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Interim statement for the period from 1 January 2017 to 31 March 2017

➔ Nice transactions at the start of the fiscal year ←

- ◆ Beobank first major tenant of the Quatuor
- ◆ Value crystallisation of the Brederode complex
- ◆ Stable fair value of the portfolio
- ◆ EPRA earnings of €0.94 per share, in line with the outlook
- ◆ Net result of €2.05 per share
- ◆ Net asset value of €56.83 per share
- ◆ Unchanged outlook of EPRA earnings and dividend for the fiscal year

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As a reminder, since 3 July 2016, the “Alternative Performance Measures (APM)”¹ Guidelines of the European Securities Markets Authority (ESMA) have been applicable. The APMs within the press release are identified with a footnote at the first mention of the APM in this press release. The full list of APMs, their definition, their utility and the related reconciliation tables are included in Appendices 1 and 2 to this press release and are published on the Befimmo website: <http://www.befimmo.be/en/investors/publications/alternative-performance-measures>.

¹ For more information, please consult Report “Final Report – ESMA Guidelines on Alternative Performance Measures” on the ESMA website (<https://www.esma.europa.eu/>).

The Board of Directors of Befimmo SA met on
9 May 2017 to close the annual financial statements
as at 31 March 2017

1. KEY EVENTS OF THE FIRST QUARTER OF THE 2017 FISCAL YEAR

BEOBANK FIRST MAJOR TENANT OF THE QUATUOR

In March 2017, Befimmo signed an agreement² with Beobank on the occupancy of a tower of about 22,000 m² in the Quatuor³ project (60,000 m² - Brussels North Area). The agreement provides for the building to be made available for a fixed term of 15 years as from its hand-over in the course of 2020. Within this framework, the current lease of Beobank in the La Plaine building (15,180 m² - Brussels decentralised) will be extended until that date. A third of the Quatuor project is thus already pre-let more than 3.5 years before hand-over.

VALUE CRYSTALLISATION OF THE BREDERODE COMPLEX

In late March 2017, Befimmo granted a 99-year leasehold on the Brederode⁴ complex to CBRE Global Investors (on behalf of one of its SMA⁵ clients) for an amount of €122 million, corresponding to a yield of 3.69%.

This operation generates a net capital gain of €0.85 per share and reduces the LTV ratio by 3.3% (in absolute terms, calculated on the bases of the ratio as at 31 December 2016). The EPRA earnings outlook, published on page 69 of the Annual Financial Report 2016, take account of the execution of this operation.

This operation is in line with the objective of punctually crystallising value, in a Brussels office market where the search for yields in an environment of low interest rates creates opportunities for quality properties, which are well-located and occupied on a long-term basis.

² Under the condition precedent of obtaining the permit.

³ For more information, please consult pages 26 and 65 of the Annual Financial Report 2016.

⁴ This concerns the Brederode 13 (11,340 m²), Brederode 9 (6,864 m²) and Namur 48 (1,517 m²) buildings. For more information, please consult pages 36, 37 and 65 of the Annual Financial Report 2016.

⁵ "Separate Managed Accounts".

2. PROPERTY PORTFOLIO AS AT 31 MARCH 2017

KEY FIGURES OF THE PROPERTY PORTFOLIO

	31.03.2017	31.12.2016
Fair value of portfolio (in € million)	2 443.9	2 511.7
Gross initial yield on properties available for lease	6.22%	6.07%
Gross potential yield on properties available for lease	6.53%	6.40%
Occupancy rate of properties available for lease	95.23%	94.79%
Weighted average duration of leases	7.78 years ^(a)	8.07 years ^(a)
Reversion rate of properties available for lease	-9.96% ^(b)	-9.50% ^(b)
EPRA vacancy rate	5.24%	5.71%
EPRA Net Initial Yield (NIY)	5.84%	5.65%
EPRA Topped-up NIY	6.05%	5.81%

^(a) Excluding the Noord Building and the WTC II buildings, the weighted average duration of leases would be 9.15 years as at 31 December 2016 and 8.89 years as at 31 March 2017. As from 31 March 2017, Befimmo calculates the average duration of leases based on its portfolio of properties available for lease.

^(b) Excluding the Noord Building and the WTC II buildings, the reversion would be -4.95% as at 31 December 2016 and -5.09% as at 31 March 2017.

RENOVATION AND CONSTRUCTION PROJECTS

Over the first quarter of the fiscal year, Befimmo invested €8.3 million in its portfolio.

The main renovation and construction projects are listed in the table below.

For more information on these projects, please consult pages 24 to 27 of the Annual Financial Report 2016, which is available on the Befimmo website (www.befimmo.be).

Building	Location	Type	BREEAM certification	Rental situation	Scheduled completion	Total investment
Guimard 5,500 m ²	Brussels CBD Leopold district	Renovation	Design "Excellent" aimed	Ongoing commercialisation	Q3 2017	€13 million
Eupen – Rathausplatz 7,200 m ²	Eupen Wallonia	Renovation - construction	-	100% let for a duration of 25 years as from hand-over	Phase 1: Q3 2018 Phase 2: Q4 2019	€13.7 million ^(a)
Quatuor Building 60,000 m ²	Brussels CBD North Area	Demolition Noord Building and construction Quatuor Building	Design "Excellent" aimed	Being offered for lease - 22.000 m ² pre-let for a duration of 15 years as from hand-over	36 months as from early 2018	€150 million
Paradis Express 35,000 m ²	Liège Wallonia	Construction	Design "Excellent" aimed	-	2020	€50 million ^(b)
WTC IV 53,500 m ²	Brussels CBD North Area	Construction	Design "Outstanding" obtained	-	According to commercialisation	€140 million

^(a) The €18.0 million appearing in the Annual Financial Report 2016 include the acquisition value of the Eupen project (the acquisition occurred during the 1st quarter of the 2017 fiscal year).

^(b) "All-in" construction cost of the office part (21,000 m²).

Furthermore, after 46 years of uninterrupted occupation by Belgian Government departments, the current lease with the Buildings Agency in **Tower II of the WTC** (Brussels North Area) will expire in December 2018. Within the framework of the co-ownership of Towers I and II, Befimmo is working on a number of scenarios for this site, in a perfect location opposite the Gare du Nord, to redevelop it into a multifunctional value-creating project.

CHANGE IN FAIR VALUES⁶ OF THE PROPERTY PORTFOLIO

Offices	Change over the quarter ^(a) (in %)	Proportion of portfolio ^(b) (31.03.2017) (in %)	Fair value (31.03.2017) (in € million)	Fair value (31.12.2016) (in € million)
Brussels CBD and similar ^(c)	-0.74%	53.2%	1 300.3	1 423.0
Brussels decentralised	-2.14%	3.6%	88.0	88.4
Brussels periphery	-1.37%	5.9%	145.4	147.0
Flanders	0.02%	20.1%	491.4	493.4
Wallonia	1.77%	8.1%	196.8	194.2
Luxembourg city	2.14%	4.1%	101.4	99.3
<i>Properties available for lease</i>	<i>-0.35%</i>	<i>95.1%</i>	<i>2 323.2</i>	<i>2 445.3</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>10.35%</i>	<i>4.9%</i>	<i>118.6</i>	<i>66.3</i>
Investment properties	0.13%	99.9%	2 441.8	2 511.7
Property held for sale	-0.35%	0.1%	2.1	-
Total	0.13%	100.0%	2 443.9	2 511.7

^(a) The change over the quarter is the change in fair value between 1 January 2017 and 31 March 2017 (excluding the amount of investments and disinvestments).

^(b) The proportion of portfolio is calculated based on the fair value of the portfolio as at 31 March 2017.

^(c) Including the Brussels airport zone, in which the Gateway building is situated.

As at 31 March 2017, the fair value of Befimmo's consolidated portfolio was €2,443.9 million, as against €2,511.7 million as at 31 December 2016.

This change in value incorporates:

- ◆ The disinvestments carried out:
 - the granting of a 99-year leasehold on the Brederode complex; and
 - the sale of the Liège – Digneffe building at a value in line with its fair value;
- ◆ the investments carried out within the portfolio;
- ◆ the changes in fair value booked to the income statement.

Excluding the amount of the investments and the disinvestments, the change in value of the portfolio amounted to +3.1 million (+0.13%) over this first quarter of the fiscal year.

⁶ These values are established in application of the IAS 40 standard which requires investment properties 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.

COMMENT ON CHANGES IN VALUE DURING THE FIRST QUARTER OF THE 2017 FISCAL YEAR

On the portfolio of properties available for lease, two trends were pursued during the first quarter of the year, namely: (i) the properties in the portfolio located in city centres which have revenues under long leases have benefited from the continuing pressure on yields in the market, while (ii) other properties in the portfolio, in which the lease is nearing expiry, have suffered declines in value. In the portfolio of properties that are being constructed or developed for own account, note that the important change in value is related mainly to the real-estate expert taking account of the pre-letting of 22,000 m² of space in the Quatuor project to Beobank for a fixed duration of 15 years.

OCCUPANCY RATE⁷, WEIGHTED AVERAGE DURATION OF LEASES AND SIGNED LEASE AGREEMENTS

The occupancy rate of the properties available for lease is 95.23% as at 31 March 2017 (compared with 94.79% as at 31 December 2016).

As at 31 March 2017, the weighted average duration of leases amounts to 7.78 years⁸ compared with 8.07 years as at 31 December 2016.

During the first quarter of the fiscal year, Befimmo signed new leases and lease renewals for space measuring some 36,000 m². Note that this area takes account of (i) the agreement signed with Beobank for the take-up of a tower of 22,000 m² in the Quatuor project (60,000 m²), located in the Brussels North Area, and (ii) the award of a public development contract for works organised by the Buildings Agency, to provide a new courthouse (approximately 7,200 m²) in Eupen.

Note that the Brederode complex left the portfolio during the quarter. Furthermore, the weighted average duration of leases is calculated on the basis of the properties available for lease. The leases of the buildings in the project phase (Eupen and Quatuor) are therefore not included in the calculation of this ratio.

OVERALL RENTAL YIELD

	Properties available for lease		Investment properties ^(a)	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
Gross initial yield ^(b)	6.22%	6.07%	5.93%	5.89%
Gross potential yield ^(c)	6.53%	6.40%	6.22%	6.29%

^(a) Taking into account the properties that are being constructed or developed for own account in order to be leased.

^(b) The gross initial yield is calculated based on current rents. As from 31 March 2017, Befimmo does no longer anticipate the future (potential or signed) rents on properties in the project phase within the calculation of the yields on investment properties.

^(c) The gross potential yield is calculated based on current rents plus the estimated rental value of vacant space. As from 31 March 2017, Befimmo does no longer anticipate the future (potential or signed) rents on properties in the project phase within the calculation of the yields on investment properties.

⁷ Occupancy rate = current rents (including the rate for space let but for which the lease has yet to begin)/(current rents + estimated rental value for vacant space).

⁸ Excluding the Noord Building and the WTC II buildings, the weighted average duration of leases would be 9.15 years as at 31 December 2016 and 8.89 years as at 31 March 2017. As from 31 March 2017, Befimmo calculates the average duration of leases based on the portfolio of properties available for lease.

3. FINANCIAL REPORT AS AT 31 MARCH 2017

FINANCIAL KEY FIGURES

	31.03.2017	31.12.2016
Shareholders' equity (in € million)	1 453.78	1 401.35
Net asset value (in € per share)	56.83	54.78
EPRA NAV ^(a) (in € per share)	57.39	55.49
EPRA NNNNAV ^(a) (in € per share)	56.46	54.30
Average (annualised) financing cost ^(b) (in %)	2.25%	2.26%
Weighted average duration of debts (in years)	4.54	3.66
Debt ratio according to the Royal Decree (in %)	41.04%	44.65%
Loan-to-value ^(c) (in %)	37.86%	42.33%
	31.03.2017	31.03.2016
Number of shares issued	25 579 214	23 021 293
Average number of shares during the period	25 579 214	23 021 293
Net result (in € per share)	2.05	-0.31
EPRA earnings (in € per share)	0.94	0.90
Return on shareholders' equity ^(d) (in € per share)	6.04	3.05
Return on shareholders' equity ^(d) (in %)	11.40%	5.67%

^(a) This is an Alternative Performance Measure. For more information, please consult Appendix 1 to this press release.

^(b) Including margin and hedging costs. Calculated over a 12-month period.

^(c) Loan-to-value ("LTV"): [(nominal financial debts – cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, please consult Appendix 1 to this press release.

^(d) Calculated over a 12-month period ending at the closing of the period, taking into account the gross dividend reinvestment, if applicable the participation in the optional dividend and, if applicable the participation in the capital increase. This is an Alternative Performance Measure. For more information, please consult Appendix 1 to this press release.

NET ASSET VALUE⁹

As at 31 March 2017, Befimmo's total net asset value amounts to €1,453.8 million.

The net asset value is therefore €56.83 per share, as against €54.78 per share as at 31 December 2016.

CHANGES IN THE NET ASSET VALUE

	(in € million)	(in € per share)	Number of shares issued
Net asset value as at 31 December 2016	1 401.35	54.78	25 579 214
Result of the period	52.43		
Net asset value as at 31 March 2017	1 453.78	56.83	25 579 214

	31.03.2017	31.12.2016
EPRA NAV (in € per share)	57.39	55.49
EPRA NNNAV (in € per share)	56.46	54.30

The calculation methods of the EPRA NAV and NNNAV are detailed in Appendix 2 of this press release.

⁹ Audit of the accounts: the quarterly accounts are not audited. The half-yearly accounts are subject to a limited review, while the annual accounts are audited.

TREND OF RESULTS¹⁰

(in € thousand)	31.03.2017	31.03.2016
Net rental result	36 465	34 113
<i>Net rental result excluding spreading</i>	36 020	34 034
<i>Spreading of gratuities/concessions</i>	445	79
Net property charges ^(a)	-3 116	-5 478
Property operating result	33 349	28 635
Corporate overheads	-3 013	-2 064
Other operating income & charges ^(a)	- 445	- 79
Operating result before result on portfolio	29 891	26 492
Operating margin^(a)	82.0%	77.7%
Gains or losses on disposals of investment properties	21 704	-
Net property result^(a)	51 596	26 492
Financial result (excl. changes in fair value of financial assets and liabilities)	-5 642	-5 555
Corporate taxes	- 321	- 290
Net result before changes in fair value of investment properties and financial assets and liabilities^(a)	45 632	20 647
Changes in fair value of investment properties	3 053	-7 897
Changes in fair value of financial assets and liabilities	3 743	-19 841
Changes in fair value of investment properties & financial assets and liabilities	6 796	-27 738
Net result	52 428	-7 091
EPRA earnings	23 928	20 647
Net result (in € per share)	2.05	-0.31
EPRA earnings (in € per share)	0.94	0.90

^(a) This is an Alternative Performance Measure. For more information, please consult Appendix 1 to this press release.

¹⁰ Audit of the accounts: the quarterly accounts are not audited. The half-yearly accounts are subject to a limited review, while the annual accounts are audited.

ANALYSIS

The increase in **Net rental result** compared with the same period last year is largely due to the contribution of the Gateway building (lease started in December 2016). Irrespective of this impact, the "**Like-for-Like**" net rental result is up 1.5% on the same period of the previous year.

Net property charges are down from €5.5 million to €3.1 million. This change is due mainly to a one-off impact in the first quarter of 2017 related to the restitution of a reserve fund and to a decrease in property charges as a result of rentals in 2016. In addition, the application of IFRIC 21 results in a recurring seasonal effect on property charges.

The **Property operating result** therefore amounts to €33.3 million compared with €28.6 million for the same period last year.

Corporate overheads amount to €3.0 million. The change in overheads in relation to the same period last year is explained mainly by a on-off effect in 2016 (tax refund).

Taking account of the **Gains and losses on disposals of investment properties** (mainly the capital gain realised following the granting of a 99-year leasehold on the Brederode complex), a stable **Financial result** and **Corporate taxes**, the **Net result before changes in the fair value of investment properties and financial assets and liabilities** amounts to €45.6 million.

As at 31 March 2017, the **Net result** amounts to €52.4 million as against -€7.1 million as at 31 March 2016. The change in fair value of the investment properties (excluding the amount of investments and disinvestments) amounts to €3.1 million, an increase of 0.13%. The change in the fair value of the financial assets and liabilities was €3.7 million, as against -€19.8 million one year earlier.

EPRA earnings amount to €23.9 million as at 31 March 2017, as against €20.6 million as at 31 March 2016. **EPRA earnings per share** of €0.94 is therefore up year on year, despite the increase in the number of shares following the capital increase in September 2016.

The **Net result per share** is €2.05.

FINANCIAL STRUCTURE AND HEDGING POLICY

In the course of the first quarter of the fiscal year, Befimmo carried out the following financial operations:

- ◆ renegotiation and extension of a bank line for a total amount of €135 million with maturities of 4 to 7 years;
- ◆ renegotiation and extension of a bank line for a total amount of €90 million with a maturity of 7 years.

In April 2017, after the closing of the quarter, Befimmo carried out a private placement of debt at fixed rates for an amount of €60 million and with a maturity of 10 years.

On this basis, and all other things being equal, the Company has covered its financing needs until the end of the first quarter of 2019.

Within the framework of its hedging policy, during the first quarter of the fiscal year, Befimmo restructured two IRS for a notional initial total of €35 million, moving their expiry date to early 2027 and bringing their notional total to €50 million.

Furthermore, following the private placement of debt in April 2017, it cancelled two short-term hedging instruments (a COLLAR for a notional of €30 million and a SWAP for a notional of €25 million).

As at 31 March 2017, Befimmo's financial structure had the following main characteristics:

- ◆ confirmed credit facilities for a total sum of €1,381.3 million, €957.9 million of which was in use. The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of the financing agreements (notably the retail bond of €162 million, repaid after closing of the quarter) and the renovation/acquisition commitments planned for the coming years;
- ◆ a debt ratio of 41.04%¹¹ (compared with 44.65% as at 31 December 2016);
- ◆ an LTV ratio of 37.86%¹² (compared with 42.33% as at 31 December 2016);
- ◆ a weighted average duration of debts of 4.54 years (compared with 3.66 years as at 31 December 2016);
- ◆ an average financing cost (including hedging margin and costs) of 2.25% over the past 12 months;
- ◆ 78.2% of total debt at fixed rates (including IRS).

4. BEFIMMO SHARE

SHARE KEY FIGURES

	31.03.2017	31.12.2016
Closing share price (in €)	53.26	53.36
Net asset value (in € per share)	56.83	54.78
Premium or discount in relation to the net asset value	-6.28%	-2.60%
Return on share price ^(a)	1.04%	3.88%

^(a) *Calculates over a 12-month period ending at the closing of the period, taking into account the gross dividend reinvestment, if applicable the participation in the optional dividend and, if applicable the participation in the capital increase.*

5. DIVIDEND FORECAST

All other things being equal, the Board of Directors confirms the dividend forecast of €3.45¹³ gross per share for the current fiscal year.

¹¹ The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

¹² Loan-to-value ("LTV"): [(nominal financial debts – cash)/fair value of portfolio].

¹³ The gross dividend of €3.45 per share could be paid as an interim dividend of €2.59 in December 2017 and a final dividend of €0.86 in May 2018.

6. FORTHCOMING PUBLICATIONS

On 24 March 2017, Befimmo published its Annual Financial Report 2016, which is available on its website: www.befimmo.be. The two upcoming publications are included in the table below. For more information, please consult the shareholders' calendar (<http://www.befimmo.be/en/investors/shareholders-calendar>).

Publication of the Half-Yearly Financial Report 2017	Wednesday 19 July 2017 ^(a)
Interim statement – publication of the net asset value as at 30 September 2017	Thursday 26 October 2017 ^(a)

^(a) Publication after closing of the stock market.

Befimmo is a Belgian REIT (SIR/GVV), a real-estate operator specialised in high-quality office buildings located in Belgium, mainly in Brussels and the other main Belgian cities, and the Grand Duchy of Luxembourg.

Its portfolio currently consists of around one hundred office buildings, with a total space of more than 850,000 m².

As at 31 March 2017, the fair value of the portfolio was assessed at €2,443.9 million. The Company strives to enhance its current portfolio while seizing any investment opportunity that can create value for its shareholders.

Listed on Euronext Brussels since it was created, Befimmo pursues a strategy of optimising its results over the long term.

Befimmo endeavours to incorporate the challenges of sustainable development into its strategic thinking, and models its day-to-day activities on the principles of social responsibility.

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7. APPENDIX 1

GLOSSARY OF THE “ALTERNATIVE PERFORMANCE MEASURES”

Alternative Performance Measure	Definition	Use
Net property charges	The sum of various property charges, net of amounts recoverable from tenants (corresponds to the sum of headings IV to XIII of the consolidated statement of total comprehensive income).	Gives an overview of all net property charges.
Other operating income and charges (excluding goodwill impairment)	Heading XV ‘Other operating income and charges’ minus any goodwill impairment.	Used to compare forecasts and actual figures in heading XV ‘Other operating income and charges’. Any goodwill impairment is not budgeted.
Operating margin	‘Operating result before result on portfolio’ divided by ‘Net rental result’.	Used to assess the Company’s operating performance.
Net property result	‘Operating result before result on portfolio’ plus heading XVI ‘Gains and losses on disposals of investment properties’.	Used to identify the operating profit before changes in the fair value of investment property.
Financial result (excluding changes in fair value of financial assets and liabilities and close-out costs)	‘Financial result’ minus heading XXIII ‘Changes in fair value of financial assets and liabilities’ and any gains or losses realised on financial assets and liabilities (i.e. close-out costs).	Used to compare forecasts and actual figures in the financial results.
Net result before changes in fair value of investment properties and financial assets and liabilities	‘Net result’ minus heading XVIII ‘Changes in fair value of investment property’ and heading XXIII ‘Changes in fair value of financial assets and liabilities’.	Used to identify the net result before changes in the fair value of investment property and of the financial assets and liabilities.
“Like-for-Like” net rental result	Net rental result of properties available for lease at constant perimeter for two consecutive periods. The ‘Like-for-Like’ scope is calculated on the basis of the EPRA definition.	Used to measure the change in rental income of properties available for lease at constant floor area for two consecutive periods.
Loan-to-value (“LTV”)	Nominal financial debt minus balance sheet heading II.F. ‘Cash and cash equivalents’, divided by the sum of balance sheet headings I.C. “Investment property” and II.A. ‘Properties held for sale’. Nominal financial debts are the accounting financial debts excluding IFRS adjustments, in other words excluding the reassessment at fair value of financial assets and liabilities and the smoothing of debt issuance costs.	This is the debt ratio calculated on the basis of the fair value of the property portfolio.
Average (annualised) financing cost¹⁴	Interest paid, including the credit margin, the cost of the hedging instruments and liquidity cost, divided by the average nominal financial debt over the period concerned.	Used to measure the average cost of the Company’s financial debt.
Return on shareholders’ equity (in € per share)	The return obtained by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and the participation in operations to strengthen the Company’s capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in €/share) of a shareholder’s investment on the basis of the value of shareholders’ equity.
Return on shareholders’ equity (in %)	The internal rate of return earned by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and the participation in operations to strengthen the Company’s capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in %) of a shareholder’s investment on the basis of the value of shareholders’ equity.

¹⁴ Calculated over the past 12 months preceding the closing.

RECONCILIATION TABLES OF THE “ALTERNATIVE PERFORMANCE MEASURES”

AVERAGE (ANNUALISED) FINANCING COST

(in thousand €)	31-03-17	31-03-16
Interest paid	5 822	6 050
Annualised interest paid (A)	23 984	27 423
Annualised nominal financial debts (B)	1 065 414	1 100 769
Average (annualised) financing cost (A/B)	2.25%	2.49%

LOAN-TO-VALUE

(in thousand €)	31-03-17	31-12-16
Nominal financial debts (A)	957 882	1 063 413
II. F. Cash and cash equivalents (B)	32 576	153
I. C. Investment properties (D)	2 441 798	2 511 658
II. A. Assets held for sale (E)	2 094	-
Fair value of portfolio at the closing date (C = D+E)	2 443 891	2 511 658
Loan-to-value (A-B)/C	37.86%	42.33%

NET RENTAL RESULT IN “LIKE-FOR-LIKE”

(in thousand €)	31-03-17	31-03-16
Net rental result (A)	36 465	34 113
Net rental result linked to changes in perimeter (B)	1 759	106
Net rental result on properties not available for lease (C)	193	17
Net rental result in “Like-for-Like” (A-B-C)	34 513	33 990

NET RESULT BEFORE CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES AND FINANCIAL ASSETS AND LIABILITIES

(in thousand €)	31-03-17	31-03-16
Net result (A)	52 428	-7 091
XVIII. Changes in fair value of investment properties (B)	3 053	-7 897
XXIII. Changes in fair value of financial assets and liabilities (C)	3 743	-19 841
Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)	45 632	20 647

FINANCIAL RESULT (EXCL. THE CHANGES IN FAIR VALUE OF THE FINANCIAL ASSETS AND LIABILITIES AND CLOSE-OUT COSTS)

(in thousand €)	31-03-17	31-03-16
Financial result (A)	-1 899	-25 396
XXIII. Changes in fair value of financial assets and liabilities (B)	3 743	-19 841
Net losses realised on financial assets and liabilities: close-out costs (C)	-	-
Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs) (A-B-C)	-5 642	-5 555

NET PROPERTY RESULT

(in thousand €)	31-03-17	31-03-16
Operating result before result on portfolio	29 891	26 492
XVI. Gains or losses on disposals of investment properties	21 704	1 154
Net property result	51 596	27 647

OPERATING MARGIN

(in thousand €)	31-03-17	31-03-16
Operating result before result on portfolio (A)	29 891	26 492
Net rental result (B)	36 465	34 113
Operating margin (A/B)	82.0%	77.7%

OTHER OPERATING INCOME AND CHARGES (EXCLUDING GOODWILL IMPAIRMENT)

(in thousand €)	31-03-17	31-03-16
XV. Other operating income and charges (A)	- 445	- 79
Goodwill impairment (B)	-	-
Other operating income and charges (excluding goodwill impairment) (A-B)	- 445	- 79

NET PROPERTY CHARGES

(in thousand €)	31-03-17	31-03-16
IV. Recovery of property charges	1 392	1 259
V. Recovery of rental charges and taxes normally paid by tenants on let properties	23 664	23 125
VI. Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-	-
VII. Rental charges and taxes normally paid by tenants on let properties	-23 812	-23 566
VIII. Other revenue and charges for letting	1 465	109
IX. Technical costs	-1 999	-1 702
X. Commercial costs	- 39	- 136
XI. Charges and taxes on unlet properties	-1 890	-2 422
XII. Property management costs	- 734	- 632
XIII. Other property charges	-1 163	-1 512
Net property charges	-3 116	-5 478

8. APPENDIX 2

TABLES OF THE EPRA BEST PRACTICES RECOMMENDATIONS¹⁵

EPRA EARNINGS

(in € thousand)	31.03.17	31.03.16
Net result IFRS	52 428	- 7 091
Net result IFRS (in € per share)	2.05	-0.31
Adjustments to calculate EPRA earnings	- 28 501	27 738
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 3 053	7 897
II. Result on disposals of investment properties	- 21 704	-
V. Negative goodwill/goodwill impairment	-	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 3 743	19 841
EPRA earnings	23 928	20 647
EPRA earnings (in € per share)	0.94	0.90

EPRA COST RATIO

(in € thousand)	31.03.17	31.03.16
Net administrative and operating expenses in the income statement	-6 238	-7 663
III. (+/-) Rental charges	-109	-121
Net property charges	-3 116	-5 478
XIV. (-) Corporate overheads	-3 013	-2 064
XV. (+/-) Other operating income and charges	-445	-79
Exclude:		
i. Impact of the spreading of gratuities	445	79
EPRA costs (including direct vacancy costs) (A)	-6 238	-7 663
XI. (-) Charges and taxes on unlet properties	1 890	2 422
EPRA costs (excluding direct vacancy costs) (B)	-4 349	-5 241
I. (+) Rental income	36 575	34 234
Gross rental income (C)	36 575	34 234
EPRA cost ratio (including direct vacancy costs)^(a) (A/C)	17.06%	22.38%
EPRA cost ratio (excluding direct vacancy costs)^(a) (B/C)	11.89%	15.31%

^(a) This is an Alternative Performance Measure.

¹⁵ The definitions of the EPRA indicators are published in the Annual Financial Report 2016 on page 57. Source: EPRA Best Practices (www.epra.com).

EPRA NAV & NNNAV

(in € thousand)	31.03.2017	31.12.2016
Net asset value	1 453 777	1 401 349
Net asset value (in € per share)	56.83	54.78
To include:		
II. Revaluation at fair value of finance lease credit	151	184
To exclude:		
IV. Fair value of financial instruments	14 010	17 753
EPRA NAV	1 467 938	1 419 287
EPRA NAV (in € per share)	57.39	55.49
To include:		
I. Fair value of financial instruments	-14 010	- 17 753
II. Revaluations at fair value of fixed-rate loans	-9 762	- 12 621
EPRA NNNAV	1 444 166	1 388 912
EPRA NNNAV (in € per share)	56.46	54.30

EPRA NET INITIAL YIELD (NIY) & TOPPED-UP (NIY)

(in € thousand)	31.03.2017	31.12.2016
Investment properties and properties held for sale	2 443 891	2 511 658
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 118 561	- 66 327
Properties held for sale	- 2 094	-
Properties available for lease	2 323 237	2 445 330
To include:		
Allowance for estimated purchasers' cost	58 902	61 997
Investment value of properties available for lease (B)	2 382 139	2 507 327
Annualised cash passing rental income	142 865	148 028
To exclude:		
Property charges ^(a)	- 3 855	- 6 402
Annualised net rents (A)	139 010	141 626
To include:		
- Notional rent expiration of rent free periods or other lease incentives	4 493	1 764
- Future rent on signed contracts	733	2 410
Topped-up annualised net rents (C)	144 236	145 801
(in %)		
EPRA Net Initial Yield (A/B)	5.84%	5.65%
EPRA Topped-up Net Initial Yield (C/B)	6.05%	5.81%

^(a) The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

EPRA VACANCY RATE

(in € thousand)	31.03.2017	31.12.2016
Estimated rental value (ERV) on vacant space (A)	7 413	8 372
Estimated rental value (ERV) (B)	141 387	146 673
EPRA vacancy rate of properties available for lease (A)/(B)	5.24%	5.71%

EPRA LIKE-FOR-LIKE RENTAL GROWTH¹⁶

Segment	31.03.2017						31.03.2016						Evolution	
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ^(a)	Total net rental income ^(b)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ^(a)	Total net rental income ^(b)	Properties owned throughout 2 consecutive years	Evolution
Brussels CBD and similar	19 069	1 735	-	-	- 5	20 799	17 851	0	18	- 105	17 746	315	6.82%	
Brussels decentralised	509					509	297				315		71.47%	
Brussels periphery	1 611					1 611	1 661				1 661		-3.02%	
Wallonia	2 374		- 13		- 1	2 359	2 301	- 38			2 322		3.14%	
Flanders	7 126			14	- 6	7 133	7 253		23	34	7 310		-1.75%	
Luxembourg city	1 189					1 189	909				909		30.78%	
Total	31 877	1 735	- 13	14	- 13	33 601	30 273	0	- 20	- 13	30 263		5.30%	
Reconciliation to the consolidated IFRS income statement														
Net rental income related to:														
- Properties booked as financial leases (IAS 17)													- 3	
- Non-recurring element: restitution of reserve funds													1 462	
Other property charges													- 1 711	
Property operating result in the consolidated IFRS income statement													33 349	
													- 1 627	
													28 635	

^(a) These are properties that are being constructed or developed for own account in order to be leased.

^(b) The total "Net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Property operating result" of the consolidated IFRS accounts.

¹⁶ This is an Alternative Performance Measure.

9. APPENDIX 3

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (IN € THOUSAND)

	31.03.17	31.03.16
I. (+) Rental income	36 575	34 234
III. (+/-) Charges linked to letting	- 109	- 121
NET RENTAL RESULT	36 465	34 113
IV. (+) Recovery of property charges	1 392	1 259
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	23 664	23 125
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-23 812	-23 566
VIII. (+/-) Other revenue and charges for letting	1 465	109
PROPERTY RESULT	39 175	35 040
IX. (-) Technical costs	-1 999	-1 702
X. (-) Commercial costs	- 39	- 136
XI. (-) Charges and taxes on unlet properties	-1 890	-2 422
XII. (-) Property management costs	- 734	- 632
XIII. (-) Other property charges	-1 163	-1 512
(+/-) Property charges	-5 826	-6 405
PROPERTY OPERATING RESULT	33 349	28 635
XIV. (-) Corporate overheads	-3 013	-2 064
XV. (+/-) Other operating income and charges	- 445	- 79
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	29 891	26 492
XVI. (+/-) Gains and losses on disposals of investment properties	21 704	-
XVIII. (+/-) Changes in fair value of investment properties	3 053	-7 897
OPERATING RESULT	54 649	18 595
XX. (+) Financial income	105	389
XXI. (-) Net interest charges	-5 094	-5 189
XXII. (-) Other financial charges	- 654	- 756
XXIII. (+/-) Changes in fair value of financial assets and liabilities	3 743	-19 841
(+/-) Financial result	-1 899	-25 396
PRE-TAX RESULT	52 749	-6 801
XXV. (-) Corporation tax	- 321	- 290
(+/-) Taxes	- 321	- 290
NET RESULT	52 428	-7 091
BASIC NET RESULT AND DILUTED (in € per share)	2.05	-0.31
Other comprehensive income - actuarial gains and losses	-	-
- pension liabilities	-	-
TOTAL COMPREHENSIVE INCOME	52 428	-7 091

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN € THOUSAND)

ASSETS	31.03.17	31.12.16
I. Non-current assets	2 499 616	2 573 948
A. Goodwill	14 367	14 494
C. Investment properties	2 441 798	2 511 658
D. Other property, plant and equipment	2 413	2 465
E. Non-current financial assets	39 508	43 801
F. Finance lease receivables	1 530	1 530
II. Current assets	85 606	39 104
A. Properties held for sale	2 094	-
B. Current financial assets	3 991	2 911
C. Finance lease receivables	67	133
D. Trade receivables	37 860	19 995
E. Tax receivables and other current assets	2 245	11 568
F. Cash and cash equivalents	32 576	153
G. Deferred charges and accrued income	6 773	4 344
TOTAL ASSETS	2 585 223	2 613 052
SHAREHOLDERS' EQUITY AND LIABILITIES	31.03.17	31.12.16
TOTAL SHAREHOLDERS' EQUITY	1 453 777	1 401 349
I. Equity attributable to shareholders of the parent company	1 453 777	1 401 349
A. Capital	357 871	357 871
B. Share premium account	792 641	792 641
C. Reserves	250 837	219 134
D. Net result for the fiscal year	52 428	31 702
LIABILITIES	1 131 445	1 211 703
I. Non-current liabilities	480 431	564 325
A. Provisions	2 094	257
B. Non-current financial debts	458 430	538 747
a. Credit institution	164 255	242 093
c. Other	294 175	296 654
<i>EU Private Placement</i>	<i>111 100</i>	<i>111 092</i>
<i>US Private Placement</i>	<i>180 594</i>	<i>183 206</i>
<i>Guarantees received</i>	<i>2 481</i>	<i>2 356</i>
C. Other non-current financial liabilities	19 907	25 321
II. Current liabilities	651 014	647 378
A. Provisions	4 843	3 831
B. Current financial debts	531 620	559 239
a. Credit institution	9 625	72 261
c. Other	521 995	486 978
<i>Retail bond issues</i>	<i>161 995</i>	<i>161 978</i>
<i>Commercial papers^(a)</i>	<i>360 000</i>	<i>325 000</i>
C. Other current financial liabilities	1 293	15
D. Trade debts and other current debts	53 036	44 774
E. Other current liabilities	2 146	5 588
F. Accrued charges and deferred income	58 076	33 932
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 585 223	2 613 052

^(a) According to IAS 1 the commercial paper needs to be recorded as a current liability. It is important to note that the Company has confirmed bank lines in excess of one year as a back-up for the commercial paper.