

A N N U A L R E P O R T
2 0 0 4

KEY FIGURES

KEY FIGURES ON 30.09.2004

TOTAL SURFACE AREA OF PORTFOLIO	541,842 m ²
VALUE OF PORTFOLIO ⁽¹⁾ (thousands €)	1,129,005 €
OCCUPANCY RATE	91.4%
EQUITY (thousands €)	603,797 €
GEARING	46.9%

KEY FIGURES PER SHARE ON 30.09.2004

NET CASH FLOW	5.36 €
RETURN	4.88 €
GROSS DIVIDEND	4.62 €
RETURN ON EQUITY	7.9%
GROSS YIELD ⁽²⁾	6.0%

- (1) 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 "deed in hands" value. This includes variable transaction costs of a maximum of 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 € 1,129 million and € 999.5 million.
- (2) Gross dividend divided by share price as of 30 september.

KEY DATES FOR SHAREHOLDERS

PAYMENT OF THE 2004 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS ON PRESENTATION OF COUPON No. 10	from 21 December 2004
PUBLICATION OF THE BOOK VALUE AS OF 31 DECEMBER 2004	Friday 25 February 2005
PUBLICATION OF THE FIRST-HALF RESULTS AND BOOK VALUE AS OF 31 MARCH 2005	Thursday 19 May 2005
PUBLICATION OF THE BOOK VALUE AS OF 30 JUNE 2005	Tuesday 30 August 2005
PUBLICATION OF THE ANNUAL RESULTS AND THE BOOK VALUE AS OF 30 SEPTEMBER 2005	Thursday 17 November 2005
ORDINARY GENERAL MEETING 2005	Tuesday 13 December 2005
PAYMENT OF THE 2005 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS ON PRESENTATION OF COUPON No. 11	from 20 December 2005

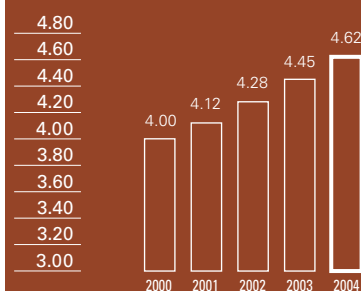
CASH FLOW EVOLUTION

(€/share)



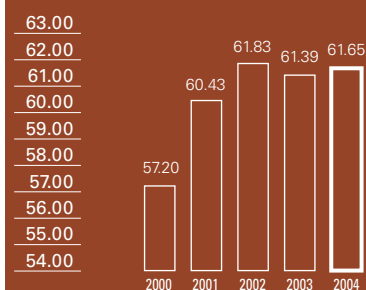
GROSS DIVIDEND EVOLUTION

(€/share)



BOOK VALUE EVOLUTION

(€/share)



C O N T E N T S

Annual report for the fiscal year ending 30 September 2004
presented to the Annual General Meeting of Shareholders on 14 December 2004

4	LETTER TO THE SHAREHOLDERS
6	MANAGEMENT REPORT
6	KEY EVENTS OF THE FISCAL YEAR
10	THE REAL ESTATE MARKET
12	ABOUT BEFIMMO AND THE BEFIMMO STRATEGY
13	THE PORTFOLIO
19	THE REAL ESTATE EXPERT'S CONCLUSIONS
20	THE BRUSSELS PORTFOLIO IN DETAIL
32	FINANCIAL RESULTS
35	APPROPRIATION OF RESULTS
35	SUBSEQUENT EVENTS
36	BUSINESS OUTLOOK, DIVIDEND POLICY
38	BEFIMMO SHARE
41	CORPORATE GOVERNANCE
48	OBLIGATORY INFORMATION
49	FINANCIAL REPORT
50	BALANCE SHEET
52	INCOME STATEMENT
54	SUMMARY OF THE ACCOUNTING POLICIES
56	NOTES TO THE ACCOUNTS
61	DETAILS ABOUT THE ACCOUNTS
62	CASH FLOW STATEMENT
63	DEBTS, GUARANTEES AND RATING
65	REPORT OF THE STATUTORY AUDITOR
67	GENERAL INFORMATION
68	IDENTIFICATION
69	REGISTERED CAPITAL
70	THE FOUNDER OF BEFIMMO SCA
70	"SOCIÉTÉ EN COMMANDITE PAR ACTIONS"
70	NAME AND QUALIFICATIONS OF THE EXPERTS
71	REAL ESTATE SICAF

FISCAL YEAR 2004



Befimmo is maintaining
its course and value
by adapting its strategy
to suit the circumstances

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

As predicted, 2004 has been a year of transition between two economic cycles. National and multinational companies are restructuring and preparing to share in the economic upturn.

In this context, Brussels has demonstrated that its real estate market is very stable compared to those of other cities in Europe. Over the last two years, the Belgian government and the European institutions have taken over from the private sector, accounting between them for two thirds of new leases.

In this new environment, Befimmo is pursuing its long-term objective, namely to maximize its cash flow over long periods thereby ensuring healthy growth in shareholder dividends.

In concrete terms, it is focusing its efforts, even more than before, on strengthening the relation of trust that it is building up with its clients, the lessees in its buildings. This approach has enabled it to convince a number of multinationals to resist the attractive conditions offered, temporarily, by market players owing to rental vacancies in the Brussels suburbs. Whilst in the short term this policy means bringing rents in line with the realities of the market, it also makes for stronger long-term cash flow.

Obviously, all this would not be possible without the solid foundations that underlie the company i.e. a portfolio of high-quality, well-located properties that appeal to its clients. After last year's adjustment, the value of the portfolio has stabilized as a whole this year. Rising values in the Central Business District, representative of investors' appetites, have compensated for the lack of interest in the suburbs and decentralized Brussels.

The result of this is a return on equity for this year of 7.9%, a significant increase on the 6.5% recorded last year. The cash flow of € 5.36 per share is close to the forecast figure. The Annual

General Meeting is invited to approve the reported dividend of € 4.62 per share (€ 3.93 net), up by 3.9%.

In accordance with its growth strategy, Befimmo has remained very selective in making new investments. The Poelart building, opposite the Palais de Justice in Brussels, is a good illustration of the company's investment strategy: it boasts a great location, has a timeless façade, a prestigious lessee and the lease and financing are long-term arrangements – all of which mean shareholder value. Befimmo will continue down this road, preferring to be known for the quality rather than quantity of its investments.

Befimmo has also restructured its debt, taking advantage of the opportunity to consolidate debt costs at a historically low rate.

This work will certainly bear fruit in the next few years, when a number of important real estate issues affecting the Sicafi will be resolved.

Befimmo welcomes the government's recent general policy statement confirming its intention to remove the comparative disadvantage – the 'exit tax' – suffered by Sicafis since corporate tax was lowered in 2003.

A recent study shows that Brussels is still, in all respects, amongst the most popular cities in Europe with European executives. This is excellent news in itself, but given the climate of increased competition between cities keen to host the headquarters of increasingly supranational organizations, we must continue our efforts, supported by the political authorities, to make Brussels even more attractive to businesses. The city cannot content itself with being an administrative centre



SCHUMAN 11

and a centre for embassies, prestigious though it is in this capacity; it must also show its determination to remain a key economic centre attractive to business.

Befimmo is aware of these issues and intends to build on its professionalism year after year, whilst always taking care to repay the interest that you show the company through the trust you place in it.

Brussels, 14 December 2004.

The Managing Agent

Befimmo SA

Benoît De Blieck
Managing Director
Permanent Representative

Alain Devos
Chairman of the Board

MANAGEMENT REPORT

KEY EVENTS OF THE FISCAL YEAR

BUSINESS DEVELOPMENT

INVESTMENTS AND DISPOSALS

In December 2003, Befimmo acquired the office block at 2/3/4 place Poelaert, opposite the Palais de Justice in Brussels. It is a new building, occupying around 14,000 m², which was completely rebuilt in 2000/2001 and boasts a superb façade.

It has been built in a timeless style and meets the criteria sought by Befimmo in terms of situation and size, flexibility and fittings. It will therefore meet the requirements of its occupants for a long time to come.

Leased for a fixed term of 18 years to the Régie des Bâtiments (Buildings Agency), and occupied by the Federal Public Service "Justice", it will be a long-term source of index-linked cash flows. Taking advantage of low interest rates, Befimmo financed this acquisition for the most part on the basis of a fixed rate of 4.58% over 18 years, margin included, using a financing structure whose cost reflects the credit risk associated with the lessee, in this case the Belgian government. This acquisition is a perfect illustration of Befimmo's investment strategy.

Befimmo also acquired the last four buildings in the fourth phase of the Ikaros Business Park in Zaventem. The four buildings, which together represent 8,315 m² of offices and multi-purpose spaces, will be commercialized by the vendor, some by June 2005 and others by October 2006. Until then, Befimmo will only assume financial responsibility for these buildings as and when they are leased. One building of 2,835 m² has already been fully leased.

Befimmo sold its real estate certificates in the Kortrijk Ring Shopping Center, yielding a profit (unrealized) of € 2.582 million. Given its small size and geographical location, this investment no longer justified the amount of resources needed to ensure familiarity with the market.

Accordingly, the value of the portfolio of certificates has been reduced to € 3.693 million, from € 10.069 million on 30 September 2003.

Befimmo also studied seven investment projects representing a total of 215,000 m² and an investment value of around € 550 million. With the exception of the Poelaert building, mentioned above, these projects have not been materialized:

- either for reasons to do with competition: competition between investors invariably forces values up and in this context caution is needed;
- or for reasons inherent to the portfolio itself. Analysis of some portfolios showed that they involved considerable risks for Befimmo, which would be incompatible with its status as a Sicafi.

RENTALS

During this difficult economic period, numerous companies are restructuring and looking to cut overhead costs; among others those relating to the cost of renting their premises.

Leases are regularly renegotiated when they come up for renewal, particularly in the suburbs and decentralized areas, where the rental market is clearly weighted in favor of potential lessees.

Furthermore, applications from new potential lessees undergoing expansion are currently few and far between. Attention must therefore be focused on existing clients.

Faced with this situation, which could continue for several years, Befimmo is taking a pragmatic approach and building up the loyalty of its current lessees; of course this means heeding the realities of the marketplace, but it also means holding onto the prospect of an upturn. Befimmo is doing all it



WOLUWE GARDEN

can to retain its clients who have no real strategic reason to leave the portfolio and, in return for the concessions made, is working to ensure sounder long-term cash flows.

Accordingly, since the technological bubble burst in mid-2002, Befimmo has renewed 77% – in terms of rental value – of its expired contracts. Amongst the most important renegotiations to take place during fiscal year 2004 were those involving VDAB (Empereur building), Levi Strauss (Triomphe I building), Shell Belgium (which will move out of its long-time offices in Cantersteen and set up a new Brussels headquarters in the Triomphe II building), and Texaco (Triomphe III building).

Most of the remaining 23% involve companies that have restructured, or been taken over, strategic decisions, indeed a few ceased trading, over which Befimmo obviously has no control. Examples are Agfa Gevaert, which moved out of the Kontich building following a restructuring, and Ikea and Synstar in Zaventem, which moved back into their own buildings. In short, clients who have left the portfolio completely account for only 4% of the rental values of contracts due for renewal.

At this stage, the portfolio for decentralized Brussels is stable in the medium term, i.e. well beyond 2010. The average duration of current leases in this area is eight years. As of 30 September 2004, only 2,896 m² of office spaces remains immediately available to lease, a rental vacancy rate of 5.38% – much lower than the true situation on the market.

The “suburbs” portfolio has, naturally enough, fallen into line with the market, most of its leases being of the standard 3/6/9 type. Befimmo will

step up its efforts to find lessees over the coming years.

In the CBD, the occupancy rate is almost 100%.

Assuming that all other factors remain stable and taking into account the leases renegotiated over the last two fiscal years, it seems realistic to assume that the occupancy rate will stabilize or even improve over the next two fiscal years.

As of 30 September 2004, the occupancy rate⁽¹⁾ of Befimmo’s overall portfolio was 91.39%, whilst the average rate⁽²⁾ during the fiscal year was 91.72%. These rates are down on those for the start of the fiscal year, which were 94.72% and 95.19% respectively. The fall is mainly due to the restructuring of two multinational companies; though deciding to remain Befimmo tenants in the decentralized zone, they reduced their surface area from 23,000 m² to 16,000 m² of office space.

During the fiscal year, Befimmo concluded leases for a total of 43,946 m² of offices and 11,936 m² of storage and multi-purpose facilities. 47% of Befimmo’s transactions concerned leases renewed in direct negotiations with its clients.

The following new clients are leasing Befimmo buildings: Conoco, Relaystar, Intellihome, Tripath, Celerant, Cofathec, Asia Trade, Brink’s Belgium, Wolvenberg, Samara, IT-Vision, Claessen, Belroof, Dental Promotion & Innovation, Philip Morris, British Petroleum, the Icelandic Embassy, Auxipress, Biomedical Systems, Talentium and NextiraOne.

(1) The occupancy rate for a given date is calculated as the ratio of rents in force on that date to these rents plus the estimated rental value of the area vacant on this date. All buildings in the portfolio were taken into account when calculating the occupancy rate, with the exception of the buildings (C, F, G and H) in phase IV of the Ikaros Business Park, for which Befimmo is not financially responsible.

(2) The average occupancy rate during the fiscal year is calculated as the ratio of income actually earned during the fiscal year (turnover for the fiscal year) to this income plus the estimated rental income for vacant areas during the vacant period.

KEY EVENTS OF THE FISCAL YEAR

PORTFOLIO DEVELOPMENT

During the fiscal year, Befimmo also made investments totaling € 6,176,000, principally in the following buildings:

- **Rond-Point Schuman 11:** The renovation work has been completed and approved. The building is currently being commercialized and 40% of the surface area is leased. Although the marketing is proceeding at a slower rate than expected, the target rent of € 300 per m² of offices has been achieved. This is now the “Prime Rent” in Brussels.
- **Boulevard de l’Empereur 11 (VDAB - Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding):** As part of a new fixed lease of nine years, Befimmo carried out work to renovate the service areas, clean the façade, replace the window frames and install new exterior sun blinds.
- **Centre Albert Borschette (European Commission):** Befimmo has been granted planning and environmental permits to rebuild and extend the building to create a conference centre, in accordance with the “call for proposals” launched by the European Commission in June 2003. So far, however, no agreement has been reached between the European Commission and Befimmo as to the Commission remaining in the premises beyond the renewal date of October 2005 or returning to the Centre Borschette once converted. Although it seems likely that the European Commission will need to remain in the current centre for some years to come, given the uncertain situation Befimmo is continuing to study an alternative project to convert the building into an office block. Befimmo would therefore be in a position to demolish the existing building and begin construction of a new office block in the last quarter of 2005, as soon as the current lease ends.
- **Justice Extension (Régie des Bâtiments):** Befimmo was asked by the lessee, the Belgian Ministry of Justice, to look into a complete renovation of the building, with a view to renewing the lease for a period of 18 years. Applications were lodged with the City of Brussels for planning and environmental permits. Provided that a rental agreement is signed with the Belgian government, works should begin as soon as the current occupants leave the premises in mid-2006, before the end of the current lease (in 2008). The building should subsequently be occupied by other Ministry of Justice departments.
- **World Trade Center (La Poste):** In 2002, following a dispute over works carried out by La Poste, Befimmo and La Poste agreed to call in an expert to carry out a full survey of the asbestos still present in Tower 2 of the World Trade Center, in spite of the major works carried out between 1997 and 1999, much of which involved removing asbestos. The survey is underway and will enable any necessary changes to be made in the way the building is managed. Air tests show that the building presents no risk for the occupants. La Poste has informed Befimmo that it is currently reorganizing its departments. As it is bound by its lease until 2016, it informed Befimmo that it would like to find new tenants for the space that it will no longer require.

Befimmo
has laid solid
foundations
for long-term
development



THE REAL ESTATE MARKET

With a offices area that will soon reach 12 million m², Brussels is one of Europe's major cities in terms of office spaces. Located at the heart of the Belgian and European institutions, Brussels is less suffering than other cities from the current economic conditions.

However, the situation remains difficult. After reaching an exceptionally high level in 2003 (708,000 m²), take-up fell back in 2004 to approximately 435,000 m². The balance of demand between the public services and the private sector is gradually leveling off. The Belgian government and public institutions account for 54% whilst the (extremely diversified) private sector has increased its share to 46%, up from 25% in 2003.

The vacancy rate is still increasing and has now risen above the 10% mark to reach 10.7% in the third quarter of 2004, compared with 9.8% for the same period in 2003.

The Brussels real estate market comprises three geographical areas: the Central Business District (CBD), the decentralized area and the suburbs. These areas each have different characteristics and need to be analyzed separately.

THE CENTRAL BUSINESS DISTRICT (CBD)

This segment is composed of the Brussels Pentagon, the Léopold district, the North area and the South area. At present, it represents 49% of the demand.

Structural demand in this area comes from the Belgian government and the European Union (103,000 m² and 76,000 m² respectively during the first three quarters of 2004), which account for 54% of the demand. However, demand from the public sector is falling; the Belgian government has found much of the surface area it requires.

The vacancy rate is on the rise, up from 5% in 2003 to 7% in 2004. Given the significant demand from the public sector, many developers are undertaking new projects (mainly in the centre of Brussels and North area). Many of these projects have been completed but have yet to be leased. In the short term, the vacancy rate should continue to rise, as 309,000 m² of new office projects are making their way onto the market (of which 70.7% are already leased in advance).

The "Prime Rent" is currently € 300/m² in the CBD.

Real estate, a "safe heaven", is attracting large number of people seeking to invest. As a result, property is relatively difficult to find for potential investors. Competition for good, well- leased buildings is increasingly fierce, which is a burden on returns and drives values firmly upwards.

For the first six months of 2004, the volume of investments exceeded € 793 million. However, since demand is not met, a downturn is expected for the whole of 2004, with the volume invested falling short of the € 1.6 billion recorded in 2003.

The investment market therefore clearly favors sellers, and this trend seems likely to continue, given the relatively low interest rates.

The capitalization rates for the most successful projects were between 5.75% and 6.25%, narrowing the gap between Brussels and other major European capital cities such as Paris, London and Amsterdam.

THE DECENTRALIZED AREA AND THE SUBURBS

Demand is equally split between the CBD and the non-CBD. The two non-CBD areas, the decentralized area and the suburbs, account for 51% of the demand (96,000 m² and 73,000 m² respectively over the first nine months of 2004), most of which comes from Belgian companies and multinationals.

This demand is generally not new, but is rather generated by companies looking for a more favorable location in new, cheaper buildings following restructuring.



GOEMAERE



The vacancy rate, which has reached very high levels, is evening out at over 20% in the suburbs and almost 15% in decentralized Brussels.

This situation is the result of the arrival on the market of new projects started before the technology bubble burst. Moreover, these projects are competing with second-hand areas put back on the market by companies that no longer need this space following restructuring.

The result is extremely fierce competition between property owners and real estate developers who are all trying to find occupants for their excess office areas. Substantial benefits are offered to potential lessees, amounting to as much as 25% of the announced rent in financial terms.

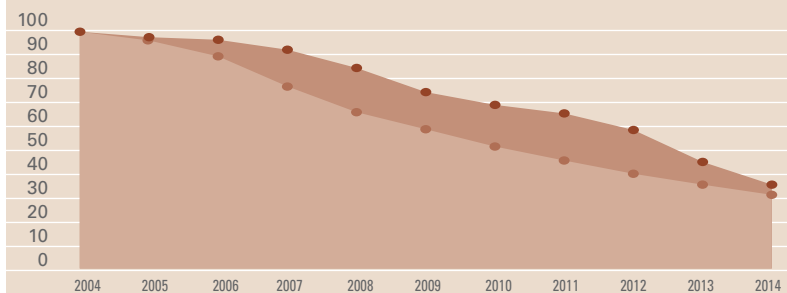
However, the situation ought to stabilize over the next three years as developers are delaying their new projects.

Whilst few investment transactions are being carried out at present, a gradual upturn may be expected in the suburbs with rents and values increasing once the economy picks.

In this regard, decentralized Brussels will continue to have more difficulties, particularly in areas where the city's facilities are not available.

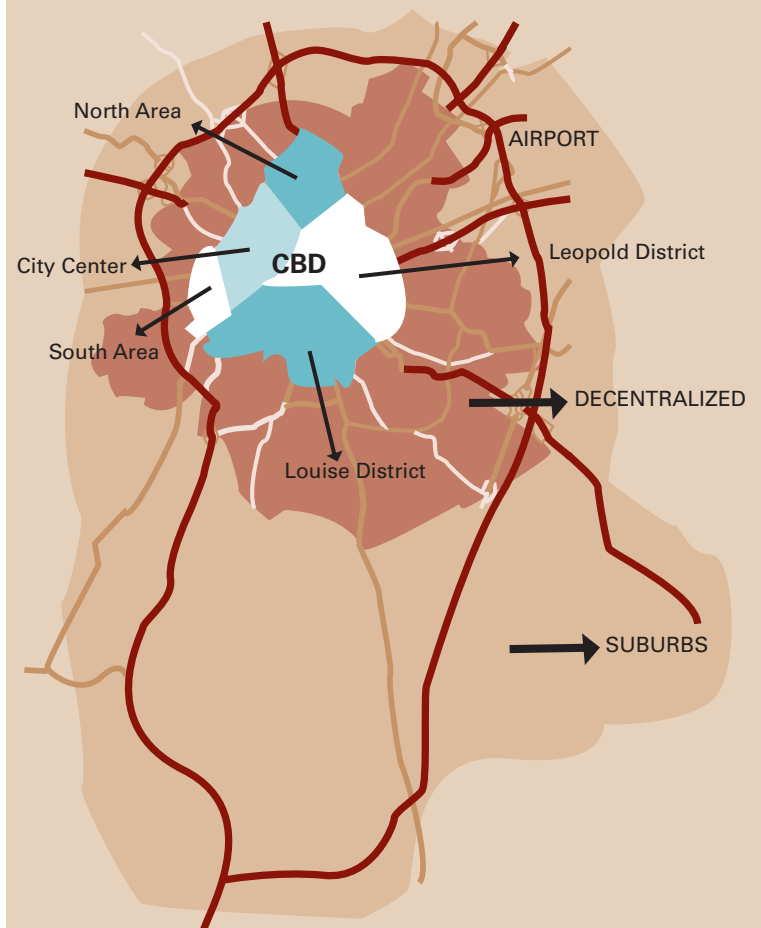
The suburbs are also attracting companies away from the Brussels Region. Tax rates differ considerably (up to € 50/m²/year) between the two areas. The only logical justification for this is if the city's facilities are made available, e.g. access to public transport, proximity of customers and services. This is generally not the case in decentralized areas.

PERCENTAGE OF CURRENT INCOME GUARANTEED ACCORDING TO THE REMAINING LEASE TERM (%)



- % of current income guaranteed according to the final termination of leases
- % of current income guaranteed according to the first lease expiration

BRUSSELS



ABOUT BEFIMMO AND THE BEFIMMO STRATEGY

Befimmo is a fixed capital real estate investment trust (SICAFI). It is bound by relevant legislation, notably the Law of 4 December 1990 on collective investment undertakings (CIUs) and the Royal Decrees of 10 April 1995 and 10 June 2001.

Befimmo was created from scratch in 1995. With the support of its Promoter Bernheim (today integrated in Fortis Real Estate), it has built up a portfolio of high-quality office buildings and increased its assets eightfold.

Befimmo is a professional real estate owner, with a strategy focused on its shareholders, on maximizing its long-term cash flows and making a profit from its real estate investments.

In its work, Befimmo focuses on:

- **its clients**, the people who lease its buildings, without whose rental payments nothing would be possible;
- **the quality of its new investments**, to ensure long-term growth of profits and share price, thereby justifying its shareholders' expectations;
- **controlling costs**, both real estate charges and general costs, so enabling it to rank among the best performing listed groups on the European market;
- **balancing its debt structure**, to limit its financing costs, while protect it over relatively long periods from a rise in interest rates beyond certain thresholds;
- **developing and motivating its internal team**, currently comprising 18 fully dedicated members.

With its balanced risk/return profile, Befimmo aims to offer its shareholders a regular dividend combined with healthy growth.

Building on its experience, Befimmo will continue its work with the same philosophy of creating value for its shareholders:

- Befimmo focuses on its core business of real estate asset manager for offices in Brussels,

without diversifying to any great extent into other activities with different risk/return profiles than those of the professional investor.

- Befimmo is also interested in market opportunities.
- Finally, Befimmo is interested in more financial acquisition opportunities based on solid, long-term cash flows.

As in the past, Befimmo will ensure the long-term sustainability of its cash flows and will seek to maintain the highest possible occupancy rate for its portfolio, further developing the relationship of trust it is building with its lessees and adopting a responsible and pragmatic attitude given the current economic situation.

Lastly, by pursuing its policy of anticipating cycles, arbitraging its portfolio and simply seizing opportunities, Befimmo will be able to sell off certain of its assets.

THE PORTFOLIO

PROFILE

When it was founded in 1995, Befimmo set itself the aim of investing in three types of property: office buildings located in Brussels, semi-industrial buildings in the Brussels – Antwerp corridor and shopping centers in Belgium.

After nine years, the opportunities that have arisen have resulted in a portfolio which, although diverse, has a single product (97% offices) and single market (97% in Brussels or its economic hinterland).

This portfolio is well distributed between different submarkets in Brussels and also benefits from a firm foundation:

- 63% of the portfolio is situated in the Central Business District, where much of the demand is structural from Belgian federal and regional institutions, European institutions as well as companies, representations and offices that need to be located closely to these institutions; however, bearing in mind the wise approach always shown by Belgian developers, supply would remain limited due to scarcity and restrictions on planning permission;

and opportunities in the event of an economic upturn:

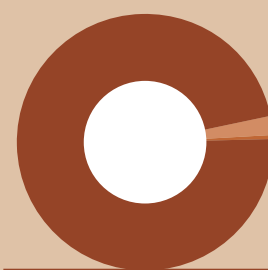
- 14% of the portfolio is located in decentralized areas, mainly in places where companies also benefit from the advantages of a city location (availability of public transport, access to services, proximity of customers, etc.);
- 20% of the portfolio is situated in the Brussels suburbs of Zaventem and Vilvoorde. Half of this portfolio, the Ikaros and Planet business parks, is located in a niche market of business parks with small office buildings, making it possible to provide a flexible and effective solution to the needs of small companies and subsidiaries of multinationals. This niche market is quite sensitive to market cycles.

Its revenues appear well protected with 51% (on average for the next ten years) provided by insti-

tutions belonging to the Belgian government or European Union. In the current economic climate, the portfolio's occupancy rate remains higher than the market rate.

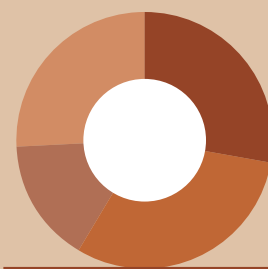
Relatively low re-development risks are involved in the medium-term. The future of the Borschette, Justice Extension and Shell buildings is being actively managed.

The portfolio comprises 41 large buildings or sizeable building complexes and in relative terms is not cost-intensive (maintenance or property management costs).



TYPE OF ASSETS⁽¹⁾

97.1%	OFFICES
2.4%	SEMI-INDUSTRIAL
0.5%	COMMERCIAL



AGE OF BUILDINGS⁽²⁾⁽³⁾

27.9%	0-5 years
30.7%	6-10 years
15.6%	11-15 years
25.8%	more than 15 years

(1) Proportions are expressed in terms of the assessed "deed in hands" value as of 30 September 2004. Real estate certificates are not covered by these charts.

(2) The date of construction or renovation of the building is taken into account if the investment costs involved in the renovation are higher than or equal to € 250/m².

(3) Proportions are expressed in terms of the buildings' surface area.

THE PORTFOLIO

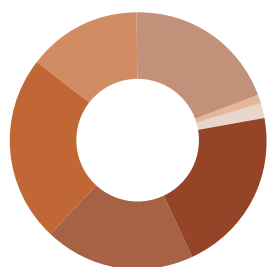
INVESTMENT STRATEGY

In the office buildings segment, Befimmo will show interest in projects which meet the following criteria:

- an appropriate critical size, well-equipped with a good plan;
- a good location (visibility, accessibility) in the Brussels CBD (Centre, Léopold, North and South) and possibly in decentralized areas or in the suburbs if good public transport links are available;
- suitable for successfully passing the in-depth due diligence examination which looks into planning permission and technical, environmental, legal and taxation issues;
- the potential to create value.

Given the fierce competition among potential investors for "good products", Befimmo will build on its skills as a Belgian company in its home market, taking upstream positions where possible, thereby assuming certain commercial risks (for example in terms of occupying buildings acquired which are still to be completed), and forming partnerships with real estate developers or building contractors where appropriate with a view to covering the risks involved in completion (cost, schedule, quality). Where appropriate, Befimmo will form partnerships sharing with third parties operations that are too large for its own operating capacity.

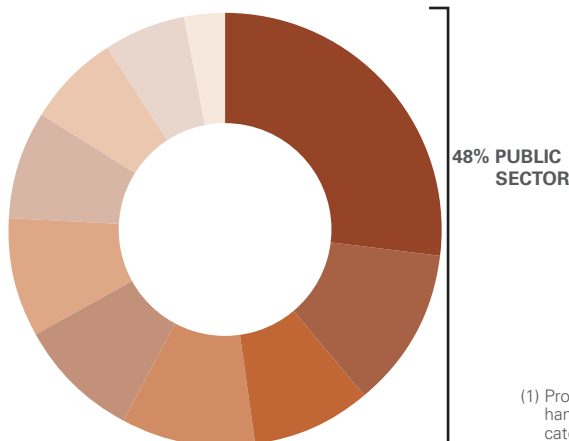
Befimmo is also interested in investment projects with a more financial profile, providing their purchaser a long-term and regular stream of solid cash flows.

GEOGRAPHICAL BREAKDOWN⁽¹⁾

20.9%	- BRUSSELS NORTH AREA
18.9%	- BRUSSELS LÉOPOLD DISTRICT
23.5%	- BRUSSELS CENTER
14.3%	- BRUSSELS DECENTRALIZED
19.4%	- BRUSSELS SUBURBS
1.1%	- ANTWERP
1.9%	- OTHERS

OCCUPANTS⁽²⁾

27%	- BELGIAN STATE
12%	- LA POSTE
10%	- TELECOM (incl. BELGACOM 3.2%)
9%	- EC/REPRESENTATIVES
9%	- FINANCE
9%	- INDUSTRY
8%	- CHEMICALS, OIL AND PHARMACEUTICALS
7%	- CONSULTING LAWYERS
6%	- OTHERS
3%	- COMMERCIAL



(1) Proportions are expressed in terms of the assessed "deed in hands" value as of 30 September 2004. Real estate certificates are not covered by these charts.

(2) Proportions are expressed in terms of current leases as of 30 September 2004.

The value of the real estate portfolio amounted to € 1,129.0 million as of 30 September 2004 ("deed in hands"). This compares with a value of € 1,064.6 million at the start of the fiscal year. The difference is partly the result of investments and disposals made during the fiscal year (€ 66.3 million) as well as a slight decrease in the value of the real estate portfolio, properties and certificates, of € 1.9 million.

On a comparable basis, however, the value of the buildings portfolio remains globally stable (- 0.17%).

The movements in values as well as their variation over the last twelve months, excluding investments and disposals, are shown by district in the opposite table.

In the CBD, values rose by an average of 1.66% whilst in the decentralized area and the suburbs they fell by 3.55% and 3.38% respectively. The falls in the decentralized area and the suburbs are almost compensated by the rise in values in the CBD.

In the decentralized area, values should stabilize, mainly as a result of the re-leasing of the Triomphe buildings (renewal of the Texaco lease and extension of the Levi Strauss lease, leasing of Triomphe II to Shell).

The occupancy rate was 91.4% as of 30 September 2004 as compared to 94.7% for the previous year. This fall is due mainly to two factors: the restructuring of Levi Strauss and Texaco which, whilst deciding to remain Befimmo tenants in the decentralized area, reduced the surface area they occupy from 23,000 m² of offices to 16,000 m², and also the surface area still to be leased at Schuman 11, where marketing began during the fiscal year.

CHANGE IN VALUES (as of 30.09 - in millions of €)				
	2002	2003	2004	Δ 12 months*
BUILDINGS	1,064.8	1,054.5	1,125.3	-0.17%
OFFICES	1,031.2	1,021.6	1,092.6	-0.15%
BRUSSELS, CENTER (CBD)	634.0	642.4	712.2	+1.66%
BRUSSELS, DECENTRALIZED	162.0	156.4	151.2	-3.55%
BRUSSELS, SUBURBS	219.0	206.5	213.2	-3.38%
OTHERS	16.2	16.3	16.0	-1.65%
SEMI-INDUSTRIAL	28.1	27.5	27.2	-1.22%
COMMERCIAL	5.5	5.4	5.5	+2.05%
REAL ESTATE CERTIFICATES	9.4	10.1	3.7	-0.90%
TOTAL REAL ESTATE PORTFOLIO	1,074.2	1,064.6	1,129.0	-0.17%

* on a like for like basis

SUMMARY TABLE OF ASSETS OWNED, BY NATURE (as of 30.09 - in thousands of €)				
INVESTMENT BUILDINGS	SURFACE AREA (m ²)	INSURED VALUE ⁽²⁾	ASSESSED VALUE ⁽³⁾⁽⁴⁾	ANNUAL RENT
OFFICES				
CENTER (CBD)	296,228	628,807	712,159	52,095
DECENTRALIZED	61,189	146,508	151,229	9,713
SUBURBS	117,408	197,781	213,179	13,632
OTHER	15,122	20,102	16,054	2,004
TOTAL OFFICES	489,947	993,198	1,092,621	77,444
SEMI-INDUSTRIAL	49,599	29,885	27,212	1,929
COMMERCIAL	2,296	1,828	5,480	467
TOTAL	541,842	1,024,912	1,125,313	79,840

CHANGE IN PORTFOLIO YIELD (as of 30.09 - in thousands of €)					
	2000	2001	2002	2003	2004
TOTAL SURFACE AREA (m²)	303,068	339,935	527,842	527,842	541,842
BOOK VALUE					
REAL ESTATE PORTFOLIO	543,036	621,208	1,064,818	1,054,527	1,125,313
REAL ESTATE CERTIFICATES	6,813	7,646	9,384	10,069	3,693
TOTAL REAL ESTATE ASSETS	549,849	628,854	1,074,202	1,064,596	1,129,005
OCCUPANCY RATE ⁽⁵⁾	98.0%	96.2%	95.9%	94.7%	91.4%
YIELD ⁽⁶⁾					
ON REAL ESTATE PORTFOLIO	7.65%	7.64%	7.71%	7.86%	7.87%
BREAKDOWN ⁽⁷⁾					
m ² OFFICE SPACE	251,173	288,040	475,947	475,947	489,947
m ² SEMI-INDUSTRIAL	49,599	49,599	49,599	49,599	49,599
m ² COMMERCIAL	2,296	2,296	2,296	2,296	2,296
% OFFICE SPACE	94%	94%	96%	96%	97.1%
% SEMI-INDUSTRIAL	5%	5%	3%	3%	2.4%
% COMMERCIAL	1%	1%	1%	1%	0.5%

(1) 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 "deed in hands" value. This includes variable transaction costs of a maximum of 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 € 999.5 million and € 1,129 million.

(2) The insured value is the rebuilding value (excluding land).

(3) It is not in the shareholders' interests to publish assessed values for each individual building.

(4) The assessed value is established on the basis of the "deed in hands" value which includes the variable transaction costs (of max. 13%) that an investor would have had to pay to invest directly in real estate.

(5) 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.

(6) The yield of the real estate portfolio is calculated as the ratio between current rents plus the rental value of the unleased surface area and the assessed value.

(7) The percentages relative to the breakdown of the portfolio are shown on the basis of the assessed "deed in hands" value as of 30 September. As of 1999 they only concern directly owned real estate assets.

THE PORTFOLIO

SUMMARY OF BEFIMMO REAL ESTATE ASSETS (as of 30.09.2004)							
INVESTMENT BUILDINGS	YEAR BUILT/ YEAR RENOVATED	RENTAL SPACE (m ²)	INITIAL DURATION OF LEASES (years)	RENTS CALLED DURING THE FISCAL YEAR (in thousands of €)	PERCENTAGE OF PORT- FOLIO ⁽¹⁾ (%)	CURRENT RENT as of 30.09.04 (in thousands of €)	OCCUPANCY RATE as of 30.09.04 (%)
OFFICES							
BRUSSELS CENTER							
SHELL	1997-2000	31,381	3/6/9	4,312	5.4%	4,301	97.3%
BREDERODE 1	1990-2001	24,968	14	3,099	3.9%	3,135	100.0%
EXTENSION JUSTICE	more than 15 years	18,795	9	3,014	3.8%	3,030	100.0%
IMPÉRATRICE	1997-2000	17,072	9/12/15/18	2,483	3.2%	2,521	100.0%
POELAERT	2001	14,000	18	2,240	3.6%	2,857	100.0%
BREDERODE 2	1993	7,803	3	1,917	2.4%	1,927	100.0%
EMPEREUR	1997/2004	5,953	9	847	1.1%	876	100.0%
		119,972		17,912	23.4%	18,646	99.4%
BRUSSELS LEOPOLD DISTRICT							
BORSCHETTE	1981	17,657	12/24	3,546	4.4%	3,549	100.0%
RUE JOSEPH II, 27	1994	12,831	27	3,424	4.3%	3,439	100.0%
WIERTZ	1996	10,816	3/6/9	2,470	3.0%	2,411	94.2%
VIEW BUILDING	2001	10,297	6/9	1,881	2.4%	1,894	100.0%
GUIMARD	1997	5,357	3/6/9	1,160	1.5%	1,170	100.0%
SCHUMAN 11	2003-2004	5,124	-	88	0.7%	581	38.4%
SCHUMAN 3	2001	5,122	9	1,328	1.7%	1,393	100.0%
		67,204		13,897	18.1%	14,435	93.0%
BRUSSELS "ESPACE NORD"							
WORLD TRADE CENTER	1975/1998	66,326	24	10,869	14.8%	11,837	99.4%
NOORD BUILDING	1989	42,726	27	7,211	9.0%	7,177	100.0%
		109,052		18,080	23.8%	19,014	99.6%
BRUSSELS DECENTRALIZED							
LA PLAINE	1995	15,933	12/18	4,075	5.1%	4,098	100.0%
TRIOMPHE I	1998	11,080	3/6/9	2,467	3.1%	2,487	100.0%
TRIOMPHE II	1998	9,282	9	1,164	0.3%	236	14.9%
JEAN DUBRUCQ	1991	7,744	12.5	770	1.0%	780	100.0%
TRIOMPHE III	1993	7,173	3/6/9	791	1.1%	845	78.1%
GOEMAERE	1988/1998	6,939	3/6/9	823	1.1%	863	77.5%
EUDORE DEVROYE	1996	1,576	3/6/9	273	0.3%	275	100.0%
HULPE 177	1970	1,462	3/6/9	187	0.2%	131	65.2%
		61,189		10,550	12.2%	9,713	83.6%
BRUSSELS SUBURBS							
IKAROS BUSINESS PARK ⁽²⁾	1990 to 2004	40,965	3/6/9	3,651	4.6%	3,693	75.4%
MEDIA	1999	18,651	9	2,342	3.0%	2,384	84.8%
FOUNTAIN PLAZA	1991	16,690	3/6/9	1,561	2.1%	1,652	62.1%
PLANET 2	1988	10,277	3/6/9	752	0.8%	669	58.5%
EAGLE BUILDING	2000	8,661	6/9	1,157	1.5%	1,178	93.8%
WOLUWE GARDEN B	1997	7,756	3/6/9	1,489	2.0%	1,582	86.5%
WOLUWE GARDEN D	1994	7,673	3/6/9	902	1.5%	1,226	85.1%
OCEAN HOUSE	1997	4,730	3/6/9	850	1.0%	815	100.0%
WATERLOO OFFICE PARK	1992	2,005	6/9	431	0.5%	433	100.0%
		117,408		13,135	17.1%	13,632	79%
MONS							
JONCQUOIS 118	2002	7,851	18	1,083	1.3%	1,006	100.0%
PEUPLIERS 71	1976	7,271	9	1,087	1.2%	998	100.0%
		15,122		2,170	2.5%	2,004	100.0%
TOTAL OFFICES		489,947		75,744	97.0%	77,444	91.9%



TRIOMPHE I

SUMMARY OF BEFIMMO REAL ESTATE ASSETS (as of 30.09.2004)

INVESTMENT BUILDINGS	YEAR BUILT/ YEAR RENOVATED	RENTAL SPACE (m ²)	INITIAL DURATION OF LEASES (years)	RENTS CALLED DURING THE FISCAL YEAR (in thousands of €)	PERCENTAGE OF PORT- FOLIO ⁽¹⁾ (%)	CURRENT RENT as of 30.09.04 (in thousands of €)	OCCUPANCY RATE as of 30.09.04 (%)
SEMI-INDUSTRIAL							
BRUSSELS-ANDERLECHT							
RUE BOLLINCKX	1980	8,098	3/6/9	307	0.3%	259	71.2%
BOULEVARD INDUSTRIEL	1976	7,790	3/6/9	560	0.7%	565	100.0%
		15,888		867	1.0%	824	88.7%
BRUSSELS SUBURBS							
GREEN HILL	1986	7,187	3/6/9	365	0.3%	222	41.9%
		7,187		365	0.3%	222	41.9%
ANTWERP							
KONTICH 1	1983	18,452	3/6/9	417	0.6%	447	58.3%
KONTICH 2	1990	8,072	3/6/9	433	0.5%	436	99.1%
		26,524		850	1.1%	883	73.2%
TOTAL SEMI-INDUSTRIAL		49,599		2,082	2.4%	1,929	72.4%
COMMERCIAL							
CHARLEROI							
RUE DE LA MONTAGNE	1995	2,296	commercial	439	0.6%	467	100.0%
		2,296		439	0.6%	467	100.0%
TOTAL COMMERCIAL		2,296		439	0.6%	467	100.0%
TOTAL PORTFOLIO		541,842		78,265	100.0%	79,840	91.4%

(1) The percentage of the portfolio is calculated on the basis of current rents as of 30 September 2004.

(2) Ikaros Business Park: the rental space includes the rental space in phase IV buildings purchased for future completion. However, space that is still the financial responsibility of the vendor is not taken into account when calculating the occupancy rate.



Befimmo's
strategy is based
on a clear-sighted
vision of the future
of real estate

THE REAL ESTATE EXPERT'S CONCLUSIONS

V HMRHMF DQ % @RRNBH@S DR

BEFIMMO SCA
Chaussée de la Hulpe, 166
1170 BRUSSELS

BEF/frs/38.184

Brussels, 15 October 2004

Dear Sir,

Re: valuation as at 30 September 2004

In accordance with your legal and statutory requirements, we are pleased to advise you as to our opinion of the investment value of the BEFIMMO property portfolio as at 30 September 2004.

The investment properties are valued on the basis of net present value of estimated rental income. The investment value is the result of an estimated rental value (ERV) capitalised at a market yield plus or minus the net present value (NPV) of the difference between the ERV and the passing rent till the next break.

Concerning buildings partly or entirely vacant, the investment value is based on an ERV capitalised at a market yield minus a vacancy period, agency fees and refurbishment costs if necessary.

Concerning projects and buildings under renovation, our valuation is based on the value after construction, less construction costs, fees, interim finance and risk premium. These valuations are made in accordance with the IVS-norms (International Valuation Standards).

The value represents the price that any investor would be prepared to pay for each property within the portfolio.

Taxes and other costs, which either the investor or yourselves would have to bear in order to ensure this transfer of ownership, have not been deducted from our valuation figures. These taxes and costs depend on the way the property has been transferred, the location of the premises and the characteristics of the buyer.

We have made this valuation on the basis of information received from Befimmo that we consider as complete and accurate.

The investment value of the global portfolio, as at 30 September 2004, amounts to: € 1,125,312,500 (ONE BILLION ONE HUNDRED TWENTY-FIVE MILLION THREE HUNDRED AND TWELVE THOUSAND FIVE HUNDRED EURO); this amount includes the valuation of the buildings which have been carried out by Healey & Baker, CB Richard Ellis and Catella Codemer.

On this basis, the initial yield (except projects and refurbishments) of the portfolio is 7.19%. Should the vacant accommodation be fully let at estimated rental value, the initial yield would be 7.87%.

The occupation rate of the entire portfolio is 91.39%.

The average level of passing rent obtained is currently approximately 9.90 % above the current average estimated rental value (not including projects and buildings under renovation); principally due to the rents paid for the buildings in the North area of Brussels which are let on long lease contracts until at least 2015.

The property portfolio comprises:

Brussels, 19 municipalities*	77.55%
Periphery and Sattellite regions of Brussels	18.07%
Antwerp, Mons, Charleroi	3.01%
Projects and buildings under renovation or under construction.	1.37%
	100.00%

* of wicht 35.12% are let on long term to EC, to Citibank, to Flemish Government and to the Post Office, State

Yours sincerely,

Brussels, 15 October 2004

WINSSINGER & ASSOCIATES SA/NV



Benoît FORGEUR **



Philippe WINSSINGER **

THE BRUSSELS PORTFOLIO IN DETAIL





MEDIA

- BRUSSELS CENTER
- 1 SHELL BUILDING
 - 2 BREDERODE I AND II
 - 3 EXTENSION JUSTICE
 - 4 IMPÉRATRICE
 - 5 POELAERT
 - 6 EMPEREUR

- BRUSSELS LEOPOLD DISTRICT
- 7 ALBERT BORSCHETTE CENTER
 - 8 JOSEPH II
 - 9 WIERTZ
 - 10 VIEW BUILDING
 - 11 GUIMARD
 - 12 SCHUMAN 3 AND 11

- BRUSSELS NORTH AREA
- 13 WORLD TRADE CENTER
 - 14 NOORD BUILDING

- BRUSSELS DECENTRALIZED
- 15 LA PLAINE
 - 16 TRIOMPHE I, II, III
 - 17 DUBRUCQ
 - 18 GOEMARE
 - 19 EUDORE DEVROYE
 - 20 LA HULPE 177

- BRUSSELS SUBURBS
- 21 IKAROS BUSINESS PARK
 - 22 MEDIALAAN
 - 23 FOUNTAIN PLAZA COMPLEX
 - 24 PLANET 2
 - 25 EAGLE BUILDING
 - 26 WOLUWE GARDEN B AND D
 - 27 OCEAN HOUSE



Architect: Alexis Dumont

BRUSSELS CENTER

SHELL BUILDING

Rue Ravenstein 50-70 / Cantersteen 39-55
1000 Brussels
Space: 31,381 m²
Year renovated: 1997-2000
Offices



Architects: J. Brunfaut and Art & Build (renovation)

BREDERODE I

Rue de Brederode 9/11/13/13a,
Rue de Namur 28/30/32/48/50/52,
Rue Thérésienne 14
1000 Brussels
Space: 24,968 m²
Year renovated: 1990-2001
Offices



Architect: A. & J. Polak

EXTENSION JUSTICE

Rue des Quatre Bras 13
1000 Brussels
Space: 18,795 m²
Year built/year renovated: more than 15 years
Offices



Architects: L. M. J. R. Stynen & P. De Meyer

IMPÉRATRICE

Boulevard de l'Impératrice 17-19
1000 Brussels
Space: 17,072 m²
Year renovated: 1997-2000
Offices



Architect: Cerau Architect Partners (renovation)

POELAERT

Place Poelaert 2-4
1000 Brussels
Space: 14,000 m²
Year built: 2001
Offices



Architect: AUA

BREDERODE II

Rue de Bréderode 2/4/6
Rue de Namur 20/24/26
1000 Brussels
Space: 7,803 m²
Year built: 1993
Offices



EMPEREUR

Boulevard de l'Empereur 11
1000 Brussels
Space: 5,953 m²
Year renovated: 1997-2004
Offices



Architects: C. Emery, J. Baudon, P. Hayot and E.C. Henry

BRUSSELS LEOPOLD DISTRICT

BORSCHETTE

Rue Froissart 36
1040 Brussels
Space: 17,657 m²
Year built: 1981
Offices



Architects: CDG: Czyz, de Laveleye and Grochowski

JOSEPH II

Rue Joseph II 27
1000 Brussels
Space: 12,831 m²
Year built: 1994
Offices



Architect: Aldo Sanguinetti

WIERTZ

Rue Wiertz 30-50
1050 Brussels
Space: 10,816 m²
Year built: 1996
Offices



Architects: J. Cuisinier and Art & Build (renovation)

VIEW BUILDING

Rue de l'Industrie 26-38
1040 Brussels
Space: 10,297 m²
Year renovated: 2001
Offices



Architect: ARIES (renovation)

GUIMARD

Rue Guimard 9, Rue du Commerce 87-91
1040 Brussels
Space: 5,357 m²
Year renovated: 1997
Offices



Architect: Assar SC

SCHUMAN 11

Rond-Point Schuman 11
1040 Brussels
Space: 5,124 m²
Year renovated: 2003-2004
Offices



Architect: Assar SC

SCHUMAN 3

Rond-Point Schuman 2-4a and
Rue Froissart 141a-143
1040 Brussels
Space: 5,122 m²
Year renovated: 2001
Offices

BRUSSELS NORTH AREA

WORLD TRADE CENTER

Boulevard du Roi Albert II 30
1000 Brussels
Space: 66,326 m²
Year built/year renovated: 1975/1998
Offices



Architects: C. Emery (1970),
Structures, A. & J. Polak and R. Stapels



Architects: Jaspers (Jaspers-Delhaise) + Vander Elst
(Vander Elst - Polak - Stapels - Fuyen - Bontinck)

NOORD BUILDING

Boulevard du Roi Albert II 156/1
1000 Brussels
Space: 42,726 m²
Year built: 1989
Offices



Architect: H. Montois

BRUSSELS DECENTRALIZED

LA PLAINE

Boulevard Général Jacques 263G
1050 Brussels
Space: 15,933 m²
Year built: 1995
Offices



Architect: Philippe Samyn

TRIOMPHE I

Avenue Arnaud Fraiteur 15-23
1050 Brussels
Space: 11,080 m²
Year built: 1998
Offices



Architect: A + U

TRIOMPHE II

Avenue Arnaud Fraiteur 15-23
1050 Brussels
Space: 9,282 m²
Year built: 1998
Offices



JEAN DUBRUCQ

Avenue Jean Dubrucq 175 b 1
1080 Brussels
Space: 7,744 m²
Year renovated: 1991
Offices



Architect: Bureau Marijnissen & Associés sprl

TRIOMPHE III

Avenue Arnaud Fraiteur 25-27
1050 Brussels
Space: 7,173 m²
Year built: 1993
Offices



Architect: Assar SC

GOEMAERE

Chaussée de Wavre 1945
1160 Brussels
Space: 6,939 m²
Year built/year renovated: 1988/1998
Offices



Architects: Baudouin Courtens and Associés sprl (renovation)

EUDORE DEVROYE

Rue Père Eudore Devroye 245
1150 Brussels
Space: 1,576 m²
Year renovated: 1996
Offices



HULPE 177

Chaussée de la Hulpe 177
1170 Brussels
Space: 1,462 m²
Year built: 1970
Offices

BRUSSELS SUBURBS



Architects: P. Becker, E. De Smet and M. & J-M. Jaspers-Eyers

IKAROS BUSINESS PARK

Ikaroslaan - Phases I, II, III and IV
1930 Zaventem
Space: 40,965 m²
Year built: 1990 to 2004
Offices



Architect: M. Jaspers & Partners

MEDIA

Medialaan 50
1800 Vilvoorde
Space: 18,651 m²
Year built: 1999
Offices



Architect: I.T.H. Monsieur Mossoux

FOUNTAIN PLAZA

Belgicastraat 1/3/5/7
1930 Zaventem
Space: 16,690 m²
Year built: 1991
Offices



Architect: Lemaire Pierre

PLANET II

Leuvensesteenweg 542
1930 Zaventem
Space: 10,277 m²
Year built: 1988
Offices



Architect: Ryckaerts & Partners

EAGLE BUILDING

Kouterveldstraat 20
1831 Diegem
Space: 8,661 m²
Year built: 2000
Offices



Architect: M&C Marijnissen

WOLUWE GARDEN B

Boulevard de la Woluwe 28
1932 Zaventem
Space: 7,756 m²
Year built: 1997
Offices



Architect: M&C Marijnissen

WOLUWE GARDEN D

Boulevard de la Woluwe 24
1932 Zaventem
Space: 7,673 m²
Year built: 1994
Offices



Architect: Assar SC

OCEAN HOUSE

Belgicastaat 17
1930 Zaventem
Space: 4,730 m²
Year built: 1997
Offices



Architect: Cerau Architect Partners

WATERLOO OFFICE PARK

Bâtiment A, Drève de Richelle 161
1410 Waterloo
Space: 2,005 m²
Year built: 1992
Offices



Architects: André Louis Blot -
Jacques Shreder - Louis Henri Sorée

MONS

MONS I (JONCQUOIS)

Rue du Joncquois 118
7000 Mons
Space: 7,851 m²
Year renovated: 2002
Offices



Architects: André Louis Blot and Louis Henri Sorée

MONS II (PEUPLIERS)

Digue des Peupliers 71
7000 Mons
Space: 7,271 m²
Year built: 1976
Offices



Architects: Van Severen & Van Den Broeck

BRUSSELS ANDERLECHT

ANDERLECHT II

Rue Bollincks 26-32
1070 Anderlecht
Space: 8,098 m²
Year built: 1980
Semi-industrial



Architect: P.L. Hanotte

ANDERLECHT I

Boulevard Industriel 101/113
1070 Anderlecht
Space: 7,790 m²
Year built: 1976
Semi-industrial



Architect: Jean-Pierre Beyls

BRUSSELS SUBURBS

GREEN HILL

Hoge Wei et Hermesstraat
1930 Zaventem
Space: 7,187 m²
Year built: 1986
Semi-industrial



Architect: Posson-Donck

ANTWERP

KONTICH I

Prins Boudewijnlaan 9
2550 Kontich
Space: 18,452 m²
Year built: 1983
Semi-industrial



Architect: Luc van Hooreweder

KONTICH II

Prins Boudewijnlaan 17
2550 Kontich
Space: 8,072 m²
Year built: 1990
Semi-industrial

CHARLEROI

CHARLEROI

Rue de la Montagne 25-31
6000 Charleroi
Space: 2,296 m²
Year built: 1995
Commercial



Befimmo is
developing a totally
professional and creative
vision of the real estate
business as a means
of ensuring the long-term
growth of its value

FINANCIAL RESULTS

(as of 30.09 - in thousands of € after appropriation)

BALANCE SHEET	2002	2003	2004
ASSETS			
VALUE OF THE REAL ESTATE PROPERTIES	1,064,818	1,054,527	1,125,312
VALUE OF THE REAL ESTATE CERTIFICATES	9,384	10,069	3,693
OTHER ASSETS	10,198	37,592	23,250
TOTAL ASSETS	1,084,400	1,102,188	1,152,255
LIABILITIES AND SHAREHOLDERS' EQUITY			
EQUITY	605,596	601,294	603,797
PROVISIONS FOR RISKS AND CHARGES	2,351	2,351	2,351
AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR	161,203	117,668	186,829
AMOUNTS PAYABLE WITHIN ONE YEAR	308,249	375,489	353,661
FINANCIAL DEBTS	224,606	304,901	283,263
TRADE DEBTS	39,675	22,499	19,645
OTHER DEBTS	43,968	48,089	50,753
ACCRUED CHARGES AND DEFERRED INCOME	7,001	5,386	5,617
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,084,400	1,102,188	1,152,255
KEY FIGURES			
DEBT RATIO (%)	43.3%	44.7%	46.9%
RETURN ON EQUITY (%)	9.4%	6.5%	7.9%
SHARE PRICE AS OF 30/09 (€)	62.45	69.80	76.50
BOOK VALUE PER SHARE (AFTER APPROPRIATION) (€)	61.83	61.39	61.65
R E S U L T	2002	2003	2004
+ GROSS RENTS	76,275	77,561	78,265
+ CERTIFICATES COUPONS	693	736	260
= REAL ESTATE INCOME	76,968	78,297	78,525
- NET REAL ESTATE COSTS	-3,068	-4,211	-5,584
- OPERATING COSTS	-5,143	-5,496	-6,248
= OPERATIONAL CASH FLOW	68,757	68,590	66,693
+ CAPITAL GAINS REALIZED ON REAL ESTATE PORTFOLIO ⁽¹⁾	-	-	2,595
- NET FINANCIAL RESULT	-16,628	-15,782	-15,208
- EXTRAORDINARY EXPENSES ⁽²⁾	-2,040	-	-957
- TAXES	66	-96	-652
= NET CASH FLOW	50,155	52,712	52,471
- NON-CASH OPERATING COSTS ⁽³⁾	-12	-120	-154
- VARIATION IN PORTFOLIO'S MARKET VALUE BOOKED TO THE PROFIT AND LOSS ACCOUNT (UNREALIZED UNDERLYING DEPRECIATION)	-1,873	-7,477	-8,396
= AFTER-TAX RESULT	48,270	45,115	43,921
KEY FIGURES			
CASH FLOW PER SHARE (€)	5.38	5.38	5.36
EARNINGS PER SHARE (€)	4.93	4.61	4.48
RETURN PER SHARE (€) ⁽⁴⁾	5.68	4.01	4.88
GROSS DIVIDEND PER SHARE (€)	4.28	4.45	4.62
NET DIVIDEND PER SHARE (€)	3.64	3.78	3.93
PAY-OUT RATIO⁽⁵⁾	83.6%	82.8%	91.1%

(1) Capital gains realized through sale of part of the portfolio of real estate certificates.

(2) Fee for arranging the new syndicated loan.

(3) Write-downs on receivables and depreciation of furniture and vehicles.

(4) The return is the gross dividend for the fiscal year plus the increase in the book value during the fiscal year divided by the book value at the beginning of the year.

(5) The pay-out ratio is calculated on the basis of the net product, in accordance with Article 62 of the Royal Decree of 10 April 1995 on Sicafis.

The following table has been drawn up to provide a comparison of Befimmo's results with those of "Sicafis" that publish their accounts pursuant to a derogation to the system established by the Royal Decree of April 1995.

RESULT BEFORE EXTRAORDINARY ITEMS (in thousands of €)			
	2002	2003	2004
+ GROSS RENTS	76,275	77,561	78,265
+ CERTIFICATES COUPONS	693	736	260
- NET REAL ESTATE COSTS	-3,068	-4,211	-5,584
- OPERATING COSTS	-5,143	-5,496	-6,248
- NON-CASH OPERATING COSTS ⁽¹⁾	-12	-120	-154
= OPERATING PROFIT	68,744	68,470	66,539
- NET FINANCIAL RESULT	-16,628	-15,782	-15,208
- TAXES	66	-96	-652
= EARNINGS BEFORE EXTRAORDINARY ITEMS	52,182	52,593	50,679
+ CAPITAL GAINS REALIZED ON PORTFOLIO DISPOSALS	-	-	2,595
- REVERSAL OF UNREALIZED CAPITAL GAINS ON TRANSFERRED ASSETS	-	-	-2,609
- CHANGE IN MARKET VALUE (UNREALIZED CAPITAL GAINS OR LOSSES)	634	-13,340	-1,921
= PORTFOLIO RESULT	634	-13,340	-1,935
+ NET EXTRAORDINARY RESULT	-2,040	-	-957⁽²⁾
= RESULT FOR THE PERIOD (DEROGATORY ARRANGEMENT)	50,776	39,253	47,787
+ REVALUATION GAIN TRANSFER (EQUITY), INCLUDING			
• REVERSAL OF UNREALIZED CAPITAL GAINS ON TRANSFERRED ASSETS	-	-	2,609
• CHANGE IN MARKET VALUE (UNREALIZED CAPITAL GAINS OR LOSSES)	-2,506	5,862	-6,475
= NET ACCOUNTING RESULT	48,270	45,115	43,921

(1) Write-downs on receivables and depreciation of furniture and vehicles.

(2) Fee for arranging a new syndicated credit.

COMMENTS ON THE RESULTS

During fiscal year 2003/2004, Befimmo enjoyed a net cash flow, in line with expectations, of € 52.5 million (€ 5.36 per share) as compared to € 52.7 million (€ 5.38 per share) the previous fiscal year.

Befimmo's operational cash flow (before financial result) amounted to € 66.7 million, as compared to € 68.6 million the previous year. This downturn is a result of the impact of the difficult economical conditions in recent years on Befimmo's clients. Business restructurings lead to reductions in the space occupied, renegotiations of leases and sometimes the departure of the company following relocation.

However, the profit of € 2.6 million created by the disposal of part of the portfolio of real estate certificates (partially reduced by the costs incurred setting up a new syndicated loan and by the rise in taxes) helped limit the slight fall in net cash flow.

The various cash flow components developed as follows during the fiscal year:

➤ Rents rose by 0.9% (an increase of € 0.7 million), following the acquisition of the Poelaert building

in December 2003. On a like for like basis, rents fell by 1.98% (down € 1.5 million) largely for the reasons given above.

➤ Income from real estate certificates fell to € 0.26 million from € 0.74 million last year, following the sale of part of the portfolio of certificates.

➤ Net real estate charges amounts to € 5.58 million, compared to € 4.21 million last year. This rise is mainly due to work carried out in the buildings.

➤ Operating costs were € 6.2 million, compared to € 5.5 million for the previous year. This rise is due to additions to the Befimmo team (18 members as of 30 September 2004) and to the costs of project studies.

➤ The net financial result stands at € 15.2 million, down by € 0.6 million despite the financing costs for the acquisition of the Poelaert building. The average financing cost for loans amounted to 3.20% (including the margin and the cost of interest rate hedging instruments), compared with 3.87% in the previous fiscal year.

➤ The sale of part of the portfolio of certificates yielded a profit of € 2.6 million.

FINANCIAL RESULTS

- Exceptional costs linked to setting up a new syndicated loan (€ 1 million) were incurred during the fiscal year.
- A fresh fiscal burden, resulting from the fact that some regional taxes are no longer deductible (new provision of the Law of 24 December 2002 on reforming corporation tax), led to a rise in taxes from € 0.1 million to € 0.65 million.

The net profit for the fiscal year amounts to € 43.9 million, compared to € 45.1 million for the previous fiscal year. This fall is due to:

- the fall in net cash flow (- € 0.2 million);
- unrealized losses on the real estate portfolio (€ 8.4 million compared with € 7.5 million for the previous fiscal year). Befimmo records its results in strict compliance with the rules set out in the Royal Decree of 10 April 1995. As such, capital gains actually realized appear in the profit and loss account, as do unrealized capital losses incurred when the assessed value is less than the purchase value. The remaining unrealized capital gains and losses are reflected in the equity. During the last fiscal year, a number of buildings in the portfolio saw their value increase, by a combined total of € 6.5 million. These unrealized gains have not therefore been recorded in the profit and loss account but directly in the equity.

As of 30 September 2004, the net book value before appropriation amounts to € 649.1 million, compared with € 601.3 million at the beginning of the fiscal year.

During the fiscal year, equity movements were as follows:

(in millions of €)	
EQUITY AT THE BEGINNING OF THE YEAR	601.29
CASH FLOW OF THE YEAR	52.47
WRITE-DOWNS ON PORTFOLIO BOOKED TO THE PROFIT AND LOSS ACCOUNT	- 8.55
PROFIT OF THE YEAR	= 43.92
VARIATION IN PORTFOLIO VALUE NOT BOOKED TO THE PROFIT AND LOSS ACCOUNT	+ 3.87
RETURN OF THE YEAR	= 47.79
EQUITY AT THE END OF THE YEAR BEFORE APPROPRIATION	= 649.08
GROSS DIVIDEND PROPOSED TO THE GENERAL MEETING	- 45.28
VARIATION IN EQUITY AFTER APPROPRIATION OF THE RESULTS	= 2.51
EQUITY AT THE END OF THE YEAR	= 603.8

The gross dividend amounts to 91.1% of the net product of the fiscal year as defined by the Royal Decree of 10 April 1995 on real estate SicaFs. The net book value, after appropriation, is € 61.65 per share. The return of the year is therefore € 4.88 per share or 7.9% of the net book value at the beginning of the fiscal year.

DEBT STRUCTURE AND INTEREST RATE RISK HEDGING

Given the historically low interest rates, Befimmo has, since 2002, opted for a financing policy based for the most part on floating rates. On 30 September 2004, financial debt stood at € 468.9 million, 79% of which involved floating rate loans. This strategy has allowed it to fully benefit from short-term interest rate cuts. During the fiscal year, the average financing cost for loans amounted to 3.2% (including the margin and the cost of interest rate hedging instruments), compared with 3.87% for the previous fiscal year.

In August 2004, in order to benefit from the low level of credit margins and increase the average duration of its financing, Befimmo restructured its debt by agreeing a new syndicated loan of € 350 million for a period of five years, to be repaid in one lump sum at maturity. This new loan made it possible to refinance part of Befimmo's existing debt (taken out under more costly conditions) and to increase the available back-up lines used to cover issues of short-term commercial papers. As a result of this restructuring, the average duration of debt is now 4.6 years compared with 2.3 years previously.

Over the last two fiscal years, Befimmo has implemented a policy of hedging interest rate risks, based mainly on the purchase of "CAP" options. The interest rate risk is now limited to progressive rates between now and 2008, and the proportion of hedged debt will increase gradually from 73% on 30 September 2004 to 85% by the end of 2008. The rate increase risk is limited to 5% between now and 2008.

APPROPRIATION OF RESULTS

The net profit for this fiscal year amounts to € 43,920,727.03. Taking into account the profit carried forward from the previous year, the profit to be appropriated amounts to € 111,528,638.41.

In accordance with Article 60 of the Royal Decree of 10 April 1995 on real estate Sicafs, no depreciation was booked on the buildings.

In accordance with Article 119 para. 4 of the Law of 4 December 1990 on closed-end mutual funds, no transfer was made to the legal reserve.

No event occurred during the fiscal year to justify setting up provisions as defined in Article 13 of the Law of 17 July 1975 on company accounting and annual accounts.

In order to be prudent and in the context of adaptation of the valuation rules to IFRS standards, the Managing Agent decided – as last year – to retain the provisions of € 2,350,680.30 set up at the time by Cibix to cover the cost of future work on buildings and not make any additional allocation.

In accordance with the pay-out policy pursued to date, the Managing Agent proposes to the Ordinary General Meeting of Shareholders that an amount of € 66,244,741.81 is carried forward.

This further reinforces the capacity to finance any expenses relating to the risks inherent in the company's activities, while future dividend payments are also protected.

Dividend growth this year will be 3.8%, more than twice the rate of inflation. We will therefore propose to the General Meeting that a dividend should be paid out in line with the forecasts published in the annual report for 2003.

We propose appropriating the amounts as follows:

PROFIT TO BE CARRIED FORWARD	66,244,741.81 €
PROFIT FOR DISTRIBUTION	45,283,896.60 €

If you approve this appropriation, the net dividend after deduction of the withholding tax will amount to € 3.93 (€ 4.62 gross) for each of the 9,794,227 shares. This will be payable as from 21 December 2004 on presentation of coupon n°. 10 detached from the shares, at the following banks:

- > DEXIA BANK
- > ING BANK BELGIUM
- > FORTIS BANK

The proposed dividend is higher than the minimum of 80% of net product required by Article 62 of the Royal Decree of 10 April 1995. The pay-out ratio is 91.1%. The proposed gross dividend represents 103.1% of the net profit for the fiscal year.

SUBSEQUENT EVENTS

Outside its day-to-day management duties, the Managing Agent has no after year-end subsequent event to report.

BUSINESS OUTLOOK, DIVIDEND POLICY

Befimmo is pursuing its strategy of maximizing cash flows and creating value.

The outlook for the next three years (given below) is based on information available as of 30 September 2004. This does not constitute a commitment for Befimmo and is not certified by the auditor. Whether or not these forecasts will actually be achieved on economic developments in the real estate and financial markets and on continued good relations with lessees.

The assumptions taken into account are:

Regarding cash flows:

	2003/2004	2004/2005	2005/2006	2006/2007
	realized	forecasts		
CHANGE IN THE HEALTH INDEX	1.75%	1.75%	1.75%	1.75%
AVERAGE OCCUPANCY RATE ⁽¹⁾	91.7%	91.9%	95.9%	95.7%
EURIBOR 3-MONTH RATE	2.1%	2.3%	3.0%	3.3%

Regarding changes in portfolio value:

	2003/2004	2003/2004	2004/2005	2005/2006	2006/2007
	budgeted	realized	forecasts		
CENTRAL BUSINESS DISTRICT	+0.6%	+1.66%	+1.0%	+0.7%	+0.6%
DECENTRALIZED AREAS	-1.0%	-3.55%	-1.1%	-0.9%	0.0%
SUBURBS	-2.3%	-3.38%	-3.0%	-1.5%	0.0%
TOTAL CHANGE	-0.30%	-0.17%	-0.1%	0.0%	+0.4%

Regarding investment plans:

Befimmo will pursue a regular growth, provided that the planned transactions offer long-term prospects for creating shareholder value.

Growth can be achieved in two ways:

- internal, regular and gradual growth through direct and indirect acquisitions, in line with Befimmo's debt capacity;
- external, selective growth through mergers with other real estate portfolios, as opportunities arise.

Befimmo aims to use its investment capacity in such a way that the debt ratio for a given year averages 47%, compared to the current figure of 45%. In terms of internal growth, an investment of € 60 million – theoretical at this stage – is planned for 2005. These projections do not include external growth.

DIVIDEND POLICY

Befimmo believes that it will be able to continue its policy of sound dividend growth. The balance of the profit available for distribution will then be carried forward.

Income for the next three years takes account of the European Commission's continued occupancy of the Borschette Conference Centre and the Belgian government's occupancy of the Extension Justice building until the end of the lease.

(1) The portfolio's average occupancy rate for one year is calculated by dividing all rent actually received during the year by all rents that would have been received during the year if, in addition to the rented spaces, vacant spaces had also all been rented out during the year at the estimated rental value (ERV).



GOEMAERE

FORECASTS (as of 30.09 - in thousands of €)

BALANCE SHEET	2004	2005	2006	2007
TOTAL ASSETS	1,152,255	1,220,058	1,224,888	1,243,766
REAL ESTATE PORTFOLIO	1,129,005	1,190,231	1,193,890	1,210,231
OTHER ASSETS	23,250	29,827	30,998	33,535
TOTAL SHAREHOLDERS' EQUITY	603,797	603,667	609,509	616,334
TOTAL DEBT	548,458	616,391	615,379	627,432
DEBT RATIO (%)	47%	50%	49%	49%
BOOK VALUE PER SHARE (€)	61.65	61.63	62.23	62.93

INCOME STATEMENT	2004	2005	2006	2007
REVENUES				
GROSS RENT	78,265	80,491	87,575	88,007
REAL ESTATE CERTIFICATES	260	260	260	260
CHARGES				
NET REAL ESTATE COSTS	-5,655	-8,970	-7,300	-7,841
UNREALIZED DEPRECIATIONS ON ASSETS	-10,976	-5,135	-3,995	-1,500
WRITE-BACKS ON WRITE-DOWNS	2,580	220	-	-
OPERATING CHARGES	-6,331	-6,450	-6,413	-6,594
TAXES	-652	-650	-650	-650
NET FINANCIAL CHARGES	-15,209	-16,945	-19,876	-21,218
EXTRAORDINARY RESULT⁽¹⁾	1,639	-	-	-
NET RESULT	43,921	42,821	49,601	50,464
TRANSFERRED TO RESERVES	-1,363	-4,191	1,413	1,101
GROSS DIVIDEND	45,284	47,012	48,188	49,363

(1) The net extraordinary result includes a capital gain of € 2.596 million realized on the sale of part of the portfolio of real estate certificates, as well as the costs of arranging the new syndicated loan for € 957,000.

DATA PER SHARE (€)	2004	2005	2006	2007
PRICE AS OF 30 SEPTEMBER 2004	76.5	-	-	-
BOOK VALUE AT BEGINNING OF FISCAL YEAR	61.39	61.65	61.63	62.23
BOOK VALUE AT END OF FISCAL YEAR	61.65	61.63	62.23	62.93
NET CASH FLOW	5.36	4.91	5.54	5.43
NET RESULT	4.48	4.37	5.06	5.15
GROSS DIVIDEND	4.62	4.80	4.92	5.04
NET DIVIDEND	3.93	4.08	4.18	4.28
GROSS YIELD (%)	6.04%	6.27%	6.43%	6.59%
RETURN (%)	7.94%	7.76%	8.95%	9.22%
NUMBER OF SHARES	9,794,227	9,794,227	9,794,227	9,794,227

BEFIMMO SHARE

DATA PER SHARE (as of 30.09 - in €)

	2000	2001	2002	2003	2004
NUMBER OF SHARES	7,549,042	7,907,420	9,794,227	9,794,227	9,794,227
STOCK MARKET PRICE					
HIGHEST	73.40	63.10	69.45	74.90	77.45
LOWEST	51.10	55.10	59.00	59.00	67.65
CLOSING	58.00	63.00	62.45	69.80	76.50
REVALUED NET BOOK VALUE ⁽¹⁾	57.20	60.43	61.83	61.39	61.65
RETURN PER SHARE	6.42	7.35	5.68	4.01	4.88
RETURN ⁽²⁾ (%)	11.7%	12.9%	9.4%	6.5%	7.9%
CASH FLOW PER SHARE	5.02	6.94	5.38	5.38	5.36
EARNINGS PER SHARE	4.95	6.84	4.93	4.61	4.48
PAY-OUT RATIO	92%	96%	84%	83%	91%
GROSS DIVIDEND	4.00	4.12	4.28	4.45	4.62
GROSS YIELD ⁽³⁾ (%)	6.90%	6.54%	6.85%	6.38%	6.04%
NET DIVIDEND	3.40	3.50	3.64	3.78	3.93
PER (PRICE EARNINGS RATIO)	11.72	9.21	12.67	15.14	17.08

(1) The net book value is based on the "deed in hand" value of the buildings, which includes variable transaction costs up to a maximum of 13% that an investor would have had to pay if he had made a direct real estate investment.

(2) The return is the gross dividend for the fiscal year plus the increase in the book value over the same period, divided by the book value at the beginning of the year.

(3) The gross yield is equal to the gross dividend divided by the price as of 30 September.

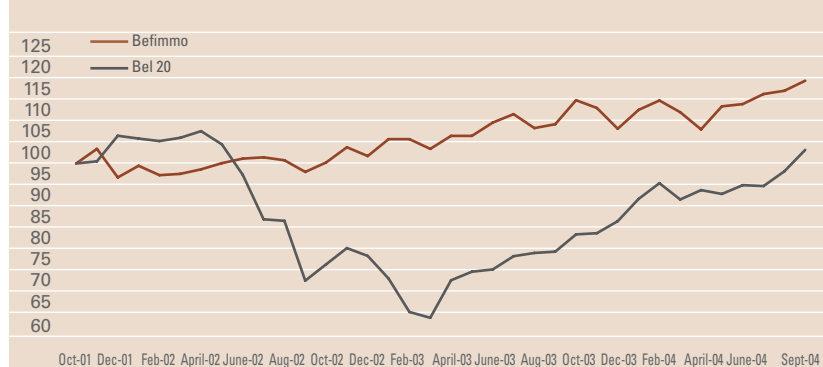
SHARE PRICE FROM JANUARY 2000 TO SEPTEMBER 2004 (in €)



SHARE PRICE FROM OCTOBER 2003 TO SEPTEMBER 2004 (in €)



BEFIMMO COMPARED TO THE BEL 20 (in %)



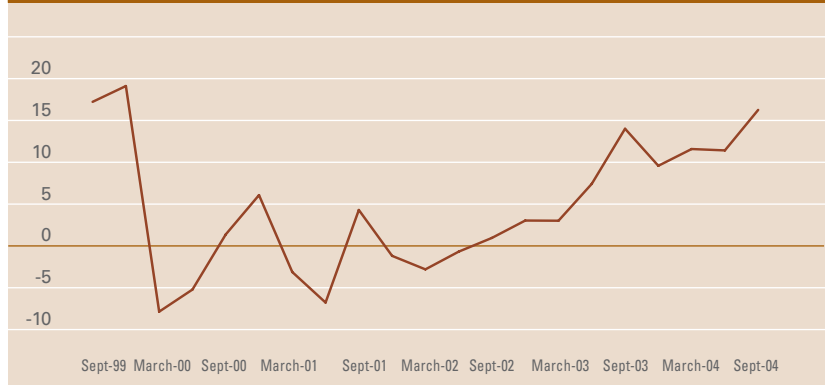


JOSEPH II

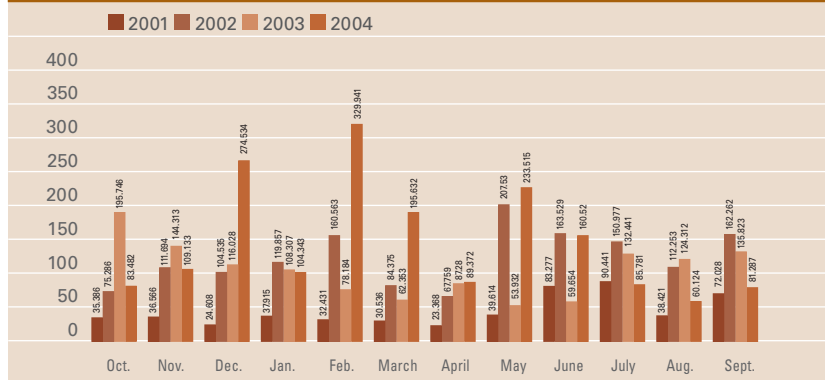
MARKET CAPITALIZATION (in million €)



PREMIUM AND DISCOUNT FROM SEPTEMBER 1999 TO SEPTEMBER 2004 (in %)



MONTHLY VOLUMES (in thousands of shares)



B E F I M M O S H A R E

D I V I D E N D (i n €)

	2000	2001	2002	2003	2004
GROSS DIVIDEND	4.00	4.12	4.28	4.45	4.62
NET DIVIDEND	3.40	3.50	3.64	3.78	3.93
NUMBER OF SHARES	7,549,042	7,907,420	9,794,227	9,794,227	9,794,227

S H A R E H O L D I N G

Befimmo's equity is held by a large number of shareholders. The table below is based on the latest "transparency declarations" received indicating a voting right in excess of 5% (law of 2 March 1989 and Royal Decree of 10 March 1984).

S H A R E H O L D I N G (a s o f 30.09)

DECLARANTS	TOTAL NUMBER OF DECLARED VOTING RIGHTS ON THE DATE OF DECLARATION	DATE OF DECLARATION	%
FORTIS AG AND ASSOCIATED COMPANIES*	1,181,230	29/10/2004	12.06
MR. ALAIN DE PAUW**	721,152	08/02/2000	7.36
MR. PATRICK DE PAUW**	712,382	08/02/2000	7.27
FREE FLOAT	7,179,463		73.31

* Transparency declarations received by 11 October 2001 (8.09%) and 29 October 2004 (3.97%).

** After the end of the fiscal year on 30 September 2004, Befimmo received from Mr. Alain and Mr. Patrick De Pauw a subsequent declaration of participation, dated 25 November and 15 November 2004 respectively, indicating that their shareholdings had fallen below the 5% declaration threshold (situation as of 25 November 2004).

K E Y D A T E S F O R S H A R E H O L D E R S

	DATE
PAYMENT OF THE 2004 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS UPON PRESENTATION OF COUPON No. 10	AS FROM 21 DECEMBER 2004
PUBLICATION OF THE BOOK VALUE AS OF 31 DECEMBER 2004	FRIDAY 25 FEBRUARY 2005
PUBLICATION OF THE FIRST-HALF RESULTS AND BOOK VALUE AS OF 31 MARCH 2005	THURSDAY 19 MAY 2005
PUBLICATION OF THE BOOK VALUE AS OF 30 JUNE 2005	TUESDAY 30 AUGUST 2005
PUBLICATION OF THE ANNUAL RESULTS AND BOOK VALUE AS OF 30 SEPTEMBER 2005	THURSDAY 17 NOVEMBER 2005
ORDINARY GENERAL MEETING 2005	TUESDAY 13 DECEMBER 2005
PAYMENT OF THE 2005 DIVIDEND AT THE COUNTERS OF DEXIA, FORTIS AND ING BANKS UPON PRESENTATION OF COUPON No. 11	AS FROM 20 DECEMBER 2005

CORPORATE GOVERNANCE



FOUNTAIN PLAZA

INDEPENDENT MANAGEMENT IN THE SOLE INTEREST OF ALL SHAREHOLDERS

PHILOSOPHY

The Sicafi Befimmo is organized under the Belgian legal structure of “Société en commandite par actions”.

There are two main categories of partners:

- partners or shareholders, who own the shares. These are only responsible for the amount of their contribution and are not jointly or severally responsible with the other shareholders;
- the acting partner, Befimmo SA, the Managing Agent of the Sicafi. Befimmo SA has very wide-ranging management powers and unlimited responsibility for the Sicafi’s commitments.

The company’s founder, Bernheim-Comofi SA, opted for this partnership structure because:

- It allows for the consistent application of the rules of corporate governance.
- The statutory Managing Agent, Befimmo SA, is run by a Board of Directors operating wholly independently, assisted by its Audit Committee and its Supervisory Committee in compliance with the Royal Decree of 10 April 1995 and the controlling measures stipulated therein.
- The majority of the directors are also totally independent from Befimmo SA shareholders. The Managing Agent is thus better able to perform its legal duties of managing the Sicafi in the sole interest of its shareholders and is subject to controls that are at least as effective as those of a General Meeting of a public limited company.

➤ Befimmo SA is entitled, in its capacity as the statutory Managing Agent, to receive remuneration in proportion to the net result generated by the Sicafi. Its interests are therefore fully in line with those of all the Sicafi’s shareholders.

➤ It enables the Sicafi Befimmo SCA to benefit on a long-term basis from the Bernheim group’s 40 years of experience as a real estate owner, developer, operator and issuer of real estate certificates.

➤ This experience is offered via the statutory Managing Agent Befimmo SA which is wholly owned by Bernheim-Comofi SA and its subsidiary Bernheim Asset Management SA.

The Bernheim group is involved in the Sicafi at three levels:

- Shareholder of Befimmo SA: the Managing Agent’s interests are identical to those of all other shareholders of the Sicafi.
- Shareholder of the Sicafi itself, Befimmo SCA: same status as all other shareholders.
- Service provider: building management services and assistance in structuring operations are provided under normal market conditions with a fair quality-to-price ratio and in compliance with the conflict of interest rules laid down in the Companies Code and in the Royal Decree of 10 April 1995.

STRUCTURE AND ORGANIZATION





LA PLAINE

DECISION-MAKING BODIES: BEFIMMO SA, THE STATUTORY MANAGING AGENT OF THE SICAFI BEFIMMO SCA

BEFIMMO SA MANAGES THE SICAFI

Befimmo SA's registered capital, which amounted to € 725,386.71 as of 30 June 2004, is wholly owned by the Bernheim group. In accordance with its articles of association as Managing Agent, Befimmo SA is empowered to carry out all acts necessary or useful for achieving the corporate aims of Befimmo SCA: to form and manage the Befimmo SCA management team, to draw up the half-yearly report and draft annual reports and prospectuses for Befimmo SCA, to appoint real estate experts, to propose changes to the list of experts, to propose a change of depositary, to inform the depositary of each transaction made by Befimmo SCA involving real estate assets, to grant special powers to its authorized representatives, to determine their remuneration, to increase company capital within the limits of the authorized capital and to carry out all operations intended to benefit Befimmo SCA, be it via a merger or some other transaction.

BEFIMMO SA IS MANAGED BY A BOARD OF DIRECTORS

The Board of Directors of Befimmo SA, the Managing Agent of the Sicafi Befimmo SCA, acts in the sole interest of all shareholders, ruling on strategic decisions, long-term financing, investments and disposals.

It closes the annual and half-yearly accounts of the Sicafi Befimmo; it draws up the management report for the General Meeting of Shareholders; it approves merger reports; it rules on the use of

the authorized capital and convenes Ordinary and Extraordinary General Meetings of Shareholders.

Furthermore, the Board ensures the relevance, accuracy and transparency of the communication to the shareholders, financial analysts and the general public, such as prospectuses, annual and half-yearly reports, and press releases.

It delegates day-to-day management to a Managing Director who regularly reports back on his management activities.

It supervises the quality of the work performed by the Managing Director via two specially appointed directors operating on a collegial basis.

The Board of Directors meets at least four times a year, and every time a specific or exceptional transaction requires the Board to meet.

It is made up of eleven directors, proposed by Bernheim, the Promoter of the Sicafi Befimmo, with the approval of the Banking, Finance and Insurance Commission. Most of these directors have no ties whatsoever with the Bernheim group. At the current time:

- two directors are representatives of the Promoter of the Sicafi;
- two directors are appointed, major shareholders of the Sicafi;
- one director is a representative of the banks promoting the Sicafi;
- five directors are independent;
- one managing director.

Directorships run for three years and are renewable.

C O R P O R A T E G O V E R N A N C E

The Board met 15 times in 2003/2004.

In the event of a vote, Board decisions are taken by an absolute majority of all directors present or represented, or, in case of one or several abstentions, by an absolute majority of all other directors. In the event of a split vote, the chairman of the meeting shall have the casting vote. Without prejudice to the terms of Articles 523 and 524 of the Belgian Companies Code, when a potential conflict of interests arises, either with the Promoter or a director, the Managing Director must call a meeting of the Board to resolve the particular issue. The Board will then rule in the absence of those of its members concerned by the potential conflict of interest.

The Board of Directors consists of:

CHAIRMAN, LINKED TO THE PROMOTER

- Alain Devos, permanent representative of the Chairman of the Board of Directors of Fortis Real Estate SA.

MANAGING DIRECTOR - PERMANENT REPRESENTATIVE

- Benoît De Blicq

DIRECTOR LINKED TO THE PROMOTER

- Benoît Godts, Managing Director of Bernheim Asset Management SA.

DIRECTOR LINKED TO THE BANKS PROMOTING THE SICAFI

- Luc Vandewalle, Chairman of ING Belgium.

DIRECTORS, MAJOR SHAREHOLDERS OF THE SICAFI

- Alain De Pauw, Joint Chairman and Managing Director of Compagnie De Promotion SA.
- Patrick De Pauw, Joint Chairman and Managing Director of Compagnie De Promotion SA.

INDEPENDENT DIRECTORS

- Marc Blanpain, Chairman of the Board of Directors of Banque Belgoise.
- Gustaaf Buelens, Managing Director of NV Buelens.

- Jozef Colruyt, Chairman of the Board of Directors of Colruyt SA/NV (until 1 February 2004).

- Gaëtan Piret, Director of Compagnie Immobilière de Belgique SA.

- Daniel Schuermans, Chairman of Copropriété du World Trade Center.

- Marcus Van Heddeghem, Managing Director of Redevco Belgium (since 14 July 2004).

Directors' attendance fees (with the exception of the Managing Director) are paid by Befimmo SCA. They amount to € 1,250 per Board meeting, € 250 per Audit Committee meeting and € 400 per Supervisory Committee meeting.

All directorships expire at the end of the Ordinary General Meeting of Befimmo SA in March 2005 with the exception of Mr. Marcus Van Heddeghem, whose directorship expires in March 2007.

In accordance with Article 61 (2) of the Companies Code, the Board of Directors appointed Mr. Benoît De Blicq as Befimmo SA's permanent representative in the Sicafi Befimmo SCA.



POELAERT

**BEFIMMO SA ORGANIZES
THE DAY-TO-DAY MANAGEMENT
OF THE SICAFI: INDEPENDENT
MANAGEMENT IN THE SOLE
INTEREST OF THE SHAREHOLDERS**

As the Sicafi has grown, Befimmo has continued to expand its own operational team while keeping costs at a competitive level as compared with its competitors. This team is separate and independent from the Promoter. It works exclusively in the interests of Befimmo SCA.

The team reports directly to the Managing Director, who manages it in accordance with the decisions of the Board of Directors of Befimmo SA.

The management and technical maintenance of buildings is entrusted to external suppliers, as are all specialist accounting, tax and legal activities.

Contracts for subcontractors or external service providers are awarded on a competitive basis taking full account of value-for-money criteria and subject to normal market conditions. Befimmo SCA's policy in this regard is to avoid using third-party service providers if these could, in the course of their duties, obtain access to information that could potentially be used in such a way that is detrimental to the sole interest of the shareholders of Befimmo SCA.

**THE INTERESTS OF BEFIMMO
SA COINCIDE COMPLETELY
WITH THOSE OF ALL SICAFI
SHAREHOLDERS**

The remuneration paid to Befimmo SA, as statutory Managing Agent, is determined according to the provisions set out below in accordance with Article 19 of the Royal Decree of 10 April 1995.

In addition to the reimbursement of any costs directly relating to its mission, Befimmo SA is entitled to a payment in proportion to the net result for the current fiscal year.

This remuneration shall amount to 2/100^{ths} of a benchmark profit (if a profit was made) corresponding to 100/98^{ths} of the pre-tax profit after this remuneration has been booked to the fiscal year concerned. In this way, once the remuneration has been entered in Befimmo SCA's accounts, the remuneration for the year will represent 2.04% of the pre-tax profit specified in the accounts approved by the General Meeting of Befimmo SCA.

This remuneration is due as of 30 September of the fiscal year concerned, but is only payable after approval of the annual accounts.

The calculation of the remuneration is checked by the company's statutory auditor.

The fact that the remuneration of the statutory Managing Agent of the Sicafi, Befimmo SA, is linked in this way to the Sicafi's results means that its interests coincide with those of the shareholders as a whole.

CORPORATE GOVERNANCE

CONTROL

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors with internal control procedures, drawing up the financial statements and other financial information, appointing the statutory company auditors and in relations with them. It meets prior to each Board meeting with one or more of these issues on the agenda.

The Audit Committee comprises one director representing the Promoter of the Sicafi, Mr Benoît Godts, and one director, major shareholder, Mr Alain De Pauw.

The audit committee met four times during this fiscal year.

SUPERVISORY COMMITTEE

The Supervisory Committee oversees day-to-day management and was set up in application of Article 4 (1) and (5) of the Royal Decree of 10 April 1995 on real estate SICAFs. Supervision focuses on form rather than content, and ensures implementation of and compliance with (by the officer responsible for day-to-day management) procedures and methods covering the entirety of day-to-day management. It does not, however, consist of checking all acts taken by the officer responsible for day-to-day management.

The Supervisory Committee comprises two directors, Mr. Marc Blanpain and Mr. Benoît Godts. It met 14 times during the fiscal year.

STATUTORY AUDITORS

Deloitte & Touche, Statutory Auditors S.C. s.f.d. S.C.R.L., represented by Mr. Joseph Vlamincx and Mr. Jurgen Kesselaers, company auditors, acting jointly (the Statutory Auditors' term is renewed for three years at the AGM of 14 December 2004).

REAL ESTATE EXPERTS

In accordance with the Royal Decree of 10 April 1995, Befimmo calls on external experts for the regular valuation of its assets and whenever it issues shares, decides to be listed on a stock exchange, redeems shares otherwise than on the stock exchange or buys or sells real estate assets.

This expert valuation is required to determine the book value, draw up the annual accounts, and justify the share issue and redemption price.

These missions are currently assigned to:

- Winssinger & Associés, a member of the DTZ Winssinger Tie Leung group, valuing the following buildings: La Plaine, chaussée de La Hulpe, Woluwe Garden D, Woluwe Garden B, Ikaros Business Park, boulevard Industriel, rue Bollinckx, Wiertz, Brederode 1, Brederode 2, Empereur, Impératrice, Extension Justice, Borschette, Guimard, Schuman 3, View Building, Triomphe I, Triomphe II, Triomphe III, Jean Dubrucq, Ocean House, Eagle Building, Waterloo Office Park and Poelaert.
- In addition, Winssinger & Associés has been entrusted with coordinating all valuation activities.
- Cushman & Wakefield Healey & Baker values the buildings acquired from the merger with Prifast, namely: Goemaere, Fountain Plaza, Green Hill and the building located in rue de la Montagne in Charleroi.
- CB Richard Ellis values the buildings acquired from the mergers of 23 December 1998: World Trade Center, Noord Building, rue Devroye, rue du Jonquois, digue du Peuplier and Rond-Point Schuman 11.
- Catella Codemer values the Shell building.

DEPOSITORY BANK

Dexia Bank has been assigned as the depository bank of Befimmo SCA in accordance with Article 12 et seq. of the Royal Decree of 10 April 1995 on real estate Sicafs.

As the depository of Befimmo SCA, Dexia Bank must fulfil the obligations and duties prescribed by the law of 4 December 1990 and its implementing Decree of 10 April 1995.

During fiscal year 2004, the fees of the depository bank amounted to € 65,000.

It is therefore entrusted with:

- ensuring that Befimmo SCA immediately receives the corresponding income when assets are sold. To this end, the managers or



TRIOMPHE II

people concerned with the day-to-day management of Befimmo SCA will immediately inform Dexia Bank of each transaction concerning real estate assets;

- keeping originals and copies of notarized deeds concerning the buildings owned by Befimmo SCA, as well as the documents concerning the mortgage situation of these properties. The depository bank shall also keep the equivalent documents for any buildings located outside of Belgium.

Befimmo SCA must entrust Dexia Bank with all transferable securities and cash. The bank must then in turn:

- retain them and fulfil all the usual tasks with regard to cash deposits and the open deposit of transferable securities;
- implement, at the request of Befimmo SCA, all decisions taken by the latter concerning these assets, and in particular deliver the disposed assets, pay for acquired assets, receive the dividends and interest generated by these assets, and exercise all of the subscription and appropriation rights attached to them;
- ensure that, for operations concerning the assets of Befimmo SCA, the counterpart is received within the normal deadlines.

OBLIGATORY INFORMATION

BERNHEIM-COMOFI SUPPORT MISSIONS

Befimmo, in compliance with Article 524 of the Companies Code, signed a non-exclusive agreement with Sogepro (a subsidiary of the Bernheim group) to manage its real estate assets. The agreement covers nearly the entire Befimmo portfolio and focuses on owner management, tenant management and technical maintenance.

Each building is covered in a separate amendment, with an initial duration of three years reflecting these specific characteristics. The amendments may then be terminated on an annual basis by either party, Sogepro or Befimmo.

For the fiscal year to 30 September 2004, this cost Befimmo € 317,081 net.

In its day-to-day management, and with a view to achieving economies of scale, Befimmo also has access to certain pooled services provided by the Bernheim group, such as legal and fiscal services.

All of these services are subject to invoicing at market terms. For the fiscal year to 30 September 2004, Befimmo was invoiced an amount of € 11,362 for these services.

For extraordinary transactions, such as growth operations, Befimmo can – depending on the circumstances – draw on the resources of the Bernheim group to help it develop special projects.

For the fiscal year to 30 September 2004, Befimmo did not make use of the Bernheim group's resources in connection with these transactions.

APPLICATION OF ARTICLE 523 OF THE COMPANIES CODE ON CONFLICTS OF INTERESTS

PLANNED INVESTMENT IN SINT MARTIN'S PROPERTIES SA IN PARTNERSHIP WITH BUELENS REAL ESTATE NV

The agenda for the meeting of the Board of Directors on 17 February 2004 included a partnership project between Befimmo and Buelens Real Estate NV to invest in Sint Martin's Properties SA (owner of buildings located at Rue de la Loi 15 and Rue Colonel Bourg).

This transaction gave rise to the application of Article 523 of the Companies Code: "Conflicts of interests: in application of Article 523 of the Companies Code, Mr. Gustaaf Buelens, director, left the meeting at around 3.50 p.m. Indeed, Mr. Buelens is a director of and shareholder in Buelens Real Estate NV, Befimmo's partner in this transaction."

A separate set of minutes was drafted for this item. The Board of Directors adopted the following resolution:

"After the views of everyone present were solicited, the Board charged the managing director with the task of pursuing negotiations with Buelens Real Estate on the basis of the preparatory memo. The Board did, however, request renegotiation of the conditions governing incorporation of the building at Rue de la Loi 15 in the event that it is totally or partially vacant. Given this proviso – with respect to which the Board asked the managing director to report back to it – the Board said it was in favor of concluding a partnership between Befimmo and Buelens Real Estate NV under the conditions set out in the preparatory memo (or economically equivalent conditions)."

The partnership project did not materialize, since the shareholders in Sint Martin's Properties SA decided to deal with a third party. Consequently, there was no impact on the company's assets.

PROJECT TO INVEST IN SWISS LIFE IMMO COMMERCE SA IN PARTNERSHIP WITH BUELENS REAL ESTATE NV

The agenda for the meeting of the Board of Directors on 19 August 2004 included a project to invest in Swiss Life Immo Commerce SA, owner of two buildings located at Square de Meeus 37 and Rue du Commerce 29-31, in partnership with Buelens Real Estate NV.

This transaction gave rise to the application of Article 523 of the Companies Code because, as indicated above, Mr. Buelens, a director of Befimmo SA, is also a director of and shareholder in Buelens Real Estate NV.

A separate set of minutes was drafted for this item:

"All directors present [Mr. Buelens was absent] took part, except for Mr. Devos, director, who left the meeting. The discussion began at 2.35 p.m.

The investment project was explained in the Board meeting and comments were made on the preparatory memo.

After the debate, the Board agreed that Befimmo would not take part in this transaction."

As it was not pursued, this project did not have any impact on the company's assets.

ADDITIONAL INFORMATION

It should also be pointed out, where necessary, that during the year Befimmo SCA renewed its lease with Buelens Real Estate NV (842 m² of offices at the Fountain Plaza in Zaventem). This is a customary option concluded under normal market conditions and guarantees in respect of options of the same nature, in such a manner that Article 523 of the Companies Code does not apply.

DELOITTE & TOUCHE FEES

Deloitte & Touche, Statutory Auditors S.C. s.f.d. S.C.R.L., represented by Mr. Jos Vlamincx and Mr. Jürgen Kesselaers, is the auditor. Its fees, set by the General Meeting of Shareholders on 11 December 2001, are € 37,250 (excl. VAT). Its duties will end after the General Meeting of December 2004.

Deloitte & Touche also performed fiscal services as well as services related to the process of transferring Befimmo to IFRS (total billings: € 70,181).

RESEARCH & DEVELOPMENT

Befimmo is not active in research and development.

FISCAL YEAR 2004

FINANCIAL REPORT

50	BALANCE SHEET
52	INCOME STATEMENT
54	SUMMARY OF ACCOUNTING POLICIES
56	NOTES TO THE ACCOUNTS
61	DETAILS ABOUT THE ACCOUNTS
62	CASH FLOW STATEMENT
63	DEBTS, GUARANTEES AND RATING
65	REPORT OF THE STATUTORY AUDITOR

BALANCE SHEET

(as of 30 September - in thousands of €)

ASSETS	2004	2003	2002
FIXED ASSETS	1 129 155	1 064 788	1 074 438
III. TANGIBLE ASSETS	1 125 440	1 054 697	1 065 033
C. Furniture and vehicles	128	170	215
E. Other tangible assets	1 125 312	1 054 527	1 064 818
IV. FINANCIAL ASSETS	3 715	10 091	9 405
C. Other financial assets			
1. Shares	3 693	10 069	9 383
2. Receivables and cash guarantees	22	22	22
CURRENT ASSETS	23 100	37 400	9 962
V. RECEIVABLES AFTER MORE THAN ONE YEAR	355	438	515
B. Other receivables	355	438	515
VII. RECEIVABLES WITHIN ONE YEAR	8 217	6 379	7 287
A. Trade accounts receivables	6 646	5 340	6 563
B. Other receivables	1 571	1 039	724
VIII. SHORT-TERM DEPOSITS	10 142	14 022	-
B. Other deposits	10 142	14 022	-
IX. CASH	2 672	13 887	1 377
X. DEFERRED CHARGES AND ACCRUED INCOME	1 714	2 674	783
TOTAL ASSETS	1 152 255	1 102 188	1 084 400

(in thousands of €)

LIABILITIES AND SHAREHOLDERS' EQUITY	2004	2003	2002
SHAREHOLDERS' EQUITY	603 796	601 294	605 596
I. CAPITAL	142 295	142 295	142 295
A. Issued capital	142 295	142 295	142 295
II. ISSUE PREMIUM	161 261	161 261	161 261
III. REVALUATION PROFIT	212 882	209 017	214 878
IV. RESERVES	21 113	21 113	21 113
A. Legal reserve	1 295	1 295	1 295
B. Reserves unavailable for distribution	3 633	3 633	3 633
D. Reserves available for distribution	16 185	16 185	16 185
V. PROFITS CARRIED FORWARD	66 245	67 608	66 049
PROVISIONS AND LIABILITIES	548 459	500 894	478 804
VII. PROVISIONS FOR RISKS AND CHARGES	2 351	2 351	2 351
VIII. AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR (Long-term debt)	186 829	117 668	161 203
A. Financial debts	185 613	116 774	160 336
D. Other debts	1 216	894	867
IX. AMOUNTS PAYABLE WITHIN ONE YEAR (Short-term debt)	353 662	375 489	308 249
A. Long-term debt maturing within the year	20 034	43 562	43 562
B. Financial debts	263 230	261 339	181 044
C. Trade debts	19 645	22 499	39 675
E. Tax, salary and social security debts	3 458	2 494	205
1. Taxes	3 316	2 336	37
2. Remuneration and social security	142	158	168
F. Other debts	47 295	45 595	43 763
X. DEFERRED INCOME AND ACCRUED CHARGES	5 617	5 386	7 001
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1 152 255	1 102 188	1 084 400

INCOME STATEMENT

(as of 30 September - in thousands of €)

	2004	2003	2002
I. SALES AND SERVICES	93 638	94 345	91 978
A. Turnover	78 266	77 561	76 312
D. Other operating income	15 372	16 784	15 666
II. COST OF SALES AND SERVICES	- 36 383	- 34 778	- 25 952
B. Services and other goods	- 16 356	-13 840	- 12 624
C. Remunerations, social security and pensions	- 1 115	- 880	- 810
D. Depreciations and write-downs of formation expenses and tangible and intangible assets	- 8 410	- 7 553	- 1 998
E. Write-downs of stocks, contracts in progress, trade receivables (write-downs +, write-backs -)	7	217	- 72
G. Other operating charges	-10 509	- 12 722	- 10 448
III. OPERATING INCOME	57 255	59 567	66 026
IV. FINANCIAL INCOME	3 665	1 597	2 068
A. Income from financial assets	260	736	693
B. Income from current assets	119	643	1 249
C. Other financial income	3 286	218	126
V. FINANCIAL CHARGES	- 15 357	- 16 433	- 17 849
A. Interest charges	- 14 504	- 15 691	- 17 559
C. Other financial charges	- 853	- 742	- 290
VI. CURRENT PRE-TAX PROFIT	45 563	44 731	50 245

(in thousands of €)

	2004	2003	2002
VII. EXTRAORDINARY INCOME	-	450	5 508
D. Capital gains on disposal on fixed assets	-	-	5 508
E. Other extraordinary income	-	450	-
VIII. EXTRAORDINARY CHARGES	- 993	-	- 7 548
E. Other extraordinary charges	- 993	-	- 7 548
IX. PRE-TAX PROFIT FOR THE FISCAL YEAR	44 570	45 181	48 205
X. TAXES ON THE RESULT	- 649	- 66	65
A. Taxes	- 652	- 106	- 198
B. Tax adjustments and write-back of tax provisions	3	40	263
XI. PROFIT FOR THE FISCAL YEAR	43 921	45 115	48 270
XIII. PROFIT TO BE APPROPRIATED FOR THE FISCAL YEAR	43 921	45 115	48 270
APPROPRIATIONS AND WITHDRAWALS	2004	2003	2002
A. PROFIT TO BE APPROPRIATED	111 529	111 164	107 991
1. Profit to be appropriated for the fiscal year	43 921	45 115	48 270
2. Profit carried forward from previous year	67 608	66 049	59 721
D. PROFIT CARRIED FORWARD	- 66 245	- 67 608	- 66 049
F. PROFIT FOR DISTRIBUTION	- 45 284	- 43 556	- 41 942

SUMMARY OF THE ACCOUNTING POLICIES

The accounting policies comply with the provisions of the Royal Decree of 10 April 1995 concerning real estate investment funds.

ASSETS

I. FORMATION EXPENSES

Formation expenses are booked in charges when incurred.

III. TANGIBLE ASSETS

Upon acquisition, tangible assets are accounted for at cost which comprises the purchase price including incidental costs and non-deductible VAT.

Buildings under construction are accounted for at cost, including incidental costs and non-deductible VAT as work progresses.

For buildings acquired through a merger, split or contribution of a branch of activity, the taxes due on the potential capital gains on the companies absorbed are included in the cost of the assets.

Without prejudice to the obligation under Article 7 of the law of 17 July 1975 concerning company accounting and annual accounts to establish an inventory at least once a year, Befimmo draws up an inventory every time it issues or buys back shares other than on the stock market.

At the end of each fiscal year, an independent surveyor values the following real estate assets in detail:

- buildings and real rights to buildings held by Befimmo or by a real estate company that it controls;
- options on buildings held by Befimmo or by a property company that it controls, as well as buildings covered by such rights.

These valuations are binding Befimmo for the preparation of its annual accounts.

Tangible assets are therefore accounted for at the value determined by the surveyor, "deed in hands" i.e. including all costs, registration duties and fees that have been paid.

Moreover, at the end of each of the first three quarters of the fiscal year, the surveyor updates the overall valuation of real estate properties held by Befimmo in line with the evolution of the market and the specific characteristics of the real estate assets concerned.

Unrealized capital gains are directly booked under heading III of liabilities "Revaluation of capital gains".

By way of derogation from Articles 28 (2) and 30 of the Royal Decree of 8 October 1976 on company annual accounts, Befimmo does not depreciate buildings, real rights on buildings or real estate assets leased to Befimmo. Maintenance and major repair costs are booked in charges when incurred.

Tangible assets other than real estate with a limited useful life are depreciated using the straight-line method starting in the year when they are first posted to the accounts, as calculated on a pro rata basis according to the number of months these assets are held during the year in which they were acquired.

If the fiscal year is shorter or longer than 12 months, depreciation is calculated on a pro rata basis.

The following annual depreciation rates are applied:

- Installations and machinery: 20%, except:
 - vehicle: 25%
 - leased equipment: duration of the contract
 - fittings and improvements of leased buildings and leased equipment: depreciation over the lease term or, over ten years in the absence of lease contract.
- Acquisitions for a unit price lower than € 2,479 before VAT are booked in charges when made.

Tangible assets other than real estate without limit of useful life are written down in case of long term decrease of value. They may be revalued.

IV. FINANCIAL ASSETS

On acquisition, financial assets are booked at their acquisition value, excluding incidental costs which are accounted for directly as charges.

The Managing Agent is allowed to book incidental costs as on asset for major acquisitions.

Securities held in the portfolio for which there is a liquid market are valued at their market price. Fixed-yield securities held in the portfolio for which there is no liquid market are valued on the basis of the market price that applies to similar securities with a comparable residual life.

Article 34 sub paragraph 3 of the Royal Decree of 8 October 1976 concerning company annual accounts does not apply.

Articles 10, 14 (1) and (5), 15, sub-paragraph 1, 16(1) sub-paragraph 1, (2) sub-paragraph 1 of the Royal Decree of 8 March 1994 on the accounting and annual accounts of certain open-ended joint investment funds apply to Befimmo.

Unrealized capital gains are directly posted under heading III, "Revaluation of capital gains", on the liabilities side.

V. RECEIVABLES AFTER MORE THAN ONE YEAR

Receivables are booked at their nominal value or at their acquisition cost. Receivables after more than one year are written down in case of permanent decline in value.

VII. RECEIVABLES WITHIN ONE YEAR

These receivables are booked following the same rules as for receivables after more than one year.

Receivables within one year are written down in case of decline in value.

VIII. SHORT-TERM DEPOSITS

All deposits are valued in the accounts at their acquisition value, excluding incidental costs which are booked immediately in the profit and loss account. Shares quoted on a stock exchange are valued at the prevailing stock-market price.

Premiums paid for the acquisition of financial instruments considered as hedge against interest rate risk on the company's debt are booked to the assets side of the balance sheet. These premiums are depreciated over the duration of coverage provided by the hedging instrument. The interest flows generated by these financial instruments are booked directly to the profit and loss account, in line with the interest due by the elements so covered.

LIABILITIES

VII. PROVISIONS FOR RISKS AND CHARGES

Each year the Managing Agent conducts a full examination of provisions previously set up, or to be set up to cover risks and charges to which the company is subject, and makes the necessary adjustments.

> COMMITMENTS AND CLAIMS

The Managing Agent evaluates commitments and claims at the nominal value of the legal commitment mentioned in the contract; where there is no nominal valuation or in borderline cases, they are mentioned for information only.

> SUPPLEMENTARY PENSION SCHEME

Members of staff benefit from a retirement and survivors' pension scheme guaranteeing a pre-defined level of resources that varies in line with their seniority and last salary. The supplementary pension is established partly by a group insurance scheme and partly through a legally distinct pension fund. The annual contribution is included under staff costs and the amount is calculated by a pension fund actuary.

NOTES TO THE ACCOUNTS

(as of 30 September - in thousands of €)

III. STATEMENT OF TANGIBLE ASSETS		FURNITURE AND VEHICLES	OTHER TANGIBLE ASSETS
A. ACQUISITION VALUE			
AT THE END OF PREVIOUS PERIOD		394	925 668
MOVEMENTS DURING THE FISCAL YEAR			
• Acquisitions (including real estate development)		41	72 671
AT THE END OF THE FISCAL YEAR		435	998 339
B. UNREALIZED CAPITAL GAINS			
AT THE END OF PREVIOUS PERIOD		–	213 382
MOVEMENTS DURING THE FISCAL YEAR			
• Booked		–	14 879
• Cancelled		–	(8 438)
AT THE END OF THE FISCAL YEAR		–	219 823
C. DEPRECIATION & WRITE-DOWNS (–)			
AT THE END OF PREVIOUS PERIOD		224	84 523
MOVEMENTS DURING THE FISCAL YEAR			
• Booked		83	8 327
AT THE END OF THE FISCAL YEAR		307	92 850
D. NET BOOK VALUE AT THE END OF THE FISCAL YEAR		128	1 125 312

(in thousands of €)

IV. STATEMENT OF FINANCIAL ASSETS	2004
1. SHARES AND SHAREHOLDINGS	
A. ACQUISITION VALUE	
AT THE END OF PREVIOUS PERIOD	6 838
MOVEMENTS DURING THE FISCAL YEAR	
• Disposals	(3 731)
AT THE END OF THE FISCAL YEAR	3 107
B. UNREALIZED CAPITAL GAINS	
AT THE END OF PREVIOUS PERIOD	3 231
MOVEMENTS DURING THE FISCAL YEAR	
• Booked	44
• Cancelled	(2 689)
AT THE END OF THE FISCAL YEAR	586
NET BOOK VALUE AT THE END OF THE FISCAL YEAR	3 693
2. RECEIVABLES	
NET BOOK VALUE	
AT THE END OF PREVIOUS PERIOD	22
NET BOOK VALUE AT THE END OF THE FISCAL YEAR	22
VI. SHORT TERM DEPOSITS: OTHER INVESTMENTS	2004
TERM DEPOSIT ACCOUNTS HELD WITH CREDIT INSTITUTIONS	7 000
WITH A RESIDUAL DURATION OR NOTICE PERIOD:	
• of no more than one month	7 000
OTHER CASH INVESTMENTS NOT LISTED ABOVE	3 141
VII. DEFERRED CHARGES AND ACCRUED INCOME	2004
DEFERRED CHARGES (CP INTEREST)	386
DEFERRED CHARGES (ON A PRO RATA BASIS)	1 234
OTHER INCOME RECEIVABLE	94

NOTES TO THE ACCOUNTS

(as of 30 September - in thousands of €)

VIII. CAPITAL SITUATION			AMOUNTS	NO. OF SHARES
A. NOMINAL CAPITAL				
1. ISSUED CAPITAL				
AT THE END OF THE PREVIOUS PERIOD			142 295	9 794 227
AT THE END OF THE FISCAL YEAR			142 295	9 794 227
2. BREAKDOWN OF THE CAPITAL				
2.1. Categories of shares				
• Ordinary shares			142 295	9 794 227
2.2. Registered or bearer shares				
• Registered				1 276 612
• Bearer				8 517 615
E. AUTHORIZED CAPITAL NOT ISSUED			88 246	
G. COMPANY SHAREHOLDING STRUCTURE ON THE CLOSING DATE FOR THE ACCOUNTS				
DECLARANT	DATE OF DECLARATION	TOTAL NUMBER OF ISSUED SHARES	TOTAL NUMBER OF DECLARED VOTING RIGHTS	%
Bernheim group companies	11/10/2001		791 998	8,09
Mr Alain De Pauw	08/02/2000		721 152	7,36
Mr Patrick De Pauw	08/02/2000		712 382	7,27
Denominator		9 794 227		
X. DEBT SITUATION		MATURING WITHIN ONE YEAR	WITH MORE THAN ONE YEAR BUT LESS THAN 5 YEARSTO GO	MORE THAN 5 YEARS TO GO
A. BREAKDOWN OF AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR BY RESIDUAL PERIOD				
FINANCIAL DEBTS		20 034	159 958	25 655
4. Credit institutions		20 034	159 958	25 655
OTHER DEBTS		–	1 216	–
TOTAL		20 034	161 174	25 655
				2004
C. TAX, SALARY AND SOCIAL SECURITY DEBTS				
1. TAXES				
b) Tax debts not yet due				3 316
2. REMUNERATIONS AND SOCIAL SECURITY COSTS				
b) Other salary and social security debts				142

(in thousands of €)

XI. DEFERRED INCOME AND ACCRUED CHARGES		2004		
INTEREST AND COMMISSION NOT DUE AND PAYABLE		3 176		
RENTS AND OTHER INCOME TO BE DEFERRED		1 968		
OTHERS		473		
XII. OPERATING RESULTS		2004	2003	2002
A. NET TURNOVER		78 266	77 561	76 312
B. OTHER OPERATING INCOME		15 372	16 784	15 666
C1. EMPLOYEES				
a) Total number at the year end		15	14	11
b) Average number of employees calculated on a full-time basis		14.1	11.6	10.1
c) Effective number of hours worked		21 675	17 402	14 660
C2. PAYROLL COSTS				
a) Remuneration and direct benefits		751	580	532
b) Employers' social insurance contributions		228	179	194
c) Employers' premiums for non-statutory insurance		34	34	21
d) Other staff costs		22	16	9
e) Pensions		80	71	54
D. WRITE-DOWNS				
2. ON TRADE RECEIVABLES				
• Booked		86	10	72
• Written back		(93)	(227)	–
F. OTHER OPERATING COSTS				
• Operating taxes		10 509	12 460	9 752
• Others		–	262	696
G. TEMPORARY PERSONNEL AND PERSONNEL SUPPLIED TO THE COMPANY				
1. Total number at year end		1	2	–
2. • Average number in full-time equivalents		1.1	1.0	–
• Actual number of hours worked		2 116	1 972	–
• Cost to the company		54	67	–

NOTES TO THE ACCOUNTS

(as of 30 September - in thousands of €)

XIV. EXTRAORDINARY RESULT		2004		
B. BREAKDOWN OF OTHER EXTRAORDINARY CHARGES				
• Fees for arranging the new syndicated loan		959		
• Others		34		
XV. INCOME TAX		2004		
A. BREAKDOWN OF ITEM 670/3				
1. TAXES ON THE RESULT FOR THE YEAR		652		
a) Taxes and withholding taxes payable or paid		974		
b) Surplus tax prepayments or withholding taxes booked to the assets		(322)		
B. MAIN SOURCES OF DISPARITY BETWEEN PRE-TAX PROFIT, as expressed in the accounts, and the ESTIMATED TAXABLE PROFIT, with a specific mention of those sources deriving from time lags between the book profit and the fiscal profit (if the result for the year is significantly impacted in terms of tax). The tax system governing Sicafis is an exception to the tax regime under ordinary law. The tax base of a Sicafi is not determined by the amount of its book profit, but only by the amount of disallowed expenses and, where appropriate, abnormal or charitable benefits received.				
XVI. VAT AND TAXES PAYABLE BY THIRD PARTIES		2004	2003	2002
A. VAT CHARGED:				
1. To the company (deductible)		860	1 543	1 503
2. By the company		3 223	3 428	3 319
B. AMOUNTS WITHHELD TO BE PAID BY THIRD PARTIES FOR:				
1. Payroll tax		262	197	159
2. Withholding tax		6 361	6 123	6 291
XVII. OFF-BALANCE SHEET CLAIMS AND COMMITMENTS		2004	2003	2002
MAJOR DISPUTES AND OTHER MAJOR COMMITMENTS				
• Guarantees received in the form of bank guarantees		12 188	13 891	10 524
• € 105 million is the subject of a collar contract with a floor of 3.5% and a cap of 5.5% on the 3-month Euribor from June 2004 to June 2006.				
XIX. FINANCIAL RELATIONS		2004		
4. Direct and indirect remuneration and pensions charged to the profit and loss account, provided that this item does not relate exclusively or principally to the situation of a single identifiable person:				
• directors and managers		910		

DETAILS ABOUT THE ACCOUNTS

(in thousands of €)

DETAILS	2004
OTHER DEBTS	47 295
Dividend payable	46 044
Managing agent's remuneration	910
Other third party debts	341
OTHER OPERATING INCOME	15 372
Property tax recovered	7 380
Office tax, insurance recovered	1 946
Other general expenses recovered	6 046
OTHER OPERATING COSTS	10 509
Property tax	8 393
Regional, municipal and provincial taxes	1 955
Miscellaneous	161

CASH FLOW STATEMENT

(as of 30 September - in thousands of €)

	2003-2004	2002-2003	2001-2002
Profit for the fiscal year	43 921	45 115	48 270
Depreciation and write-downs	8 479	7 505	4 446
CASH FLOW	52 400	52 620	52 716
CHANGE IN WORKING CAPITAL	- 432	- 15 549	56 181
OPERATIONAL CASH FLOW	51 968	37 071	108 897
Dividends	- 45 284	- 43 556	- 41 942
AVAILABLE CASH FLOW	6 684	- 6 485	66 955
Acquisitions of tangible assets	72 712	4 288	471 402
Acquisitions of financial assets	- 3 731	- 572	- 3 183
INVESTMENT OPERATIONS	- 68 981	- 3 716	- 468 219
EQUITY INCREASE	-	-	123 480
FINANCING NEEDS	- 62 297	- 10 201	- 277 784
Short term deposits	3 881	-14 022	55 500
Cash and liquid assets	11 215	- 12 510	- 1 090
Financial debts over one year	45 310	- 43 562	142 711
Financial debts < 1 year	1 891	80 295	80 663
SOURCES OF FINANCING	62 297	10 201	277 784

DEBTS, GUARANTEES AND RATING

DETAILS OF DEBTS AND OTHER MORTGAGES GRANTED AS WELL AS GUARANTEES AND COLLATERALS OBTAINED OR GRANTED

DEBTS OVER ONE YEAR WITH CREDIT INSTITUTIONS

SYNDICATED LOAN

In August 2004, Befimmo signed an agreement for a syndicated loan arranged by ABN-AMRO and Fortis Bank for € 350 million (five-year term), repayable in full upon maturity. By 30 September 2004, only € 105 million had been drawn down under this credit facility. The balance (€ 245 million) served as a back-up line for the commercial paper program.

OTHERS

Befimmo also has access to long-term credit lines, whose principal amounted to € 100.6 million as of 30 September 2004. These credit facilities are repayable in constant annuities, the last of which falls due in 2021.

COMMERCIAL PAPER PROGRAM

Befimmo has established a commercial paper program with investors. The amount covered by the program is € 300 million, of which:

- € 200 million with Dexia Bank and Fortis Bank;
- € 100 million with KBC Bank.

The program makes it possible to cover a large proportion of the company's short-term cash requirements in a flexible, low-cost way. As of 30 September 2004, outstanding commercial paper amounted to € 263.2 million.

RATING OF CORPORATE DEBT

Since 11 March 2002, Befimmo's corporate debts have been rated by Standard & Poor's as BBB for the long term and A-2 for the short term. This assessment enables Befimmo to envisage the use of new types of financing with a view to guaranteeing growth.

GUARANTEES RECEIVED

Amount: € 2,981,000

Form: Guarantee received from Bernheim-Comofi covering a dispute with the tax authorities.
Befimmo has a claim in the same amount on the tax authorities (off balance sheet).

GUARANTEES GRANTED

- > In connection with the acquisition of the Ikaros buildings, Befimmo has granted payment guarantees to Codic covering the buildings of which it has taken delivery but not yet paid.
- > € 905,000 in favor of the Belgian State: Property dealer.

REGULARITY OF THE INFORMATION PROVIDED TO THE MARKET

Befimmo provides information to the market in annual and half-yearly reports, in press releases and via its website (www.befimmo.be). So-called “road shows” have also been organized in Brussels and in other main European cities: London, Paris, Amsterdam.

REPORT OF THE STATUTORY AUDITOR

Report of the statutory auditor for the year ended 30 September 2004
to the Shareholders' meeting of the company CVA/SCA Befimmo

DELOITTE & TOUCHE
Reviseurs d'Entreprises
Lange Lozanastraat 270
B-2018 Antwerp
Belgium

To the shareholders,

In accordance with the legal and statutory requirements, we report on our audit assignment which you have entrusted to us.

We have examined the annual accounts for the year ended 30 September 2004, which have been prepared under the responsibility of the director and which show a balance sheet total of 1,152,255(000) EUR and an income statement resulting in a profit for the year of 43,921(000) EUR. In addition, as required by law, we have performed specific additional audit procedures.

UNQUALIFIED AUDIT OPINION ON THE FINANCIAL STATEMENTS

Our examination has been conducted in accordance with the auditing standards of the "Institut des Reviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement and are in compliance with the Belgian legal and regulatory requirements.

In accordance with these standards we have taken into account the administrative and accounting organization of your company as well as the procedures of internal control. The responsible officers of the company have clearly replied to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the accounting policies used, the significant estimates made by the company and the overall presentation of the annual accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the legal and regulatory requirements that govern them, the annual accounts present fairly the financial position of the company as of 30 September 2004, and the results of its operations for the year then ended and the supplementary information given in the notes is adequate.

ADDITIONAL CERTIFICATIONS

We supplement our report with the following certifications which do not impact on our audit opinion on the financial statements:

- The directors' report includes the information required by the law and is in accordance with the financial statements.
- Without prejudice to certain formal aspects of minor importance, the accounting records are kept in accordance with the applicable Belgian legal and regulatory requirements; we note, however, that the director has accounted for general provisions amounting to 2,351(000) EUR, which has been disclosed in the director's report in the comments on the appropriation of results.
- In the course of our examination, no transaction or decision in violation with the articles of Association of the Company or the Company Law came to our attention. The appropriation of the results proposed to the General Meeting is in accordance with legal and statutory requirements.

23 November 2004

The Statutory Auditor
DELOITTE & TOUCHE
Reviseurs d'Entreprises SC s.f.d. SCRL

Represented by Jos VLAMINCKX

DELOITTE & TOUCHE
Reviseurs d'Entreprises SC s.f.d. SCRL

Represented by Jurgen KESSELAERS



GENERAL INFORMATION

68	IDENTIFICATION
69	REGISTERED CAPITAL
70	THE FOUNDER OF BEFIMMO SCA
70	«SOCIÉTÉ EN COMMANDITE PAR ACTIONS»
70	NAME AND QUALIFICATIONS OF THE EXPERTS
71	REAL ESTATE SICAF

GENERAL INFORMATION ON BEFIMMO SCA AND ITS CAPITAL

1. IDENTIFICATION

1.1. COMPANY NAME

BEFIMMO SCA a Sicaſ incorporated under Belgian law

1.2. REGISTERED OFFICE

Chaussée de la Hulpe 166 – 1170 BRUSSELS.

This can be transferred by simple decision of the managing agent to anywhere in Belgium.

1.3. LEGAL FORM

Société en commandite par actions under Belgian law.

1.4. FORMATION

BEFIMMO SCA was founded on Wednesday 30 August 1995 by a deed executed before Gilberte RAUCQ, notary public in Brussels, and published in the Annexes to the Official Journal of 13 September 1995 under the number 950913-24.

The coordinated articles of association have last been modified on 11 December 2001.

1.5. DURATION

BEFIMMO SCA has been established for an indefinite period.

1.6. TRADE REGISTER

BEFIMMO SCA is registered in the Trade Register in Brussels under the number 594.182.

1.7. COMPANY'S OBJECT (ARTICLE 5 OF THE ARTICLES OF ASSOCIATION)

The principal aim of BEFIMMO SCA is the investment of capital collected from the public in "real estate" assets, as defined in Article 122(1) indent 1 – 5 of the law of 4 December 1990 on financial operations and the financial markets.

Real estate assets are understood to mean:

- buildings as defined in Article 517 et seq. of the civil code and the rights in rem on buildings;
- shares with voting rights issued by affiliated real estate companies;
- option rights on buildings;
- shares in other undertakings investing in real estate, in accordance with Article 120(1) indent 2 or Article 137 of the said law of 4 December 1990;
- real estate certificates covered by Article 106 of the said law;
- the rights of BEFIMMO SCA on one or more assets under real estate leasing contracts;
- as well as other assets, shares or rights which fall within the definition of real estate assets under the royal decrees executing the law of 4 December 1990 on financial operations and the financial markets.

BEFIMMO SCA may, however, on an ancillary or temporary basis, invest in securities other than those defined in the preceding indent, in accordance with the terms and conditions set out in Article 6.2. of its articles of association, and hold liquid assets. These investments and the holding of liquid assets must be the result of a special decision by the managing agent, justifying their ancillary or temporary nature. The holding of securities must be compatible with the implementation in the short or medium-term of the investment policy described above. The said securities must in addition be listed on a regulated, recognized stock exchange that is open to the public. Liquid assets may be held in whatever currency by way of sight or term deposits or any money market instruments with a high degree of liquidity.

- BEFIMMO SCA can acquire personal property and real estate necessary to the accomplishment of its object.

BEFIMMO SCA can take any measures and carry out all operations, in particular those covered in Article 6 of its by laws, that it considers useful for the accomplishment and development of its object, subject to the fact that legal provisions governing it are respected.

It may take an interest, by means of merger or otherwise, in any business having the same object.

BEFIMMO SCA cannot change its company's object by application of Article 70bis of the Company Code; that provision does not apply to closed-end mutual funds, in accordance with Article 119(4) of the law of 4 December 1990 on financial operations and the financial markets.

1.8. PLACES WHERE PUBLICLY ACCESSIBLE DOCUMENTS CAN BE CONSULTED

- The articles of association of BEFIMMO SCA and of Befimmo SA can be consulted at the Clerk's Office of the Brussels Commercial Court and at the registered office.
 - The annual accounts will be deposited at the Banque Nationale de Belgique and may be consulted at the Clerk's Office of the Brussels Commercial Court.
 - The annual accounts as well as the relative reports of BEFIMMO SCA are sent every year to registered shareholders as well as to any other person requesting a copy.
 - The decisions concerning the appointment and dismissal of the members of the governing bodies of Befimmo SA are published in the Annexes to the Belgian Official Journal.
 - Financial notices concerning BEFIMMO SCA are published in the financial press and may be consulted on the website www.befimmo.be.
- The other documents accessible to the public and referred to in the prospectus can be consulted at the registered office of BEFIMMO SCA.

2. REGISTERED CAPITAL

2.1. ISSUED CAPITAL

As of 30 September 2004, the company capital totaled € 142,295,272. It was represented by 9,794,227 fully paid no-par-value shares.

2.2. AUTHORIZED CAPITAL

The managing agent is authorized to increase the capital in one or more operations by € 88,246,381. This capital increase may be performed as a cash contribution, a contribution in kind or by the incorporation of the reserves.

Authorization was given on 11 December 2001 for a period of five years. This period may be renewed one or more times by the General Meeting of Shareholders, ruling in the conditions laid down by law.

2.3. CHANGES TO THE CAPITAL SINCE 30 SEPTEMBER 2003

	AMOUNT (in €)	NUMBER OF SHARES
As of 30 September 2003	142 295 272	9 794 227
No change	–	–
As of 30 September 2004	142 295 272	9 794 227

2.4. STRUCTURE OF THE SHAREHOLDING (AS OF 30 SEPTEMBER 2004)

DECLARANTS	NUMBER OF DECLARED VOTING RIGHTS AT THE DATE OF DECLARATION	DATE OF DECLARATION	%
Fortis AG and associated companies*	1 181 230	29/10/2004	12.06
Mr Alain De Pauw**	721 152	08/02/2000	7.36
Mr Patrick De Pauw**	712 382	08/02/2000	7.27
Free float	7 179 463		73.31

* Transparency declarations received by 11 October 2001 (8.09%) and 29 October 2004 (3.97%).

** After the end of the fiscal year on 30 September 2004, Befimmo received from Mr Alain and Mr Patrick De Pauw a subsequent declaration of participation, dated 25 November and 15 November 2004 respectively, indicating that their shareholdings had fallen below the 5% declaration threshold (situation as of 25 November 2004).

3. THE FOUNDER OF BEFIMMO SCA

BEFIMMO SCA was set up on the initiative of Bernheim-Comofi SA.

Bernheim-Comofi SA is a public limited company under Belgian law and has its registered office at St Lazare Bld 10, 1210 Brussels.

CAPITAL AND SHAREHOLDERS STRUCTURE:

As of 31 December 2003, the capital of Bernheim-Comofi SA was € 242,475,000 and was represented by 7,797,385 shares. As of 31 December 2003 the total equity was € 669,893,000.

Bernheim-Comofi SA is a subsidiary of Fortis Real Estate SA.

4. SOCIÉTÉ EN COMMANDITE PAR ACTIONS

BEFIMMO SCA's legal structure is of "Société en commandite par actions".

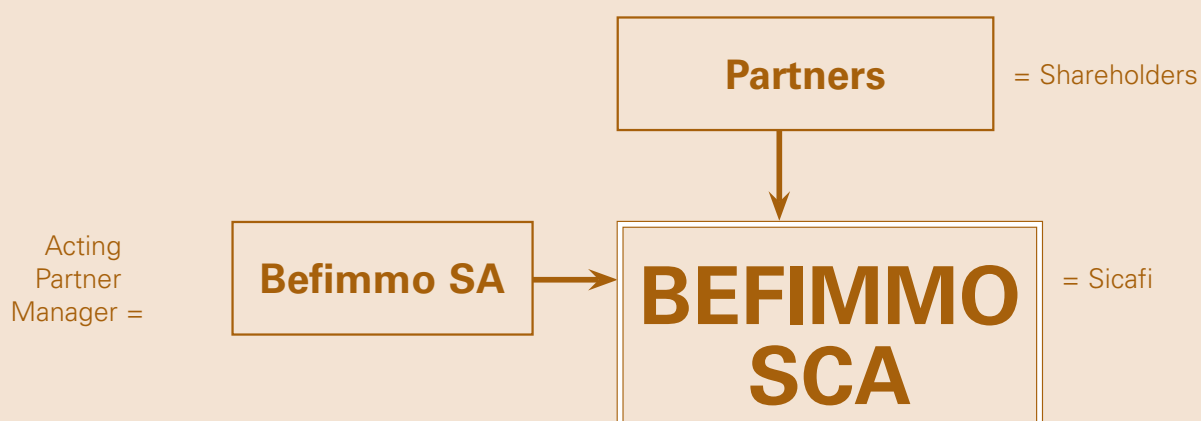
An SCA is made up of two categories of partners.

- the acting partner whose designation appears in the business name and who has unlimited liability for the company's commitments;
- the partners or shareholders who are liable only for the amount of their contribution and are not jointly and severally liable.

Moreover, the management of an SCA is carried out by one or more managers.

In the case of BEFIMMO SCA, the acting partner is Befimmo SA which also has sole management responsibility.

Befimmo SA is wholly owned by the BERNHEIM Group.



5. NAME AND QUALIFICATIONS OF THE REAL ESTATE EXPERTS USED BY BEFIMMO SCA

BEFIMMO SCA uses several real estate experts, namely Catella Codemer, CB Richard Ellis, Cushman & Wakefield Healey & Baker and Winssinger & Associates.

These are real estate experts companies with specialized knowledge of the market and which enjoy a first-class reputation worldwide.

REAL ESTATE SICAF

The Sicafi system was created in 1995 to promote collective real estate investment. This concept of closed-end real estate investment companies is similar to the Real Estate Investment Trusts (USA) or the Beleggingsinstellingen (Netherlands).

The aim of the legislator was for the Sicafi to ensure a form of real estate investment of high transparency, making it possible to distribute cash flow to the greatest possible extent while benefiting from numerous advantages.

Sicafis are controlled by the Banking, Finance and Insurance Commission and are subject to a specific set of regulations, among other things requiring that they:

- take the form of a public limited company or a “Société en commandite par actions”;
- Be quoted on the stock exchange.
- Have a debt limited to 50% of the total asset value at market value.
- Strict rules governing internal conflicts.
- have a portfolio that is recorded in the accounts at its true market value with no depreciation;
- proceed with a quarterly valuation of assets performed by independent experts;
- diversify their risk: no more than 20% of all assets in a single real estate complex;
- distribute at least 80% of profits, whereupon they are exempted from corporate income tax;
- deduct a 15% withholding tax when the dividend is paid.

All these rules are intended to help reduce risk exposure.

Any company merging with a Sicafi will see all unrealized capital gains and tax-exempt reserves taxed at 20.085% (19.5% plus 3% crisis supplement).



Ce rapport annuel est également disponible en français.

Dit jaarverslag is ook verkrijgbaar in het Nederlands.

BEFIMMO SCA
Partnership limited by shares

Registered Office
166 Chaussée de La Hulpe, 1170 Brussels
Brussels Company Register n° 594.182
Tel. +32 2 679 38 60 - Fax +32 2 679 38 66
e-mail: contact@befimmo.be - www.befimmo.be

