



# Befimmo

Partnership Limited by Shares

## Creating value in real estate

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### Intrinsic value of 63.00 EUR per share Stability of the value of the portfolio Limited impact of the decline of the suburbs

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#### Evolution of the value of the real estate portfolio

(in millions of EUR)	31/12/01	30/09/02	31/12/02
<b>Buildings (*)</b>	<b>1,045.3</b>	<b>1,064.8</b>	<b>1,063.2</b>
<b>Office</b>	<b>1,011.5</b>	<b>1,031.2</b>	<b>1,029.7</b>
- Brussels, Centre (CBC)	621.3	634.0	634.6
- Brussels, Decentralised	163.0	162.0	161.1
- Brussels, Periphery	211.5	219.0	217.8
- Others	15.7	16.2	16.2
<b>Semi-industrial</b>	<b>28.2</b>	<b>28.1</b>	<b>28.0</b>
<b>Commercial</b>	<b>5.6</b>	<b>5.5</b>	<b>5.5</b>
<b>Real estate certificates (**)</b>	<b>8.4</b>	<b>9.4</b>	<b>9.7</b>
<b>Total real estate portfolio (***)</b>	<b>1,053.7</b>	<b>1,074.2</b>	<b>1,072.9</b>

The perimeter of the real estate portfolio remains unchanged as compared to 30 September 2002.

The portfolio of buildings is made up of 40 buildings comprising a total rental space of 528,000 m<sup>2</sup>, including 476,000 m<sup>2</sup> of offices, 50,000 m<sup>2</sup> of semi-industrial space and 2,000 m<sup>2</sup> of commercial space.

The overall value of the real estate portfolio of Befimmo amounts to EUR 1,072.9 million as of 31 December 2002. It is essentially stable in comparison to 30 September 2002.

The Brussels Capital Region is Befimmo's principal market, with 96.8% of the value of the real estate portfolio. The balance of the portfolio is located in Antwerp, Mons and Charleroi.

In Brussels, Befimmo has a significant presence in the Central Business District (CBD: Brussels Center, «Espace Nord» and Léopold District), with 61.6% of its portfolio. This zone continues to benefit from sustained demand from the European institutions and Belgian administrative authorities. Given the dwindling supply, rents remain stable and vacancy rates are currently at a historic low level (less than 5%).

The stability of the value of the portfolio results from the fact that a significant proportion of it is located in the Central Business District, while the decentralized areas and the suburbs have experienced a new downturn (-0.58% and -0.54%, respectively). In these zones, the real estate market is experiencing a strong decline in rents and a vacancy rate that is approaching – or even in certain locations exceeding - 20%. Befimmo today is reaping the fruits of its investment's policy, which, from being highly concentrated in the suburbs and in the decentralized areas (78% in 1998), gradually realigned its portfolio toward the Central Business District as its growth operations proceeded.

The average occupation rate of the Befimmo portfolio remains high, at 95.2% as of 31 December 2002.

#### Net asset value

Befimmo's total unaudited net asset value (\*\*\*\*) amounts to EUR 617,050,371 as of 31 December 2002, up 1.9% compared with 30 September 2002.

The net asset value per share raises to EUR 63.00 on 31 December 2002, compared to EUR 61.83 as of 30 September 2002. As of 31 December 2001, the net asset value per share amounted to EUR 62.28. Taking into account the gross dividend of EUR 4.28 paid on 17 December 2002, the return per share was 8.0% over the last twelve months.

#### Outlook for the current fiscal year

The statutory Managing Agent estimates that assuming an unchanged economic landscape, the return for the current fiscal year will amount to 7% given current trends in the evolution of real estate values.

Befimmo confirms its forecast of offering a dividend of EUR 4.45 (EUR 3.78 net) per share, up by 4%.

#### Medium-term perspectives

Befimmo's policy of aiming to conclude long-term leases with major occupants enables it to present solid prospects with regard to the continuity of its long-term yield, and to limit the impact of the current economic landscape.

As in the past, Befimmo will continue to pursue a strategy of "well-considered" portfolio growth, based on buildings of quality, with the objective of creating value for its shareholders. With an investment capacity of about EUR 130 million, Befimmo is making sure that it can seize the opportunities that will enable it to meet its objectives of creating value.

(\*) Value based on the valuation report established on 14 January 2003 by Winsinger & Associates, integrating Healey & Baker, CB Richard Ellis and Deloitte&Touche-Catella-Codemer buildings valuations, in compliance with article 56 § 2 of the Royal Decree of 10 April 1995 on Sicafi (closed-end real estate investment companies).

(\*\*) Stock market price as of 31 December 2002.

(\*\*\*) Current rules oblige us to communicate both the sale value and the acquisition value of the portfolio; the latter is termed the "deed in hands" value and is the assessed value on the date of acquisition. It includes variable transaction costs that can total as much as 13%. These are the costs that an investor would have had to pay if he had made a direct real estate investment. Consequently, in the event of the sale of a portfolio at the assessed value, the net sale value for the Sicafi would be between EUR 950.6 million and EUR 1,072.9 million.

(\*\*\*\*) Audit of the accounts: interim results (31 March) are audited in April and annual results (30 September) are audited in October.

#### Additional information

Additional information, as well as annual reports can be obtained from the company's registered office:

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