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## Offering of 2,557,921 new shares

Capital increase in cash for a maximum amount of €127 million with priority allocation right at a price of €49.75 per new share in the ratio of 1 new share for 9 priority allocation rights

- **Amount of the offering**  
Capital increase for a maximum amount of €127 million within the framework of the authorised capital
- **Use of proceeds**  
With the offering Befimmo intends to raise new financial means to pursue its investment strategy in its core market of quality office buildings located in Belgium and the Grand Duchy of Luxemburg, while maintaining a solid balance sheet in line with the Company's financial strategy (characterised by a target LTV ratio of around 50%).
- **Issue price**  
€49.75 per new share (representing a discount to the theoretical ex-right price (TERP) of 9.2%, taking into account the detachment of coupon n°32, i.e., the coupon representing the right to a dividend *pro rata temporis* as from 1 January 2016 until the day before the closing date)
- **Ratio**  
1 new share for 9 priority allocation rights represented by Coupon n°31
- **Subscription period**  
From Thursday 15 September 2016 until Thursday 22 September 2016 (included)
- **Priority allocation rights**  
The priority allocation rights will be represented by coupon n°31, which will be detached from the underlying share on 14 September 2016 after closing of Euronext Brussels, and will be tradable on Euronext Brussels (ISIN BE0970151545) during the subscription period
- **Scripts private placement**  
23 September 2016
- **Dividend**  
The new shares will be entitled to the dividend for the 2016 financial year calculated *pro rata temporis* as from the closing date until 31 December 2016
- **Coupons**
  - Detachment of coupon n°31 (representing the priority allocation right) after closing of Euronext Brussels on 14 September 2016
  - Detachment of coupon n°32 (representing the right to a dividend for the 2016 financial year, *pro rata temporis* as from 1 January 2016 until the day before the closing date) after closing of Euronext Brussels on 14 September 2016
- **Listing and trading of the new shares on Euronext Brussels**  
27 September 2016
- **Global coordinators**  
ING Belgium SA/NV and Kempen & Co N.V.
- **Joint bookrunners**  
ING Belgium SA/NV, Kempen & Co N.V., Belfius Bank SA/NV, BNP Paribas Fortis SA/NV and KBC Securities SA/NV

## 1. Reasons for the offering and use of proceeds

With the offering Befimmo intends to raise new financial means to pursue its investment strategy in its core market of quality office buildings located in Belgium (mainly in Brussels and the other main Belgian cities) and the Grand Duchy of Luxemburg, while maintaining a solid balance sheet in line with the Company's financial strategy (characterised by a target LTV (Loan-To-Value) ratio of around 50%).

The net proceeds of the offering, provided it is fully subscribed for, are estimated to amount to €124 millions. These proceeds will mainly be used in the framework of the ongoing and future redevelopment, renovation and construction projects financed through equity combined with long-term debt, which will allow Befimmo to continue to create value for its shareholders while maintaining a well-balanced LTV ratio.

Befimmo intends to use part of the net proceeds in the framework of the redevelopment of the Noord building into the new **Quatuor building** (60,000 m<sup>2</sup>). The urban development and environmental permits were applied for on 23 September 2014 and are expected to be obtained by the beginning of 2017. Today, Befimmo is preparing this redevelopment project in order to be able to start the works early 2018 (after the end of the current lease in the Noord building, foreseen no later than early 2018). The works should last approximately 30 to 36 months. The Quatuor building will consist of four independent office towers enjoying a strategic location in the Brussels North area and forming a fine architectural unit. The project's total investment amount is estimated at approximately €150 million (of which, as at 30 June 2016, €1.1 million has been realised in total and €0.1 million committed). The redevelopment project could generate a gross initial yield on construction cost of more than 6.5%.

In addition, Befimmo intends to use part of the net proceeds of the offering to strengthen its balance sheet in the framework of its other committed ongoing acquisition, construction, redevelopment and renovation projects, which mainly include the following:

- The Gateway (34,000 m<sup>2</sup>) project (leasehold of 97 years) which was acquired by Befimmo early 2015 for a total amount of about €148.3 million (paid in tranches and of which, as at 30 June 2016, about €47.6 million still had to be invested). It embodies the comprehensive redevelopment of the old Brussels airport terminal and is fully pre-let to Deloitte for an 18-year period. The transaction will be finalised in the fourth quarter of 2016 as of when the lease will generate an annual current rent of €6.9 million.
- The Guimard building (5,400 m<sup>2</sup>) located in the heart of the Leopold district in Brussels which is undergoing a full renovation for an amount of €12.5 million (of which, as at 30 June 2016, about €10.1 million still had to be invested). The building will be ready to welcome new tenants as from the second quarter of 2017 and is currently being commercialised.

Part of the net proceeds of the offering could also be used in the framework of the following construction and redevelopment projects in case certain preconditions are met:

- The construction of a new passive<sup>1</sup> office tower in the North area of Brussels, the WTC IV (53,500 m<sup>2</sup>). The project's total investment size is estimated at approximately €140 million (of which, as at 30 June 2016, €16.2 million had been realised in total). The development project could generate a gross initial yield on construction cost of more than 6.5%.
- The Paradis Express project (35,000 m<sup>2</sup>) in Liège involves the construction of an eco-neighbourhood offering a mix of offices (20,000 m<sup>2</sup>), housing and local shops. The project's total investment size for the offices part is estimated at approximately €50 million (of which, as at 30 June 2016, €0.4 million had been realised in total and €0.1 million is committed). The

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<sup>1</sup> As per Brussels legislation applied in 2015.

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Company plans to sell the residential portion of the project to a specialised partner (subject to planning permission), while it will develop the office space according to commercialisation. The permit will be applied for after finalisation of the negotiations with a potential partner for the residential part, which are currently ongoing.

In order to keep its buildings attractive to tenants and to maintain a high occupancy rate, other renovation projects and energy investments are ongoing in line with the Company's corporate strategy.

For treasury management reasons, the net proceeds of the offering are initially intended to be used to partially repay amounts drawn under credit facilities which remain available until maturity to fund current and future construction, redevelopment, renovation and acquisition projects when required.

Based on a fully subscribed offering, Befimmo's LTV ratio, which amounted to 45.64% as at 30 June 2016, would decrease to an estimated 40.52%<sup>2</sup>.

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<sup>2</sup> Pro-forma calculation is based on the information available as at 30 June 2016, not taking into account any other element that could have an impact on Befimmo's total assets and debt position and hence on the LTV ratio.

## 2. Information on the offering

On 13 September 2016, Befimmo's Board of Directors decided to launch an offering for a maximum amount of €127 million by issuing a maximum number of 2,557,921 new shares at an issue price of €49.75 per new share. This capital increase in cash with priority allocation right was decided by the Board of Directors within the framework of the authorised capital.

Each holder of existing Befimmo shares will be granted one priority allocation right per share it holds on 14 September 2016 at the closing of Euronext Brussels. Holders of priority allocation rights may subscribe<sup>3</sup> for new shares at an issue price of €49.75 per share on the basis of a ratio of 1 new share for 9 priority allocation rights. The subscription period will start on Thursday 15 September 2016 and end on Thursday 22 September 2016 (included).

The issue price was determined by the board of directors on 13 September 2016 and is based, among other things, on the market price of the existing shares on Euronext Brussels after deduction of the right to a *pro rata temporis* dividend<sup>4</sup> as from 1 January 2016 until the day before the closing date, on which a discount was applied, as is customary for this type of transaction. The issue price represents a discount to the theoretical ex-right price (TERP) of 9.2%.

The priority allocation rights will be represented by coupon n°31, which will be detached from the underlying share on 14 September 2016 after closing of Euronext Brussels, and will be tradable on Euronext Brussels (ISIN BE0970151545) during the subscription period.

Subscription requests can be made free of charge at the branches of ING Belgium SA/NV, Belfius Bank SA/NV, BNP Paribas Fortis SA/NV and KBC Securities SA/NV or through the intervention of any other financial intermediary. Investors should make inquiries regarding any costs that these intermediaries are likely to charge them.

At the end of the subscription period, the unexercised priority allocation rights will automatically be converted into an equal number of scrips which will be offered<sup>5</sup> to qualified investors (outside the US) through a private placement by way of an accelerated bookbuilt offering that is expected to take place on Friday 23 September 2016. The net proceeds of the sale of scrips, if it exceeds the amount of €0.01 per scrip, will be paid to the holders of unexercised priority allocation rights. Purchasers of scrips in the private placement irrevocably undertake to subscribe for a number of new shares equal to the number of scrips purchased by them multiplied by the ratio at the issue price.

The results of the offering are expected to be announced on or around Friday 23 September 2016.

The issuance of the new shares, as well as the delivery and listing of such shares on Euronext Brussels, are expected to take place on Tuesday 27 September 2016.

ING Belgium SA/NV and Kempen & Co N.V. will be acting as global coordinators and ING Belgium SA/NV, Kempen & Co N.V., Belfius Bank SA/NV, BNP Paribas Fortis SA/NV and KBC Securities SA/NV will be acting as joint bookrunners in this transaction.

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<sup>3</sup> Subject to the terms and conditions set forth in the securities note.

<sup>4</sup> Please refer to section 3 of the securities note for more information on the dividend policy.

<sup>5</sup> As further described in the securities note.

### **3. Interest of natural and legal persons involved in the Offering**

Pursuant to article 37 of the law of 12 May 2014 on BE-REIT's, the Company is required to communicate to the FSMA, and to disclose to the public, when certain persons, mentioned in article 37, §1 of the law of 12 May 2014, act as a counterparty for, or obtain any financial advantage, as a result of any transaction made the Company.

In the context of this offering, Axa Belgium SA/NV has committed to exercise its priority allocation rights and to subscribe for the new shares up to the percentage of its participation in the share capital of the Company (i.e. 10.7%). AG Insurance SA/NV (and its affiliates) has indicated on 6 September 2016 that it has the intention to participate in the offering pro rata its participation in the share capital in the Company, provided that a number of criteria, relating among other things to market conditions and to the terms and conditions of the offering, are met. AG Insurance SA/NV (and its affiliates) currently holds 10.35% in the share capital of the Company. Mr. Benoît Godts (non-executive Director holding 998 existing shares of the Company) and Mr. Laurent Carlier (CFO holding 180 existing shares of the Company) have each informed the Company that they have the intention to participate in the Offering.

### **4. Dividend**

After analysis of the EPRA earnings forecasts, and all other things remaining equal, the Board of Directors confirms the 2016 dividend forecast of €3.45<sup>6</sup> gross per existing share.

To ensure full fungibility of the existing and the new shares, the new shares will be offered ex-coupon n°32, representing the right to a dividend for the 2016 financial year, *pro rata temporis* as from 1 January 2016 until the day before the closing date of the offering, and with coupon n°33 attached, representing the right to a dividend *pro rata temporis* as from the closing date until 31 December 2016. Coupons n°31 and n°32 will be detached on the day preceding the start of the subscription period (after market close).

The new shares will therefore be entitled to a dividend for the second part of the 2016 financial year, *pro rata temporis* as from the closing date (expected to be on or around 27 September 2016) until 31 December 2016.

On the basis of the 2016 dividend forecast, Befimmo estimates that the gross dividend represented by coupon n°32 will amount to €2.55<sup>7</sup> per existing share and that the final dividend will amount to €0.90 per share.

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<sup>6</sup> Subject to approval by the Ordinary General Meeting of Shareholders to be held on 25 April 2017.

<sup>7</sup> Such dividend may be paid as from December 2016 if the Board of Directors decides to grant an interim dividend, or as from 5 May 2017 if no such decision is made. The Company could also decide to propose this dividend, in line with the dividend distributed in the previous financial years, in the form of an optional dividend.

## 5. Expected timetable<sup>8</sup>

<b>Announcement of the offering before market opening of Euronext Brussels (press release on the Company's website)</b>	Wednesday 14 September 2016
<b>Detachment of coupon n°31 (representing the priority allocation right) after closing of Euronext Brussels</b>	Wednesday 14 September 2016
<b>Detachment of coupon n°32 (representing the right to a dividend for the current financial year, <i>pro rata temporis</i> as from 1 January 2016 until the day before the closing date) after closing of Euronext Brussels</b>	Wednesday 14 September 2016
<b>Publication of the prospectus on the Company's website before market opening of Euronext Brussels</b>	Thursday 15 September 2016
<b>Trading of the shares <i>ex-coupons</i> n°31 and 32</b>	Thursday 15 September 2016
<b>Listing and start trading of the priority allocation rights relating to the existing shares on Euronext Brussels</b>	Thursday 15 September 2016
<b>First day of the subscription period</b>	Thursday 15 September 2016
<b>End of listing and trading of the priority allocation rights on Euronext Brussels</b>	Thursday 22 September 2016
<b>Last day of the subscription period</b>	Thursday 22 September 2016
<b>Announcement of the results of the priority offering and of launch of the scrips private placement (with suspension of trading) (press release on the Company's website)</b>	Friday 23 September 2016
<b>Scrips private placement</b>	Friday 23 September 2016
<b>Announcement of the results of the offering, including the scrips private placement (press release on the Company's website)</b>	Friday 23 September 2016
<b>End of suspension of trading of the shares on Euronext Brussels</b>	Friday 23 September 2016
<b>Payment of the issue price by or on behalf of the subscribers</b>	Tuesday 27 September 2016
<b>Completion of the capital increase</b>	Tuesday 27 September 2016
<b>Delivery of the new shares to the subscribers</b>	Tuesday 27 September 2016
<b>Listing and trading of the new shares on Euronext Brussels</b>	Tuesday 27 September 2016
<b>Payment to holders of unexercised priority allocation rights</b>	As from Friday 30 September 2016

<sup>8</sup> Befimmo may amend the dates and times of the transaction. In such an event, Befimmo will contact Euronext Brussels and inform investors through a publication on its website ([www.befimmo.be](http://www.befimmo.be)). In addition, to the extent required by law, Befimmo will publish a supplement to the Prospectus including, but not limited to, in the event of a change to the dates of the subscription period.

## 6. Prospectus

On 13 September 2016, the Financial Services and Markets Authority (FSMA) approved the securities note and the summary related to the offering and to the admission to listing and trading of the new shares on Euronext Brussels.

The prospectus, which is composed of the securities note (and the documents incorporated by reference therein), the registration document<sup>9</sup> and the summary, will be made available to investors as from Thursday 15 September 2016 at no cost at Befimmo's registered offices, as well as at their temporary address (Avenue Arnaud Fraiteur 15/23, 1050 Brussels). The prospectus will also be made available to investors at no cost upon request from Kempen & Co N.V. (ECM@kempen.com), ING Belgium SA/NV (ing.be/equitytransactions), Belfius Bank NV/SA (www.belfius.be/befimmo), BNP Paribas Fortis (www.bnpparibasfortis.be/sparenenbeleggen and www.bnpparibasfortis.be/epargneretplacer) and KBC Securities SA/NV (www.kbc.be/corporateactions). Subject to certain restrictions, the prospectus is also available on Befimmo's website (<http://www.befimmo.be/en/2016-capital-increase>).

The registration document has been prepared and is available in French, Dutch and English. The securities note has been prepared and is only available in English. The summary has been prepared in English and has been translated into Dutch and French, and is therefore available in English, Dutch and French. In case of inconsistencies between the versions in different languages, the English version will prevail since it is the sole legally binding version.

An investment in the new shares induces risks. It is recommended that investors carefully read the prospectus and in particular the risk factors sections of the securities note and the registration document before deciding to subscribe for the new shares.

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<sup>9</sup> The Annual Financial Report 2015 was approved by the FSMA as registration document on 22 March 2016.



## **7. Disclaimer**

*This press release contains forward-looking information, forecasts and estimates prepared by the Company regarding the expected future performance of the Company and the market in which the Company operates. Some of these declarations, forecasts and estimates may be recognised by the use of the following words, though the list is not exhaustive: “believes”, “thinks”, “anticipates”, “expects”, “envisages”, “understands”, “intends”, “counts”, “aims”, “plans”, “seeks”, “estimates”, “should”, “may”, “will” and “continues”, and similar expressions or using verbs in the future tense. They all contain information which is not historical fact. These declarations, forecasts and estimates are based on various assumptions and assessments of the Company of known or unknown risks, uncertainties and other factors, which seemed reasonable when they were made, but which may or may not prove to be correct. Given these uncertainties, existing shareholders and potential investors should not give undue credence to these declarations, forecasts and estimates.*

*This document does not constitute an offer to purchase or sell or solicitation to purchase or subscribe for any securities, and no sale of the securities will be made in any jurisdiction where such offer, solicitation or sale would be unlawful prior to its registration or qualification under the laws of such jurisdiction. This document is an advertisement for the purposes of applicable measures implementing the Prospectus Directive. A prospectus (which is composed of the securities note (and the documents incorporated by reference therein), the registration document<sup>10</sup> and the summary) prepared pursuant to the Prospectus Directive has been approved by the Belgian Financial Services and Markets Authority on 13 September 2016 and is available for consultation on <http://www.befimmo.be/en/2016-capital-increase> and may be obtained free of charge from Befimmo at the registered offices of the Company, as well as at their temporary address (Avenue Arnaud Fraiteur 15/23, 1050 Brussels). The prospectus will also be made available to investors at no cost upon request from Kempen & Co (ECM@kempen.com), ING Belgium SA/NV ([ing.be/equitytransactions](http://ing.be/equitytransactions)), Belfius Bank NV/SA ([www.belfius.be/befimmo](http://www.belfius.be/befimmo)), BNP Paribas Fortis ([www.bnpparibasfortis.be/sparenenbeleggen](http://www.bnpparibasfortis.be/sparenenbeleggen) and [www.bnpparibasfortis.be/epargneretplacer](http://www.bnpparibasfortis.be/epargneretplacer)) and KBC Securities SA/NV ([www.kbc.be/corporateactions](http://www.kbc.be/corporateactions)). Investors are invited to consult section 1 of the prospectus which contains specific information about risk factors. The distribution of this document may be restricted by law or regulation in certain countries. Accordingly, persons who come into possession of this document should inform themselves and observe such restrictions. The securities referred to in this document will not be publicly offered, and no registration of any offering will be sought or obtained in any jurisdiction other than Belgium.*

*In any EEA Member State that has implemented the Prospectus Directive other than Belgium, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in any relevant Member State) and includes any relevant implementing measure in the relevant Member State.*

*These materials are not an offer for sale of securities in the United States. Securities may not be sold in the United States absent registration with the United States Securities and Exchange Commission or an exemption from registration under the U.S. Securities Act of 1933, as amended. Befimmo does not intend to register any part of the offering in the United States or to conduct a public offering of shares in the United States.*

*This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as “relevant persons”). The shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.*

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<sup>10</sup> The Annual Financial Report 2015 was approved by the FSMA as registration document on 22 March 2016.



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***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 m<sup>2</sup>.***

***As at 30 June 2016, the fair value of the portfolio was assessed at €2,426.7 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.***

**Further information:**

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