



PRESS RELEASE

- REGULATED INFORMATION ▪ EMBARGO | 26 OCTOBER 2017 | 5.40 PM -

Interim statement as at 30 September 2017

➔ EPRA earnings in line with the outlook ←

- A new multifunctional space: the "future ex-WTC I & II"
 - Strategic partnership with Silversquare
 - Stable fair value of the portfolio
 - EPRA earnings of €2.85 per share
 - Net result of €4.56 per share
 - Net asset value of €58.45 per share
 - Interim dividend of €2.59 gross per share, payable in December
-

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The Board of Directors of Befimmo SA met on 25 October 2017 to close the annual financial statements as at 30 September 2017.

1. KEY EVENTS OF THE THIRD QUARTER

In September 2017 Befimmo announced a number of initiatives that reflect its desire to anticipate the rapid and far-reaching changes in its market. It is expanding its mission and vision of tomorrow's workspaces, and of how to design and use them. For more information, please refer to the press release "[Open minds, open spaces](#)" of 18 September, the press release "[Befimmo and Silversquare join forces to rethink office property](#)" of 19 September, as well as the presentations "[Open minds, open spaces](#)" and "[Press conference Silversquare @Befimmo](#)". These documents are available on the Befimmo website.

2. PROPERTY PORTFOLIO¹ AS AT 30 SEPTEMBER 2017

KEY FIGURES OF THE PROPERTY PORTFOLIO

	30.09.2017	30.06.2017	31.12.2016 ^(a) Restated	31.12.2016 ^(b)
Fair value of portfolio (in € million)	2 486.1	2 477.1	not restated	2 511.7
Gross initial yield on properties available for lease	6.08%	6.13%	5.95%	6.07%
Gross potential yield on properties available for lease	6.46%	6.49%	6.41%	6.40%
Spot occupancy rate of properties available for lease	93.86%	93.94%	92.22%	94.79%
Weighted average duration of current leases up to next break	7.42 years ^(c)	7.67 years ^(c)	8.10 years ^(c)	8.07 years
Weighted average duration of current leases up to final expiry	7.95 years	8.22 years	8.61 years	8.67 years
Reversion rate of properties available for lease	-9.84% ^(d)	-9.98% ^(d)	-9.53% ^(d)	-9.50%
EPRA Vacancy Rate ^(e)	5.37%	5.20%	not restated	5.71%
EPRA Net Initial Yield (NIY)	5.78%	5.83%	not restated	5.65%
EPRA Topped-up NIY	5.98%	6.04%	not restated	5.81%

^(a) Figures restated on the basis of the new definitions of the real-estate indicators mentioned on page 18 of the Half-Yearly Financial Report 2017.

^(b) Figures as published in the Annual Financial Report 2016.

^(c) Excluding the Noord Building and the WTC II buildings, the weighted average duration of leases up to next break would be 9.21 years as at 31 December 2016, 8.86 years as at 30 June 2017 and 8.59 years as at 30 September 2017.

^(d) Excluding the Noord Building and the WTC II buildings, the reversion would be -4.99% as at 31 December 2016, -5.03% as at 30 June 2017 and -4.93% as at 30 September 2017.

^(e) Corresponding to the availability rate of properties available for lease.

¹ As a reminder, Befimmo conducted, in the course of the first half of the fiscal year, an in-depth analysis of the methods for calculating its main indicators, assisted in this exercise by the consultant PwC. This analysis brought Befimmo to make changes to the definitions of its real-estate indicators. Befimmo calculates its indicators on the basis of these adapted definitions set out on page 18 of the Half-Yearly Financial Report 2017 and presents in this press release its real-estate indicators as at 30 September 2017, in relation to 30 June 2017 and 31 December 2016, as published and restated on the basis of the new definitions.

RENOVATION AND CONSTRUCTION PROJECTS

Over the first three quarters of the fiscal year, Befimmo invested €32.4 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 19 to 21 of the Half-Yearly Financial Report 2017, available on the Befimmo website (www.befimmo.be).

Building	Location	Type	BREEAM certification	Rental situation	Scheduled completion	Total investment
						Committed
Brederode Corner 6,500 m ²	Brussels CBD Centre	Renovation	Design "Excellent" aimed	Ongoing commercialisation	Q3 2019	€14 million
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	€14 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	2020	€150 million
						Potentially to be committed
Paradis Express 35,000 m ²	Liège Wallonia	Construction	Design "Excellent" aimed	-	2020	€50 million ^(b)
"Futur ex-WTC I & II" 100,000 m ²	Brussels CBD North Area	Demolition - construction	To be confirmed	-	To be confirmed	€300 million
WTC IV 53,500 m ²	Brussels CBD North Area	According to commercialisation	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).

CHANGE IN FAIR VALUES² OF THE PROPERTY PORTFOLIO

Offices	Change over the quarter ^(a) (in %)	Proportion of portfolio ^(b) (30.09.2017) (in %)	Fair value (30.09.2017) (in € million)	Fair value (30.06.2017) (in € million)	Fair value (31.12.2016) (in € million)
Brussels CBD and similar ^(c)	0.39%	53.1%	1 319.3	1 289.8	1 423.0
Brussels decentralised	-1.38%	3.5%	87.7	88.5	88.4
Brussels periphery	-0.65%	5.8%	144.2	143.6	147.0
Flanders	-0.35%	19.7%	488.8	490.5	493.4
Wallonia	-0.31%	7.9%	196.2	196.8	194.2
Luxembourg city	5.58%	4.4%	108.5	102.7	99.3
<i>Properties available for lease</i>	<i>0.27%</i>	<i>94.3%</i>	<i>2 344.8</i>	<i>2 311.9</i>	<i>2 445.3</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>-4.33%</i>	<i>5.7%</i>	<i>141.4</i>	<i>165.2</i>	<i>66.3</i>
Investment properties	0.00%	100.0%	2 486.1	2 477.1	2 511.7
Total	0.00%	100.0%	2 486.1	2 477.1	2 511.7

^(a) The change over the quarter is the change in fair value between 1 July 2017 and 30 September 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 30 September 2017.

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

As at 30 September 2017, the fair value of Befimmo's consolidated portfolio was €2,486.1 million, as against €2,477.1 million as at 30 June 2017 and €2,511.7 million as at 31 December 2016.

This change in value, over the first three quarters of the fiscal year, incorporates:

- ◆ The disinvestments carried out:
 - the granting of a 99-year leasehold on the Brederode complex; and
 - the sale of the Liège – Digneffe and Ninove buildings at a value in line with their fair value;
- ◆ the investments carried out.

Excluding the amount of the investments and the disinvestments, the change in value of the portfolio remains stable over this third quarter of the fiscal year.

² 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.

SPOT OCCUPANCY RATE³, WEIGHTED AVERAGE DURATION OF LEASES AND SIGNED LEASE AGREEMENTS

The spot occupancy rate of properties available for lease was 93.86% as at 30 September 2017, as compared with 93.94% at 30 June 2017 and 92.22% at 31 December 2016⁴.

The weighted average duration of current leases until their next break⁵ was 7.42 years as at 30 September 2017, as against 7.67 years as at 30 June 2017 and 8.10 years as at 31 December 2016⁴. The weighted average duration of current leases until their final expiry date was 7.95 years as at 30 September 2017.

Note that Befimmo calculates the weighted average duration of current leases only on the basis of properties available for lease; the leases of buildings at the project stage, which will take effect only on completion of the works, as is the case in particular for the Quatuor project let to Beobank for 15 years and the Eupen project let to the Buildings Agency for 25 years, are therefore not included in the calculation of this ratio.

Since the start of the fiscal year, Befimmo signed new leases and lease renewals for space measuring some 58,091 m², as against 29,427 m² signed during the first three quarters of the 2016 fiscal year. This space includes the agreement signed with Beobank (22,000 m²) and the acquisition of the development contract for works in Eupen (7,200 m²).

OVERALL RENTAL YIELD

	Properties available for lease				Investment properties ^(a)			
	30.09.2017	30.06.2017	31.12.2016 Restated ^(b)	31.12.2016 ^(c)	30.09.2017	30.06.2017	31.12.2016 Restated ^(b)	31.12.2016 ^(c)
Gross initial yield^(d)	6.08%	6.13%	5.95%	6.07%	5.76%	5.74%	5.79%	5.89%
Gross potential yield^(e)	6.46%	6.49%	6.41%	6.40%				

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

^(b) Figures restated on the basis of the new definitions of the real-estate indicators described on page 18 of the Half-Yearly Financial Report 2017.

^(c) Figures as published in the Annual Financial Report 2016.

^(d) Gross current yield on properties available for lease: the ratio between the gross current rent from lease agreements and the "deed-in-hands" value of properties available for lease.

^(e) Gross potential yield on properties available for lease: the ratio between the potential rent and the "deed-in-hands" value of properties available for lease.

³ Spot occupancy rate of properties available for lease: the ratio between the estimated rental value of space occupied at the closing date and the total estimated rental value of properties available for lease.

⁴ Restated on the basis of the new definitions.

⁵ Excluding the Noord Building and WTC II, the weighted average duration of leases until their next break was 9.21 years as at 31 December 2016, 8.86 years as at 30 June 2017 and 8.59 years as at 30 September 2017.

3. FINANCIAL REPORT AS AT 30 SEPTEMBER 2017

FINANCIAL KEY FIGURES

	30.09.2017	30.06.2017	31.12.2016
Shareholders' equity (in € million)	1 495.15	1 472.97	1 401.35
Net asset value (in € per share)	58.45	57.58	54.78
EPRA NAV ^(a) (in € per share)	58.88	57.95	55.49
EPRA NNAV ^(a) (in € per share)	58.17	57.30	54.30
Average (annualized) financing cost ^(b) (in %)	2.10 ^(c)	2.13 ^(d)	2.26%
Weighted average duration of debts (in years)	5.02	4.97	3.66
Debt ratio according to the Royal Decree (in %)	39.70%	41.01%	44.65%
Loan-to-value ^(e) (in %)	37.48%	39.02%	42.33%

	30.09.2017 (9 months)	30.09.2016 (9 months)
Number of shares issued	25 579 214	25 579 214
Average number of shares during the period	25 579 214	23 058 635
Net result (in € per share)	4.56	1.29
EPRA earnings ^(f) (in € per share)	2.85	2.87
Return on shareholders' equity ^(g) (in €)	4.72	1.85
Return on shareholders' equity ^(g) (in %)	8.69%	3.39%

^(a) This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

^(b) Including margin and hedging costs. This is an Alternative Performance Measure. For more information, please consult Appendix 1 to this press release.

^(c) Calculated over a 9-month period.

^(d) Calculated over a 6-month period.

^(e) 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.

^(f) This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

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

NET ASSET VALUE⁶

As at 30 September 2017, Befimmo's total net asset value amounts to €1,495.2 million.

The net asset value is therefore €58.45 per share as at 30 September 2017, as against €57.58 per share as at 30 June 2017 and €54.78 per share as at 31 December 2016.

⁶ 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.

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
Final dividend of the 2016 fiscal year (distributed in May 2017)	- 23.02		
Result of the period	116.65		
Other elements of comprehensive income - actuarial gains and losses on pension obligations	0.17		
Net asset value as at 30 September 2017	1 495.15	58.45	25 579 214
	30.09.2017	31.12.2016	
EPRA NAV (in € per share)	58.88	55.49	
EPRA NNAV in (€ per share)	58.17	54.30	

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

TREND OF RESULTS⁷

(in € thousand)	30.09.2017	30.09.2016
Net rental result	107 004	102 257
<i>Net rental result excluding spreading</i>	105 787	101 719
<i>Spreading of gratuities/concessions</i>	1 216	538
Net property charges ^(a)	-8 227	-10 842
Property operating result	98 777	91 416
Corporate overheads	-8 559	-7 091
Other operating income & charges ^(a)	-1 208	- 539
Operating result before result on portfolio	89 010	83 786
Operating margin^(a)	83.2%	81.9%
Gains or losses on disposals of investment properties	22 058	1 146
Net property result^(a)	111 067	84 932
Financial result (excl. changes in fair value of financial assets and liabilities) ^(a)	-15 157	-16 638
Corporate taxes	- 911	- 904
Net result before changes in fair value of investment properties and financial assets and liabilities^(a)	94 999	67 390
Changes in fair value of investment properties	17 120	-4 559
Changes in fair value of financial assets and liabilities	4 531	-33 026
Changes in fair value of investment properties & financial assets and liabilities	21 652	-37 585
Net result	116 650	29 805
EPRA earnings	72 941	66 244
Net result (in € per share)	4.56	1.29
EPRA earnings (in € per share)	2.85	2.87

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

⁷ 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 year-on-year increase in **Net rental result** of 4.6% is largely due to the contribution of the Gateway building (lease commenced in December 2016). However, the rise is mitigated due to the granting of a 99-year leasehold on the Brederode complex. Irrespective of this impact, the "Like-for-Like" net rental result⁸ is up 1.51% on the same period of the previous year.

Net property charges were down from €10.8 million to €8.2 million. This change is mainly due, firstly, to a one-off impact in the first quarter of 2017 related to the restitution of a reserve fund and, secondly, to the reduction in rental charges and taxes on unlet property (following leases signed this year and last year, notably in the Schuman and Triomphe buildings).

Corporate overheads amounted to €8.6 million compared with €7.1 million at the same period last year. The change in overheads is explained mainly by a one-off effect in 2016 (tax refund).

The **Operating result before result on portfolio** is therefore up €5.2 million (+6.2%).

The **Gains or losses on disposals of investment properties** of €22.1 million is due mainly to the granting of a 99-year leasehold on the Brederode complex in March 2017.

The **Financial result** (excluding changes in the fair value of financial assets and liabilities) improved from -€16.6 million over the first three quarters of 2016 to -€15.2 million over the first three quarters of 2017. This improvement is explained by the fall in the Company's average fixed financing rate, as a result among other things of the refund of the retail bond of €162 million which matured in April 2017. The lower financial charges are also explained by a reduction in the average volume of debt of €93 million, following the capital increase carried out in September 2016 and the granting of a 99-year leasehold on the Brederode complex in March 2017. However, this change is partially offset by a reduction in financial income of €0.9 million corresponding to the remuneration paid, during the first 9 months of 2016, by the joint venture Codic Immobilier as advances for the construction of the Gateway building, handed over in December 2016.

As at 30 September 2017, the **Net result** was €116.7 million as against €29.8 million as at 30 September 2016. The change in fair value of the investment properties (excluding the amount of investments and disinvestments) amounted to €17.1 million, an increase of 0.69% over the first 9 months of the fiscal year. The change in fair value of the financial assets and liabilities was €4.5 million, reflecting the rise in medium- and long-term interest rates over the period, as against -€33.0 million one year earlier.

EPRA earnings were €72.9 million at 30 September 2017, up 10.1% in relation to €66.2 million at 30 September 2016. **EPRA earnings** per share of €2.85 is therefore slightly down year-on-year, following the increase in the number of shares resulting from the capital increase of September 2016.

The **Net result per share** is €4.56.

⁸ This is an Alternative Performance Measure. For more information, please consult Appendix 1 of this press release.

FINANCIAL STRUCTURE AND HEDGING POLICY

During the quarter, Befimmo renegotiated and extended a bank line for a total amount of €130 million with a maturity of 5 years and 5 months.

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.

As at 30 September 2017, Befimmo's financial structure had the following main characteristics:

- ◆ confirmed credit facilities for a total sum of €1,264.25 million, €951.8 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 and its commitments;
- ◆ a debt ratio of 39.70%⁹ (compared with 44.65% as at 31 December 2016);
- ◆ an LTV ratio of 37.48%¹⁰ (compared with 42.33% as at 31 December 2016);
- ◆ a weighted average duration of debts of 5.02 years (compared with 3.66 years as at 31 December 2016);
- ◆ an average financing cost (including hedging margin and costs) of 2.10% over the last 9 months;
- ◆ 82.4% of total debt at fixed rates (including IRS).

4. BEFIMMO SHARE

SHARE KEY FIGURES

	30.09.2017	30.06.2017	31.12.2016
Closing share price (in €)	53.37	52.06	53.36
Net asset value (in € per share)	58.45	57.58	54.78
Premium/Discount in relation to the net asset value	-8.69%	-9.59%	-2.59%
Return on share price ^(a)	0.94%	-3.36%	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.

⁹ The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

¹⁰ Loan-to-value ("LTV"): [(nominal financial debts – cash)/fair value of portfolio].

5. DIVIDEND FORECAST

All other things being equal, the Board of Directors confirms the dividend forecast of €3.45 gross per share for the current fiscal year. The Company confirms, after three quarters of the fiscal year, the distribution of an interim dividend which amounts to €2.59 gross per share, payable in December.

In April 2018, the agenda of the Ordinary Meeting of Shareholders at which the accounts for the 2017 fiscal year are to be approved will include a proposal, subject to the Meeting's approval, for a decision to pay out a final dividend (currently estimated at €0.86 gross per share) for the 2017 fiscal year.

For the future fiscal years that will see the almost simultaneous arrival of the Noord Building and Tower II of the WTC at the end of a first life cycle, Befimmo aims, without it being a commitment, to ensure the sustainability of the dividend policy. For more information, please consult the letter to the shareholders published in the Annual Financial Report 2016 and the press release of 18 September 2017.

Payment of the interim dividend of the 2017 fiscal year on presentation of coupon No 34	
- <i>Ex-date</i>	<i>Tuesday 19 December 2017</i>
- <i>Record date</i>	<i>Wednesday 20 December 2017</i>
- <i>Payment date</i>	<i>from Thursday 21 December 2017</i>
Publication of the annual results as at 31 December 2017	Thursday 8 February 2018 ^(a)
Online publication of the Annual Financial Report 2017	Friday 23 March 2018
Ordinary General Meeting of the fiscal year closing as at 31 December 2017	Tuesday 24 April 2018
Payment of the final ^(b) dividend of the 2017 fiscal year on presentation of coupon No 35	
- <i>Ex-date</i>	<i>Wednesday 2 May 2018</i>
- <i>Record date</i>	<i>Thursday 3 May 2018</i>
- <i>Payment date</i>	<i>from Friday 4 May 2018</i>

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

^(b) Subject to a decision of the Ordinary General Meeting.

Befimmo rewarded for its Annual Financial Report 2016

Befimmo received a Gold Award Financial Reporting and a Gold Award Sustainability Reporting for its Annual Financial Report 2016. These awards are presented each year by EPRA, the European Public Real-Estate Association.

Befimmo obtains the GRESB¹¹ GREEN STAR and the CDP¹² LEADERSHIP

In terms of non-financial reporting, Befimmo received the excellent score of 86/100 at the 2017 GRESB evaluation (Global Real Estate Sustainability Benchmark) and has thus received the “Green Star” medal for the fourth time.

Furthermore, Befimmo obtained the CDP (Carbon Disclosure Project) score A- and is now in the category “Leadership”.

Resolutely forward-looking, Befimmo offers responses appropriate to the needs of the world of work. In this context, it invests in major real-estate projects that meet quality criteria such as location, architecture, services and respect for the environment.

A human company, a corporate citizen, and responsible, Befimmo offers its occupants infrastructures that combine efficiency with a comfortable working environment. By creating added value for its users, Befimmo also creates value for its shareholders.

Befimmo, a regulated real-estate investment trust (B-REIT), listed on Euronext Brussels, is a real-estate operator specialising in quality office buildings, mostly located in Brussels, the main Belgian towns and cities and the Grand Duchy of Luxembourg. As at 30 September 2017, the fair value of its portfolio was assessed at €2,486.1 million.

Befimmo

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¹¹ www.gresb.com

¹² www.cdp.net

6. 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 cost	Annualised interest paid over the reporting period, 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.

RECONCILIATION TABLES OF THE "ALTERNATIVE PERFORMANCE MEASURES"

Average (annualised) financing cost

(in thousand €)	30-09-17	30-09-16
Interest paid	15 845	18 265
Annualised interest paid (A)	21 127	24 353
Average nominal financial debt (B)	1 006 843	1 100 104
Average (annualised) financing cost (A/B)	2.10%	2.21%

Loan-to-value

(in thousand €)	30-09-17	30-06-17
Nominal financial debts (A)	951 755	966 902
II. F. Cash and cash equivalents (B)	20 037	291
I. C. Investment properties (D)	2 486 140	2 447 103
II. A. Assets held for sale (E)	-	-
Fair value of portfolio at the closing date (C = D+E)	2 486 140	2 447 103
Loan-to-value (A-B)/C	37.48%	39.02%

Net rental result in "Like-for-Like"

(in thousand €)	30-09-17	30-09-16
Net rental result (A)	107 004	102 257
Net rental result linked to changes in perimeter (B)	6 322	2 384
Net rental result on properties not available for lease (C)	935	1 606
Net rental result in "Like-for-Like" (A-B-C)	99 746	98 267

Net result before changes in fair value of investment properties and financial assets and liabilities

(in thousand €)	30-09-17	30-09-16
Net result (A)	116 650	29 805
XVIII. Changes in fair value of investment properties (B)	17 120	-4 559
XXIII. Changes in fair value of financial assets and liabilities (C)	4 531	-33 026
Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)	94 999	67 390

Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs)

(in thousand €)	30-09-17	30-09-16
Financial result (A)	-10 626	-49 664
XXIII. Changes in fair value of financial assets and liabilities (B)	4 531	-33 026
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)	-15 157	-16 638

Net property result

(in thousand €)	30-09-17	30-09-16
Operating result before result on portfolio	89 010	83 786
XVI. Gains or losses on disposals of investment properties	22 058	1 146
Net property result	111 067	84 932

Operating margin

(in thousand €)	30-09-17	30-09-16
Operating result before result on portfolio (A)	89 010	83 786
Net rental result (B)	107 004	102 257
Operating margin (A/B)	83.2%	81.9%

Other operating income and charges (excluding goodwill impairment)

(in thousand €)	30-09-17	30-09-16
XV. Other operating income and charges (A)	-1 208	- 539
Goodwill impairment (B)	-	-
Other operating income and charges (excluding goodwill impairment) (A-B)	-1 208	- 539

Net property charges

(in thousand €)	30-09-17	30-09-16
IV. Recovery of property charges	4 255	4 267
V. Recovery of rental charges and taxes normally paid by tenants on let properties	27 940	28 275
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	-26 113	-27 297
VIII. Other revenue and charges for letting	1 588	201
IX. Technical costs	-7 153	-6 146
X. Commercial costs	- 634	-1 055
XI. Charges and taxes on unlet properties	-2 807	-3 342
XII. Property management costs	-2 228	-2 011
XIII. Other property charges	-3 073	-3 734
Net property charges	-8 227	-10 842

7. APPENDIX 2

TABLES OF THE EPRA INDICATORS¹³

EPRA earnings

(in € thousand)	30.09.2017	30.09.2016
Net result IFRS	116 650	29 805
Net result IFRS (in € per share)	4.56	1.29
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 17 120	4 559
II. Result on disposals of investment properties	- 22 058	- 1 146
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 4 531	33 026
EPRA earnings	72 941	66 244
EPRA earnings (in € per share)	2.85	2.87

EPRA Cost Ratio

(in € thousand)	30.09.2017	30.09.2016
Net administrative and operating expenses in the income statement	-17 210	-18 365
III. (+/-) Rental charges	- 432	- 432
Net property charges	-8 227	-10 842
XIV. (-) Corporate overheads	-8 559	-7 091
XV. (+/-) Other operating income and charges	-1 208	- 539
Exclude:		
i. Impact of the spreading of gratuities	1 216	538
EPRA costs (including direct vacancy costs) (A)	-17 210	-18 365
XI. (-) Charges and taxes on unlet properties	2 807	3 342
EPRA costs (excluding direct vacancy costs) (B)	-14 403	-15 023
I. (+) Rental income	107 436	102 689
Gross rental income (C)	107 436	102 689
EPRA Cost Ratio (including direct vacancy costs) ^(a) (A/C)	16.02%	17.88%
EPRA Cost Ratio (excluding direct vacancy costs) ^(a) (B/C)	13.41%	14.63%

^(a) This is an Alternative Performance Measure.

¹³ The definitions of the EPRA indicators are published on page 57 of the Annual Financial Report 2016. Source: EPRA Best Practices (www.epra.com).

EPRA NAV & NNAV

(in € thousand)	30.09.2017	30.06.2017
Net asset value	1 495 149	1 472 967
Net asset value (in € per share)	58.45	57.58
To include:		
II. Revaluation at fair value of finance lease credit	133	154
To exclude:		
IV. Fair value of financial instruments	10 760	9 193
EPRA NAV	1 506 042	1 482 315
EPRA NAV (in € per share)	58.88	57.95
To include:		
I. Fair value of financial instruments	- 10 760	- 9 193
II. Revaluations at fair value of fixed-rate loans	- 7 249	- 7 366
EPRA NNAV	1 488 033	1 465 755
EPRA NNAV (in € per share)	58.17	57.30

EPRA Net Initial Yield (NIY) & Topped-up (NIY)

(in € thousand)	30.09.2017	30.06.2017
Investment properties and properties held for sale	2 486 140	2 477 103
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 141 382	- 165 202
Properties held for sale	-	-
Properties available for lease	2 344 758	2 311 901
To include:		
Allowance for estimated purchasers' cost	59 361	58 563
Investment value of properties available for lease (B)	2 404 119	2 370 464
Annualised cash passing rental income	143 428	141 678
To exclude:		
Property charges ^(a)	- 4 396	- 3 401
Annualised net rents (A)	139 032	138 277
To include:		
- Notional rent expiration of rent free periods or other lease incentives	2 804	3 680
- Future rent on signed contracts	1 836	1 228
Topped-up annualised net rents (C)	143 672	143 185
(in %)		
EPRA Net Initial Yield (A/B)	5.78%	5.83%
EPRA Topped-up Net Initial Yield (C/B)	5.98%	6.04%

^(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)	30.09.2017	30.06.2017
Estimated rental value (ERV) on vacant space (A)	7 584	7 268
Estimated rental value (ERV) (B)	141 309	139 812
EPRA vacancy rate of properties available for lease (A)/(B)	5.37%	5.20%

EPRA Like-for-Like Rental Growth¹⁴

Segment (in € thousand)	30.09.2017					30.09.2016					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)
Brussels CBD and similar	56 412	5 187	654		965	63 217	54 333	0	1 969		1 308	57 610	3,83%
Brussels decentralised	2 375					2 375	2 221		129			2 350	6,95%
Brussels periphery	4 999					4 999	5 497					5 497	-9,04%
Wallonia	7 083		10		11	7 104	6 889		- 33		177	7 033	2,81%
Flanders	21 191		32		- 11	21 213	21 375		48		23	21 445	-0,86%
Luxembourg city	3 253					3 253	2 531					2 531	28,52%
Total	95 314	5 187	696	-	965	102 161	92 845	0	2 113	-	1 508	96 466	2,66%
Reconciliation to the consolidated IFRS income statement													
Net rental income related to:													
- Properties booked as financial leases (IAS 17)						- 8						- 2	
- Non-recurring element: restitution of reserve funds						1 489						-	
Other property charges						- 4 865						- 5 049	
Property operating result in the consolidated IFRS income statement						98 777						91 416	

^(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.

¹⁴ This is an Alternative Performance Measure.

8. APPENDIX 3

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (IN € THOUSAND)

	30.09.17	30.09.16
I. (+) Rental income	107 436	102 689
III. (+/-) Charges linked to letting	- 432	- 432
NET RENTAL RESULT	107 004	102 257
IV. (+) Recovery of property charges	4 255	4 267
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	27 940	28 275
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-26 113	-27 297
VIII. (+/-) Other revenue and charges for letting	1 588	201
PROPERTY RESULT	114 673	107 703
IX. (-) Technical costs	-7 153	-6 146
X. (-) Commercial costs	- 634	-1 055
XI. (-) Charges and taxes on unlet properties	-2 807	-3 342
XII. (-) Property management costs	-2 228	-2 011
XIII. (-) Other property charges	-3 073	-3 734
(+/-) Property charges	-15 895	-16 287
PROPERTY OPERATING RESULT	98 777	91 416
XIV. (-) Corporate overheads	-8 559	-7 091
XV. (+/-) Other operating income and charges	-1 208	- 539
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	89 010	83 786
XVI. (+/-) Gains and losses on disposals of investment properties	22 058	1 146
XVIII. (+/-) Changes in fair value of investment properties	17 120	-4 559
OPERATING RESULT	128 188	80 373
XX. (+) Financial income	404	1 242
XXI. (-) Net interest charges	-13 466	-15 678
XXII. (-) Other financial charges	-2 096	-2 202
XXIII. (+/-) Changes in fair value of financial assets and liabilities	4 531	-33 026
(+/-) Financial result	-10 626	-49 664
PRE-TAX RESULT	117 562	30 709
XXV. (-) Corporation tax	- 911	- 904
(+/-) Taxes	- 911	- 904
NET RESULT	116 650	29 805
BASIC NET RESULT AND DILUTED (in € per share)	4.56	1.29
Other comprehensive income - actuarial gains and losses - pension liabilities	171	-2 004
TOTAL COMPREHENSIVE INCOME	116 821	27 801

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN € THOUSAND)

ASSETS	30.09.17	31.12.16
I. Non-current assets	2 529 313	2 573 948
A. Goodwill	14 281	14 494
C. Investment properties	2 486 140	2 511 658
D. Other property, plant and equipment	2 319	2 465
E. Non-current financial assets	24 698	43 801
F. Finance lease receivables	1 874	1 530
II. Current assets	57 314	39 104
A. Properties held for sale	-	-
B. Current financial assets	2 759	2 911
C. Finance lease receivables	136	133
D. Trade receivables	29 010	19 995
E. Tax receivables and other current assets	1 740	11 568
F. Cash and cash equivalents	20 037	153
G. Deferred charges and accrued income	3 631	4 344
TOTAL ASSETS	2 586 627	2 613 052
SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.17	31.12.16
TOTAL SHAREHOLDERS' EQUITY	1 495 149	1 401 349
I. Equity attributable to shareholders of the parent company	1 495 149	1 401 349
A. Capital	357 871	357 871
B. Share premium account	792 641	792 641
C. Reserves	227 986	219 134
D. Net result for the fiscal year	116 650	31 702
LIABILITIES	1 091 478	1 211 703
I. Non-current liabilities	515 000	564 325
A. Provisions	4 051	257
B. Non-current financial debts	493 296	538 747
a. Credit institution	159 377	242 093
c. Other	333 919	296 654
<i>EU Private Placement</i>	<i>165 954</i>	<i>111 092</i>
<i>US Private Placement</i>	<i>165 065</i>	<i>183 206</i>
<i>Guarantees received</i>	<i>2 900</i>	<i>2 356</i>
C. Other non-current financial liabilities	17 654	25 321
II. Current liabilities	576 478	647 378
A. Provisions	4 826	3 831
B. Current financial debts	475 318	559 239
a. Credit institution	12 818	72 261
c. Other	462 500	486 978
<i>Retail bond issues</i>	<i>-</i>	<i>161 978</i>
<i>Commercial papers^(a)</i>	<i>447 500</i>	<i>325 000</i>
C. Other current financial liabilities	459	15
D. Trade debts and other current debts	47 192	44 774
E. Other current liabilities	2 034	5 588
F. Accrued charges and deferred income	46 650	33 932
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 586 627	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 1 year as a back-up for the commercial paper.