

**EMBARGO:**  
25/8/2004,  
17h45



Partnership Limited by Shares

Creating value in real estate

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## Overall real estate value remains stable

### Book value: €65.57 per share

### Dividend forecast confirmed

#### Real estate portfolio and business trend

in € million	30/09/2003	30/06/2004
<b>Buildings</b>	<b>1,054.5</b>	<b>1,120.2</b>
<b>Offices</b>	<b>1,021.6</b>	<b>1,087.1</b>
- Brussels CBD	642.4	712.3
- Brussels non-city centre	156.4	151.4
- Brussels suburbs	206.5	207.3
- Other	16.3	16.2
<b>Semi-industrial</b>	<b>27.5</b>	<b>27.6</b>
<b>Commercial</b>	<b>5.4</b>	<b>5.5</b>
<b>Real estate certificates</b>	<b>10.1</b>	<b>3.6</b>
<b>Total real estate portfolio</b>	<b>1,064.6</b>	<b>1,123.8</b>

The value<sup>1</sup> of the real estate portfolio, more than 97% of which is invested in the Brussels region and the surrounding suburbs, stood at €1,123.8 million on 30 June 2004.

By way of comparison, the value figure was €1,064.6 million at the beginning of the period on 1 October 2003. The difference of €59.2 million is a result of investment (notably the acquisition of the Poelaert office building), renovation work on the portfolio (notably on the office building at Rond-Point Schuman 11), the partial transfer of a portfolio of real estate certificates and also a slight increase (0.10%) of €1.1 million in the value of the portfolio.

The stable value of the portfolio (on a comparable basis) can be explained by the significant weighting of the portfolio towards the central areas of Brussels (63%) where the 1.71% increase in real estate value compensates for the noticeable decrease in value in the decentralised areas and suburbs (down 3.46% and 2.53% respectively).

In the current economic climate, the rental market remains slack, especially in the decentralised areas and in the suburbs where the main clients have traditionally been multinational companies.

The occupancy rate on 30 June 2004 stood at 92.7%, down from 94.7%<sup>2</sup> at the beginning of the period. This decrease is primarily due to the restructuring of two multinational companies which, whilst deciding to remain a client, reduced the surface area they occupy in the decentralised area to 16,000 m<sup>2</sup> compared to a previous surface area of 23,000 m<sup>2</sup>.

#### Net asset value on 30 June 2004

Befimmo's net asset value (not audited<sup>3</sup>) stood at €642.2 million on 30 June 2004. The book value stood at €65.57 per share, up €4.18 compared to €61.39 at the end of the 2003 financial year, i.e. on 30 September 2004.

Taking account of the gross dividend of €4.45 distributed in December 2003, the return for the 12-month period ending on 30 June 2004 was 7.2%<sup>4</sup>.

The debt ratio of Sicafi stood at 42.7% on 30 June 2004, generating a debt-driven investment capacity of more than €100 million.

#### Current year: forecasts confirmed for cash flow, result and dividend

The quality of the portfolio and low interest rates allowed Befimmo to limit the impact of the current economic situation on the company's cash flow.

All things being equal, the net cash flow for the current financial year, which will end on 30 September 2004, should reach €5.24 per share, a slight 1.9% decrease on the forecast figure of €5.34 per share.

Net cash flow for the period would then stand at €5.14 per share after accounting for costs to set up a new syndicated loan.

At the current development rate in real estate values, by 30 September 2004 the net result<sup>5</sup> for the period will stand at €4.28 per share.

Given this scenario, the return for the period will be 7.9% (compared to 6.5% for the previous period).

This confirms the forecast distribution of a gross dividend of €4.62 per share (€3.93 net) in December 2004, an increase of 3.8%.

#### Conclusion of a new syndicated loan

In August 2004, with the aim of taking advantage of the historically low cost of credit facilities, Befimmo concluded a new syndicated loan of €350 million over a period of five years. This is intended to refinance part of the existing debt and to increase available back-up lines.

With regard to the risk of interest rate rises, Befimmo notes that it has hedged against interest rate rises through a combination of provisions that limit costs until the end of 2008.

<sup>1</sup> This investment value is derived from the valuation report drafted on 22 July 2004 by Winsinger & Associés, incorporating the values attributed to the buildings valued by Cushman & Wakefield Healey & Baker, CB Richard Ellis, and Catella Codemer in accordance with Article 56 § 2 of the Royal Decree of 10 April 1995 on SICAFIs and the stock market price on 30 June 2004 of the portfolio of real estate securities held by Befimmo.

Under current regulations we are required to divulge both the sale value and the acquisition value of the portfolio to be declared; the latter value is considered to be the "value with immediate occupancy". This includes variable transaction costs of up to 13%, which an investor would have had to pay in the event of a direct real estate investment. Consequently, assuming the sale of the portfolio based on the expert valuation, the net sale value for the SICAFI would be between €994.9 million and €1,123.8 million.

<sup>2</sup> The occupancy rate is calculated as being the ratio between the current rent and the same rent plus the estimated rental value of the unoccupied surface area. This rate does not include Nr 11 Schuman Roundabout (5,100 m<sup>2</sup>), a project in the process of marketing.

<sup>3</sup> Auditing of accounts: the interim accounts (31 March) are audited in April, and the annual accounts (30 September) are audited in October.

<sup>4</sup> This return, expressed as a percentage, is calculated as the ratio between the book value on 30 June 2004 (€65.57) plus the gross dividend on December 2003 (€4.45) and the book value on 30 June 2003 (€65.29) minus one.

<sup>5</sup> Befimmo's results are presented in strict accordance with the rules laid out in the royal decree of 10 April 1995. This means that only the gains actually realised appear on the profit and loss account, with the unrealised gains and losses reflected in the shareholder's equity with the exception of losses booked when the expert valuation is lower than the acquisition value.

#### Additional information

Please contact head office for any additional information

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