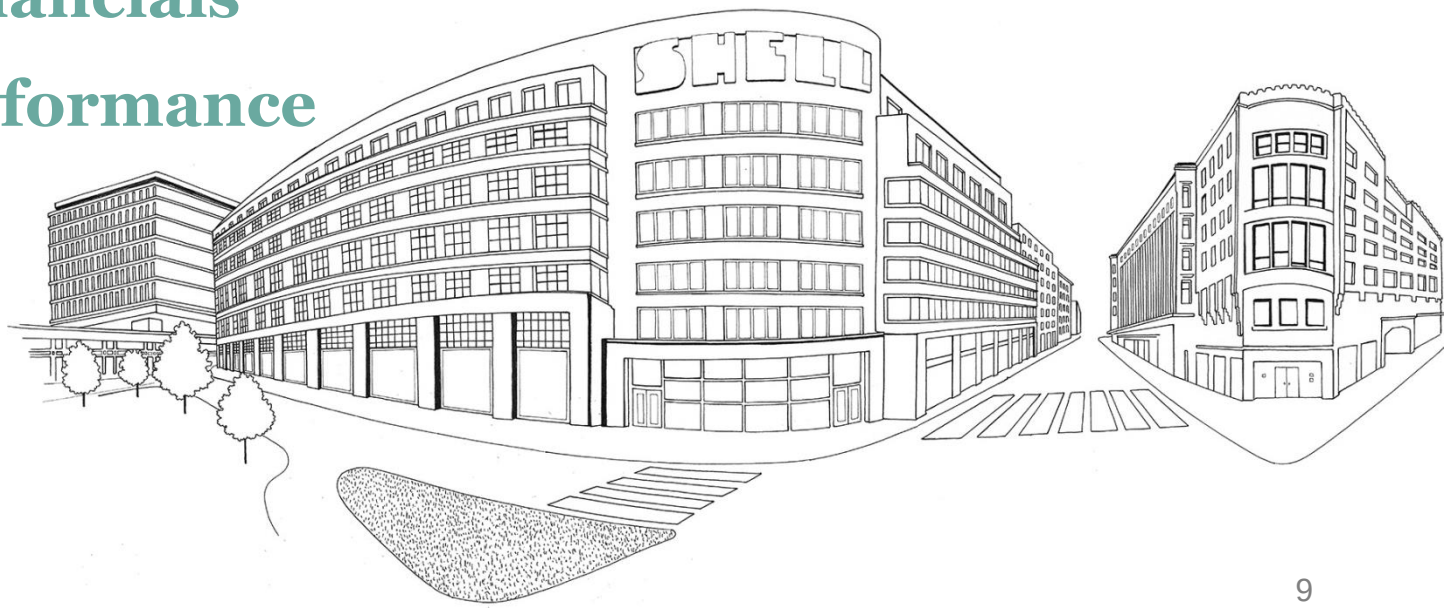
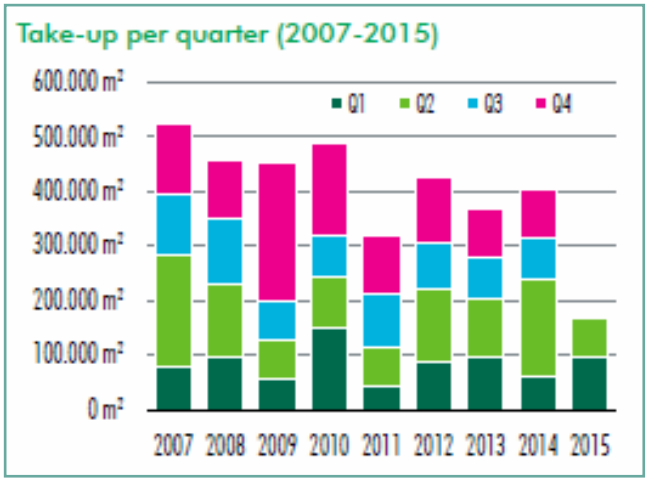


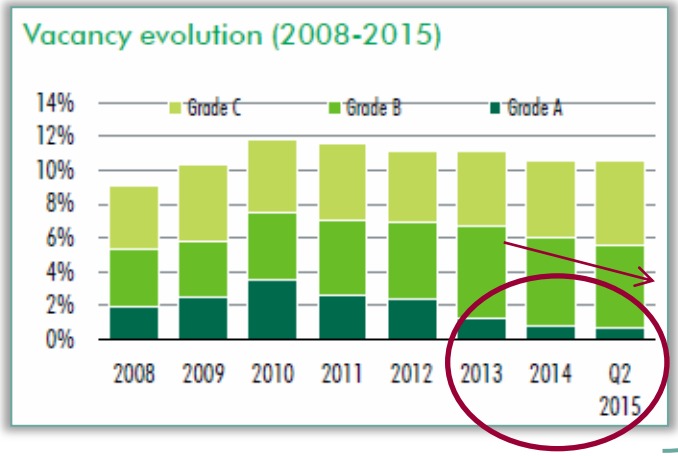
03 Brussels office market

Low activity in H1 2015, more public demand expected in H2 2015

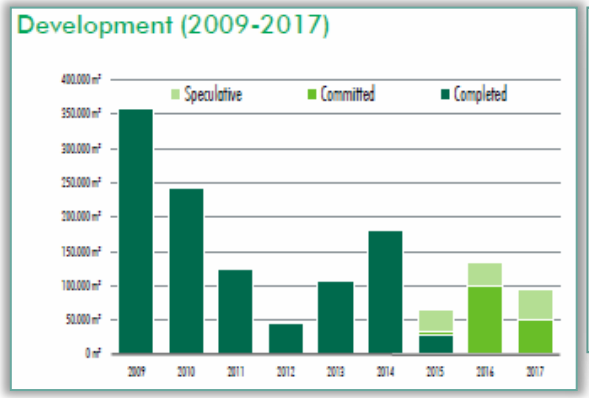
Befimmo
CBRE

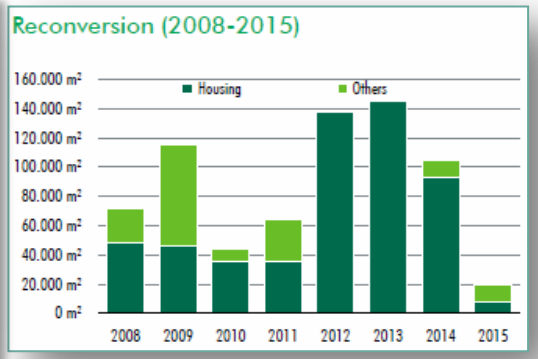
- Vacancy rate: 10.5% [10.6% at 31 December 2014]
- Low take-up in H1 2015
- Mainly small transactions with corporates (72% of transactions compared with 61% public demand in H1 2014)
- Public demand expected for H2 2015





- Low development pipeline & reconversion = lack of Grade A space readily available





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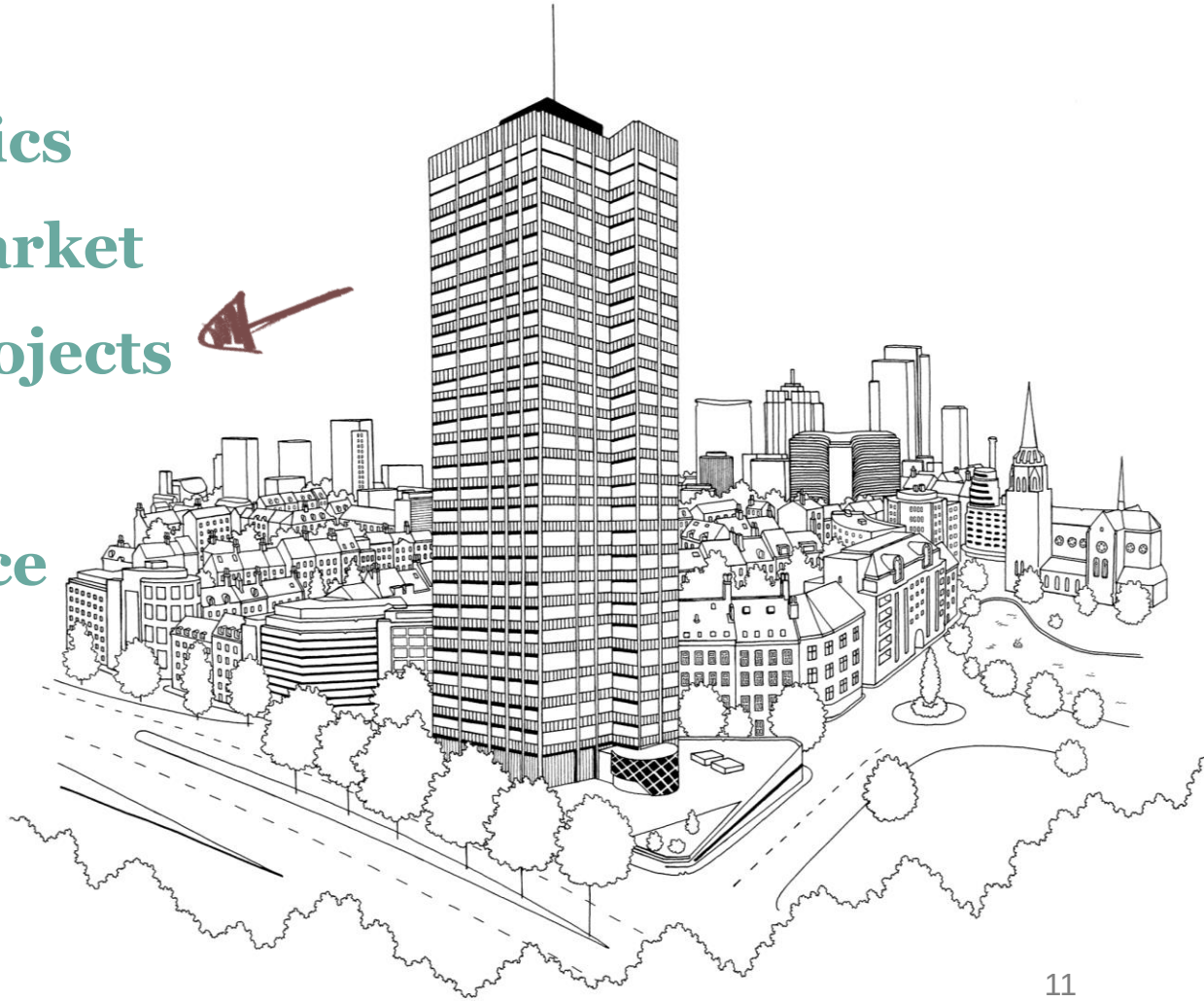


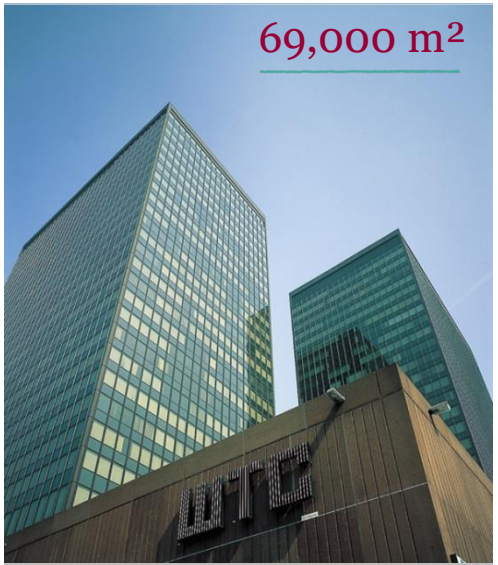
04 Value-creating projects
North area outlook

Quatuor

- End of current lease Noord Building: 2017/2018
- Building permit filed
  - Fully passive office building
  - BREEAM “Excellent” aimed
- Indicative cost: €150 million
- While maintaining the option of an upgrade of current Noord Building
- Flexible: four independent buildings forming a single architectural unit

WTC IV

- Building permit obtained
- Fully passive office building
- BREEAM “Outstanding” certification in Design phase
- Indicative cost: €150 million



WTC II

- End of lease: end of 2018
- Project studies initiated

04 Value-creating projects
Paradis Express

- **2014**: Fedimmo launched a call for projects
- **2015**: Paradis Express project assigned as winner
- **±2016/2017**: Building permission process & start

Architects: Jaspers & Eyers, Greisch, A2M

04 Value-creating projects
Works estimated and planned

Befimmo

Maintaining quality portfolio to meet tenants' needs and maintain solid portfolio fundamentals

	Space	Location	Type	Forecasts 2015	2016	2017
Tower Paradis (destruction of old building)	40 000 m²	Liège	Construction	3.4	0.0	0.0
Brederode 9 and Namur 48	8 800 m²	Brussels CBD, centre	Renovation	10.0	3.7	0.0
Guimard	5 400 m²	Brussels CBD, Leopold	Renovation	0.4	6.6	4.7
Blue Tower	27 000 m²	Brussels CBD, Louise	Renovation	4.3	1.3	0.0
Quatuor	60 000 m²	Brussels CBD, North	Construction	0.2	2.2	16.3
Energy investments	-	-	-	2.5	2.1	1.9
Other investments	-	-	-	11.2	6.3	7.6
Total	**-**	**-**	**-**	**32.0**	**22.3**	**30.5**

Blue Tower

Guimard

Continuous Delivery

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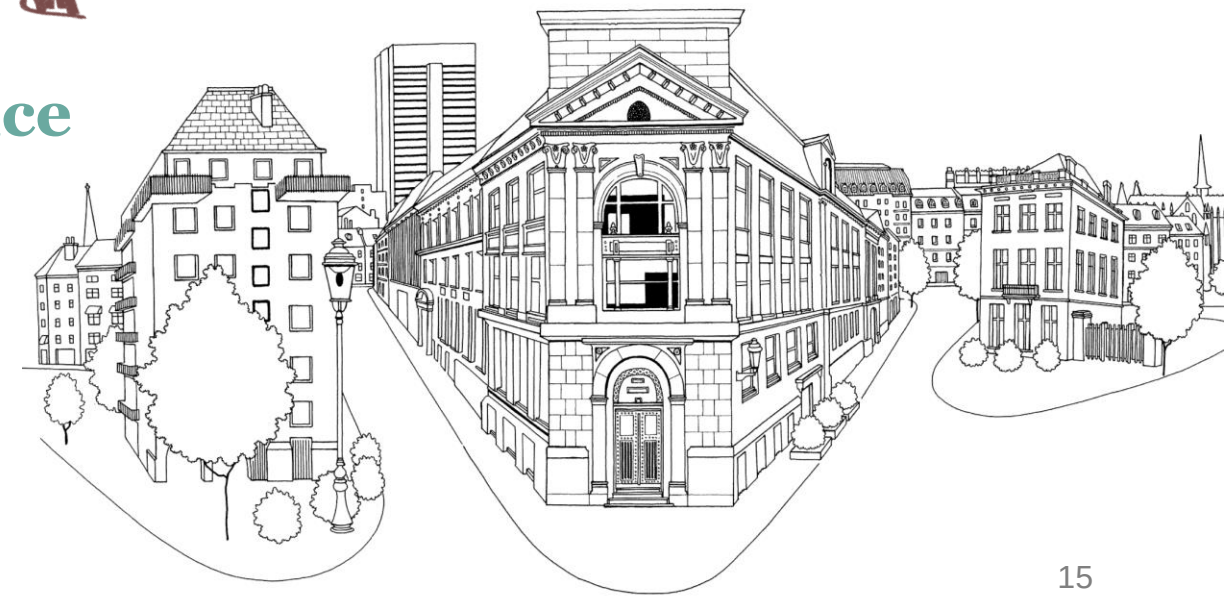


05 Strong financials
Results as at 30 June 2015

Financial key figures	30.06.2015 (6 months)	31.12.2014 (12 months)	30.06.2014 (6 months)
Net asset value (in € per share)	55.61	54.00	55.07
EPRA NAV (in € per share)	55.55	54.38	55.82
EPRA NNNAV (in € per share)	54.80	52.80	53.94
Shareholders' equity (€ million)	1 231.01	1 195.45	1 185.83
Return on shareholders' equity (in €) (1)	3.83	3.11	3.35
Return on shareholders' equity (in %) (1)	7.14%	5.82%	6.23%
Net result (in € per share)	2.47	3.19	1.79
EPRA earnings (in € per share)	1.95	3.90	2.00

(1) *Calculated over a 12-month period ending at the closing of the period taking into account the gross dividend reinvestment and the participation in the optional dividend.*

- Stable fair value of portfolio at constant perimeter
- Net asset value of €55.61 per share
- EPRA earnings at €1.95 per share, in line with the outlook
- Dividend forecast confirmed (€3.45 gross per share) for the 2015 fiscal year

05 Strong financials

Active debt management as at 30 June 2015

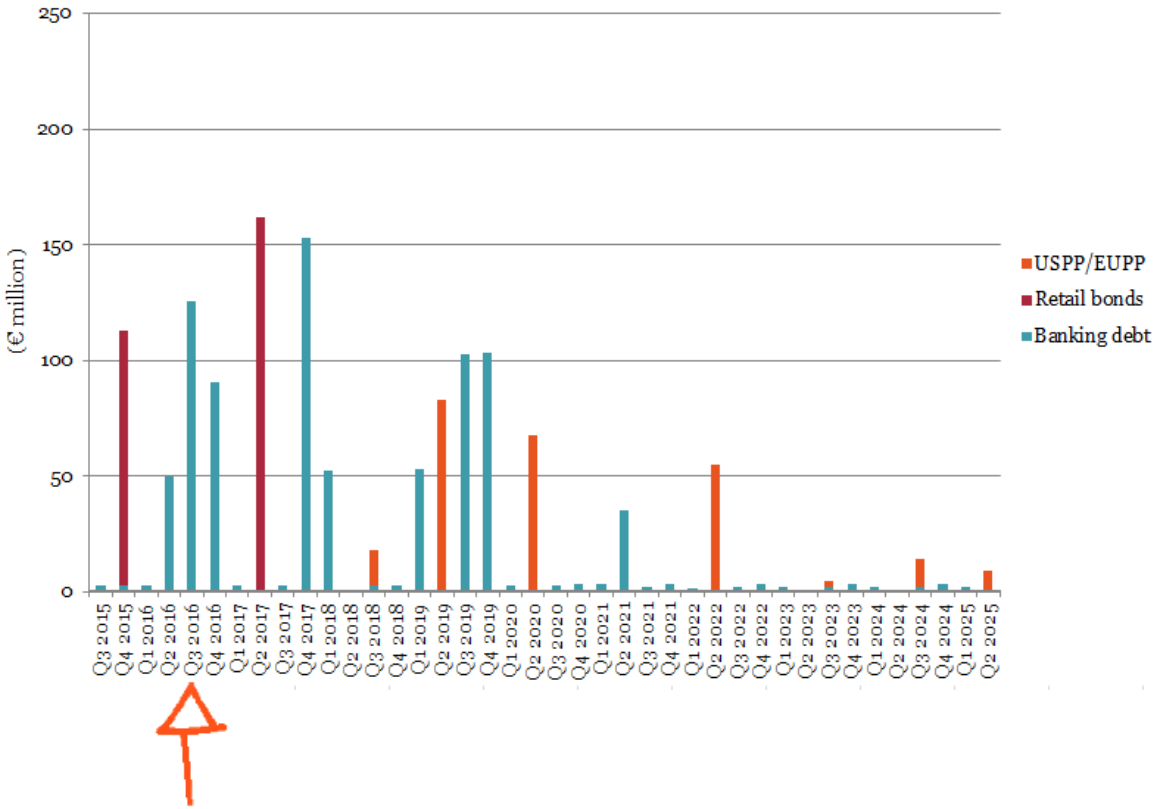
- LTV of 47.43%
- Weighted average debt duration of 3.65 years
- Average annualised financing costs (incl. margin & cost of hedging): 2.82% (over the past 6 months)
- Confirmed credit facilities for a total amount of €1,353.8 million, €1,113.7 million of which are drawn
- Hedge ratio: 81.0%
- Fixed-rate debts (incl. IRS): 52.7%
- Large remaining headroom to covenants

- BBB/Stable/A-2 rating by Standard & Poor's (as at 22 May 2015)

05 Strong financials
Well-balanced financing structure

Befimmo

Maturities of commitments by quarter as at 30 June 2015



At constant perimeter the Company has no further financing needs before the third quarter of 2016

> Private placement for an amount of €64 million (durations of 7 & 10 years)

> Amending & extending of 3 bilateral lines for an amount of €135 million

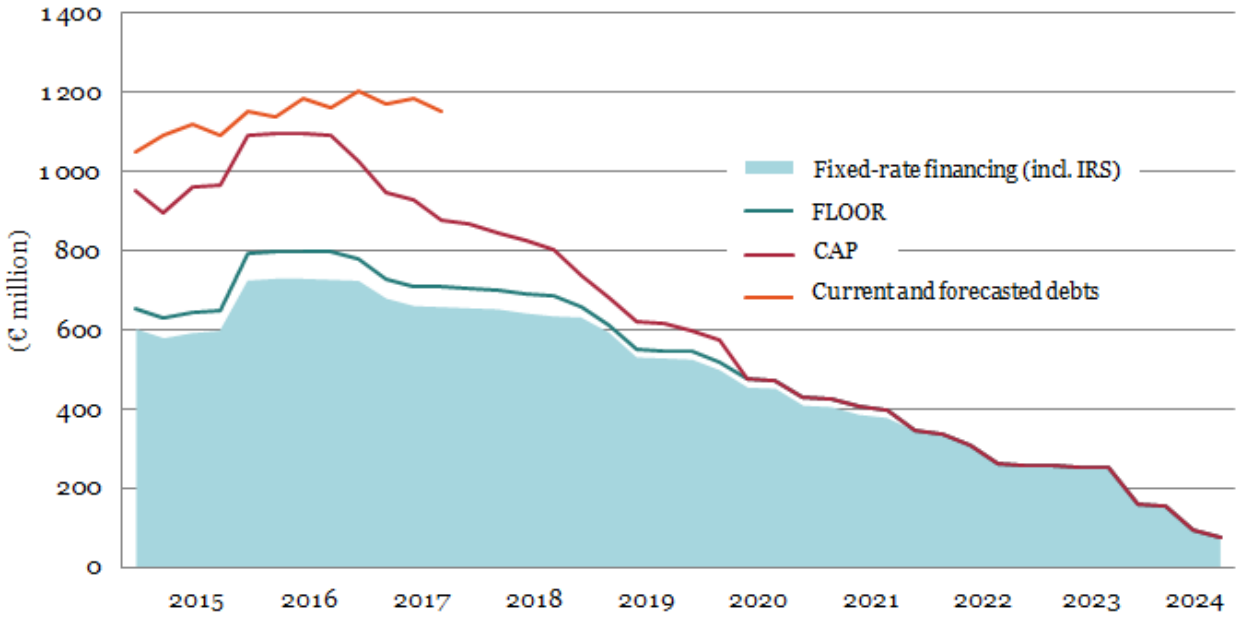
As at 30 June 2015
Bank debt: 61.9%
Financial markets debt: 38.1%

05 Strong financials

Pragmatic hedging policy

Evolution of the portfolio of hedging instruments and fixed-rate debts

Significant reinforcement of portfolio of hedging instruments over H1 2015



Annual average		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CAP	Notional (€ million)	351	366	264	190	94	47	20	-	-	-
	Average rate (in %)	1.78%	1.49%	1.38%	1.32%	0.83%	0.87%	1.15%	1.15%	-	-
FLOOR	Notional (€ million)	50	70	51	50	22	20	20	-	-	-
	Average rate (in %)	1.09%	0.94%	0.72%	0.71%	0.57%	0.55%	0.55%	0.55%	-	-
Fixed-rate financing (incl. IRS)	Notional (€ million)	592	727	679	645	570	481	393	311	253	120
	Average rate[(a)] (in %)	1.88%	1.22%	1.08%	1.28%	1.35%	1.48%	1.37%	1.15%	1.02%	1.17%

[(a)] *Average fixed rate excluding credit margin.*

Continuous Delivery

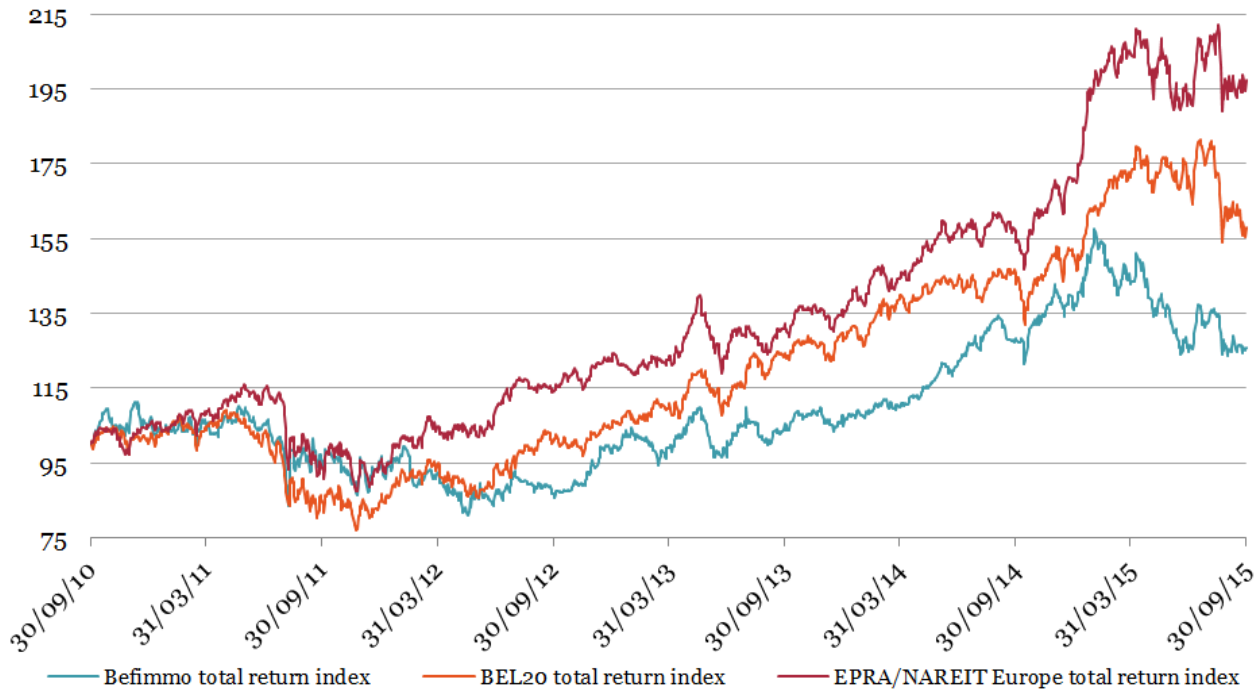
- H1 highlights
- H1 portfolio metrics
- Brussels office market
- Value-creating projects
- Strong financials
- Share performance

06 Share performance

Return in line with real-estate market trend

Befimmo

Evolution of the Befimmo total return index relative to BEL 20 and EPRA/NAREIT Europe (over one year)



-1.3%
Return over 1 year ended as at 30 September 2015

+7.3%
Annualised return over 20-year period as at 30 September 2015

Confirmed **gross dividend** forecast per share for the 2015 fiscal year: **€3.45**

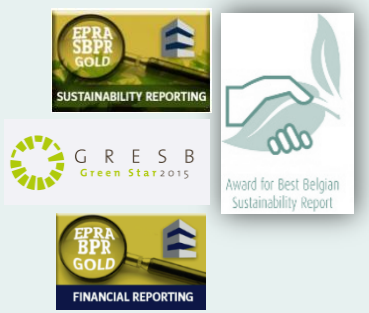
Gross yield based on a share price of €54.89 as at 30 Sept. 2015: **+6.3%**

Source: KBC Securities.

Conclusion

smart offices better future

- Track record: 20 years of expertise
- Portfolio strengths:
  - Pure player: 100% quality offices
  - Long duration of leases
  - Quality tenants - About 70% public sector
- Clear and dynamic investment strategy
- Active portfolio management, internal property management team
- Active financial and hedging management
- Transparency towards shareholders
- Corporate Social Responsibility policy



Speaker

Laurent Carlier, CFO of Befimmo since 2006

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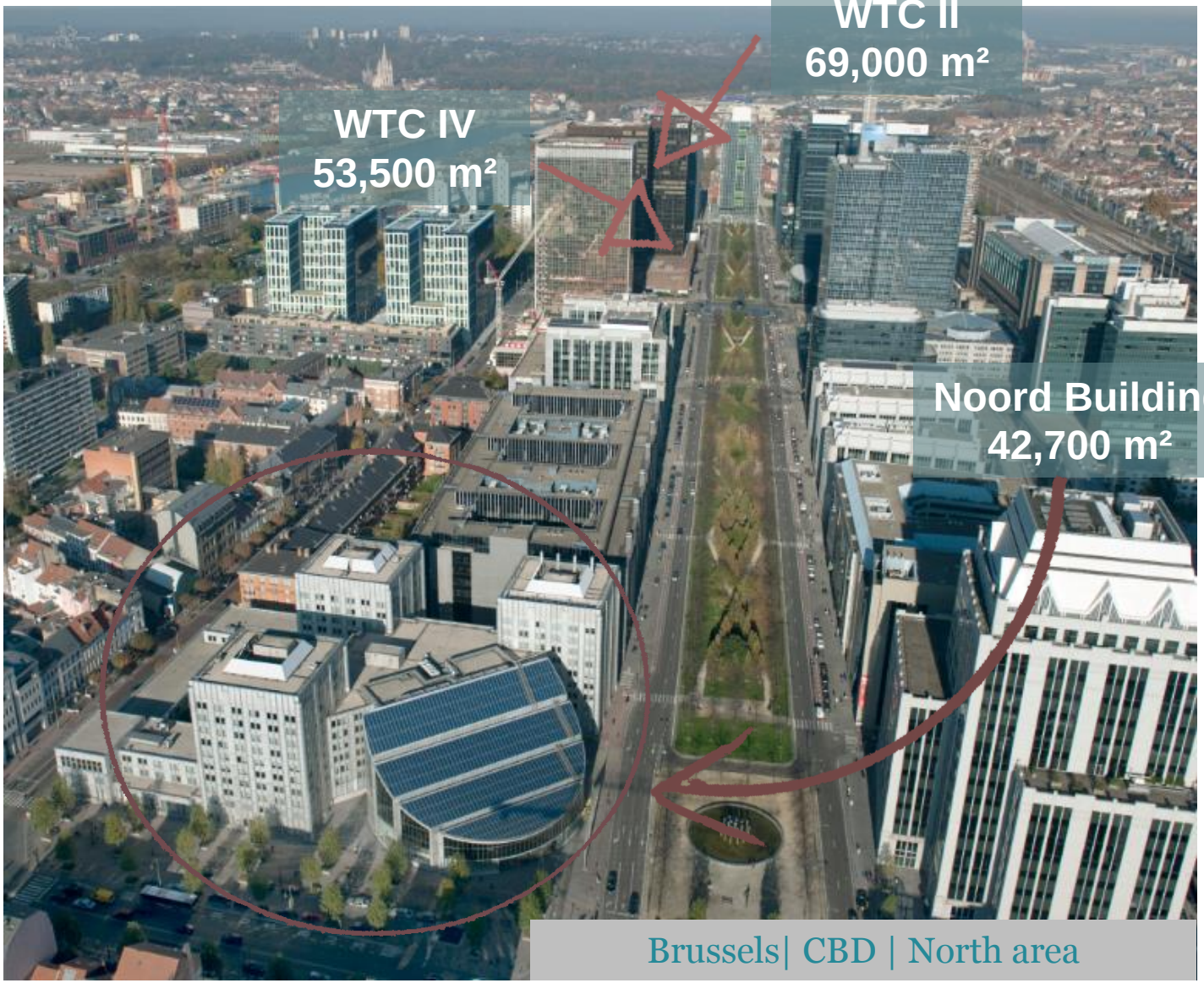
Appendices | North area outlook



Appendices | BE-REIT (SIR/GVV)

- Specific regulation and high degree of transparency, accounts in IFRS
- Real-estate assets quarterly valued by independent real-estate experts
- Controlled by the Financial Services and Markets Authority (FSMA)
- Risk diversification: maximum 20% of portfolio invested in one property unit
- Listing on stock exchange, minimum free float of 30%
- Debt ratio <65%
- Distribution of 80% of “cash flows” as dividend
- “Tax transparency”: reduced base for corporation tax, taxation at investor level (withholding tax)

Appendices |Key figures

Portfolio key figures	30.06.2015	31.12.2014	30.06.2014
Fair value of portfolio (€ million)	2 347	2 285.2	2 247.6
Occupancy rate of properties available for lease	93.68%	94.07%	95.40%
Weighted average duration of leases	8.78 years	8.64 years	8.78 years
Gross initial yield on properties available for lease	6.19%	6.28%	6.76%
Gross potential yield on properties available for lease	6.61%	6.68%	7.09%

Appendices |P&L as at 30 June 2015

Befimmo

(€ thousand)	30.06.2015	30.06.2014
Net rental result	71 000	68 877
Net property charges	-7 294	-7 495
Property operating result	**63 706**	**61 383**
Corporate overheads	-4 119	-4 809
Other operating income & charges	-1 448	910
Operating result before result on portfolio	**58 139**	**57 484**
Operating margin	***81.9%***	***83.5%***
Gains or losses on disposals of investment properties	971	410
Net property result	**59 110**	**57 893**
Financial result (excl. changes in fair value of financial assets and liabilites)	-14 566	-13 963
Corporate taxes	- 633	- 523
Net result before changes in fair value of investment properties and financial assets and liabilities	**43 911**	**43 408**
Changes in fair value of investment properties	-1 083	11 006
Changes in fair value of financial assets and liabilities	11 890	-15 827
Changes in fair value of investment properties & financial assets and liabilities	**10 806**	**-4 821**
Net result	54 718	38 586
Net current result	44 175	43 408
EPRA earnings	43 203	42 998
Net result (€/share)	**2.47**	**1.79**
Net current result (€/share)	**2.00**	**2.02**
EPRA earnings (€/share)	**1.95**	**2.00**
Average number of shares not held by the group	*22 673 609*	*22 062 701*

Appendices | Balance sheet as at 30 June 2015

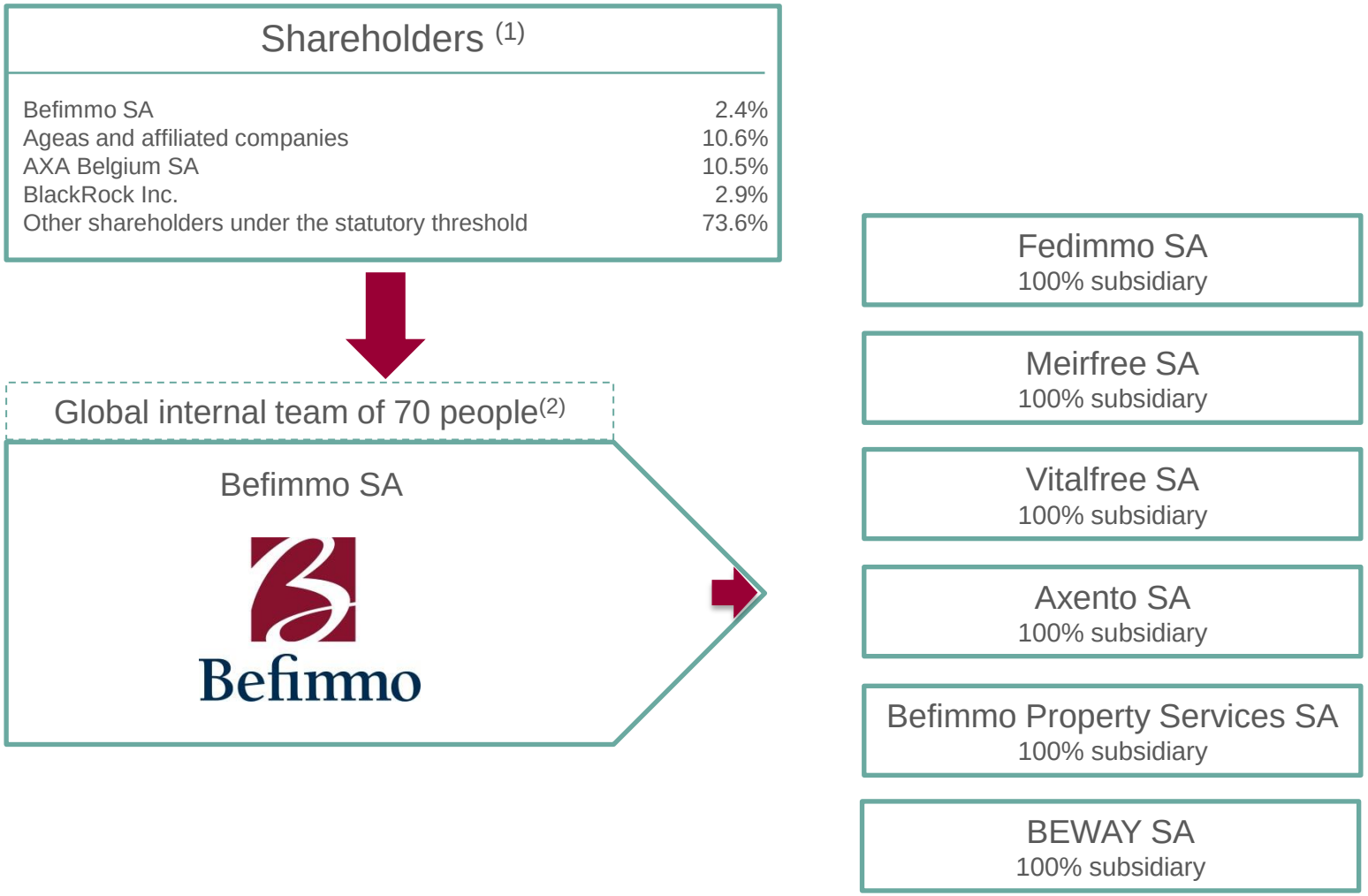
(€ million - consolidated figures)	30.06.2015	31.12.2014
Investment and held for sale properties	2 346.8	2 285.2
Other assets	125.4	68.7
Total assets	**2 472.2**	**2 353.9**
Shareholders' equity	1 231.0	1 195.4
Financial debts	1 143.3	1 048.6
non current[(1)]	568.0	534.3
current	575.3	514.3
Other debts	97.9	109.9
Total equity & liabilities	**2 472.2**	**2 353.9**
LTV	**47.43%**	**45.21%**

(1) Commercial paper programme for an amount up to €500 million, €410 million of which was in use for short term issues at 30 June 2015 (with backup facilities).

Appendices | Shareholding

Declarants	Number of shares (declared) the day of the statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
Befimmo SA	*535 329*	*30.06.2015*	*2.4%*
Ageas and affiliated companies	2 393 476	10.02.2015	10.6%
AXA Belgium SA	2 382 216	16.12.2014	10.5%
BlackRock Inc.	664 130	06.02.2014	2.9%
Other shareholders under the statutory threshold	16 698 458	10.02.2015	73.6%
Total	**22 673 609**		**100%**

Appendices | Group structure



(1) Based on the transparency declarations or based on the information received from the shareholder.
(2) As at 31 December 2014.

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