



Creating value in real estate

Results in line with forecasts

Real estate portfolio and business trend

in € millions	31/12/2003	30/09/2004	31/12/2004
Buildings	1,121.0	1,125.3	1,124.9
Offices	1,088.2	1,092.6	1,092.1
- Brussels CBD	706.6	712.1	715.1
- Brussels decentralized	155.3	151.2	149.9
- Brussels suburbs	209.9	213.2	211.0
- Other	16.4	16.1	16.1
Semi-industrial	27.4	27.2	27.3
Commercial	5.4	5.5	5.5
Real estate certificates	9.4	3.7	3.7
Total real estate portfolio	1,130.4	1,129.0	1,128.6

The value¹ of the real estate portfolio has remained largely stable during the first quarter of the 2004-2005 financial year (down 0.04% compared with 30 September 2004) and stood at €1,128.6 million on 31 December 2004.

The stable value of the portfolio is due to the fact that a large proportion (64%) of Befimmo's real estate portfolio is located in the Brussels Central Business District (CBD), where an increase (up 0.41%) in the real estate value offset the considerable loss in value in the decentralized areas (down 0.89%) and suburbs (down 1.04%).

The occupancy rate also remained stable, standing at 91.3% on 31 December 2004, compared with 91.4% at the beginning of the financial year.

Key figures on 31 December 2004

• Net asset value

The total value of Befimmo's net assets (not audited²) stood at €616.5 million on 31 December 2004. The book value was €62.94 per share, up €1.29 compared to the value of €61.65 at the close of the 2004 financial year on 30 September 2004.

The return on shareholders' equity was 6.95%³ for the one-year period ending on 31 December 2004, taking into account the gross dividend of €4.62 distributed in December 2004.

The Sicafi's debt/equity ratio stood at 46.1% on 31 December 2004, generating a debt-driven investment capacity of approximately €90 million.

• Profit and loss for the period ⁴	Q1 2004/2005 (30/09/04-31/12/04)	Q1 2003/2004 (30/09/03-31/12/03)
Turnover (in € million)	19.50	19.49
Cash flow (€/share)	1.35	1.42
Net current result (€/share) ⁵	1.08	1.10
Net result (€/share) ⁵	1.07	1.12

Prospects for the current financial year

All things being equal, the managing agent confirms the forecast results for the current financial year published in the 2004 annual report.

As previously announced, the current financial year is a transitional year. If all goes as expected, cash flow will be down slightly, but distribution capacity will not be affected.

The private sector is pursuing its restructuring process in a bid to reduce working costs whilst waiting for a real economic upturn. In this difficult period for the rental market, Befimmo is striving to consolidate its relations with its tenants and, in return, ensure that cash flows remain durable.

Befimmo is pursuing its business as investor and asset manager in the Brussels office market. It aims to enhance the value of its portfolio and to pursue opportunities for growth if they create value for its shareholders.

Befimmo's 2004 annual report is available on request and on the Befimmo website: www.befimmo.be

Additional information

Any additional information may be requested by contacting head office:

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¹ This investment value is the result of the valuation report drafted on 25 January 2005 by Winssinger & Associés, incorporating the values attributed to the buildings valued by Cushman & Wakefield Healey & Baker, CB Richard Ellis and Catella Codemer in accordance with Article 56 para. 2 of the Royal Decree of 10 April 1995 on SICAFIs and the stock market value on 31 December 2004 of the portfolio of real estate securities owned by Befimmo.

Under current regulations we are required to divulge both the sale value and the acquisition value of the portfolio; the latter value is considered to be the 'investment 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 €999.2 million and €1,128.6.

² Auditing of accounts: the interim accounts (31 March) are audited in April, and the annual accounts (30 September) are audited in October.

³ This return is the ratio, expressed in percent, between the book value on 31 December 2004 (€62.94) plus the gross dividend for December 2004 (€4.62) and the book value on 31 December 2003 (€63.17) less one.

⁴ In accordance with Article 9, para. 2 and Article 8, para. 3, 5th indent of the Royal Decree of 31 March 2003.

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