

Valuation of the real estate portfolio updated on 30 June 2005



Creating Value in Real Estate

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- **Overall real estate value remains stable**
    - **Book value of €65.59 per share**
    - **Dividend forecast confirmed**
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**Real estate portfolio and business trend**

(in €million)	30/09/2004	30/06/2005
<b><u>BUILDINGS</u></b>	<b>1 125.3</b>	<b>1 125.0</b>
▪ <b>Offices</b>	<b>1 092.6</b>	<b>1 092.4</b>
- Brussels centre (CBD)	712.2	719.9
- Brussels, decentralised	151.2	148.6
- Brussels, suburbs	213.2	208.0
- Other	16.0	15.9
▪ <b>Semi-industrial</b>	<b>27.2</b>	<b>27.2</b>
▪ <b>Commercial</b>	<b>5.5</b>	<b>5.5</b>
<b>REAL ESTATE CERTIFICATES</b>	<b>3.7</b>	<b>3.7</b>
<b>TOTAL REAL ESTATE PORTFOLIO</b>	<b>1 129.0</b>	<b>1 128.9</b>

The floor area of the portfolio, 97% of which consists of investments in the Brussels region and suburbs, has not changed since 1 October 2004.

Its value<sup>1</sup> has remained stable overall in relation to the start of the financial year. At 30 June 2005, it was worth €1 128.9 million (-0.01% in relation to 1 October 2004).

The slight gain (+0.14%) recorded during the first six months of the period was absorbed in the third quarter by falling values in properties in decentralised areas and in the suburbs. In these areas, values fell by 1.76% and 2.43% respectively since the beginning of the period, offsetting the rise in the CBD (+1.07%).

Property values in decentralised areas and in the suburbs dropped as a result of low demand for lets and the pressure on estimated rental values<sup>2</sup>, so reducing the value of buildings, even at rising occupancy rates.

The occupancy rate at 30 June 2005 was 92.3% (91.4%<sup>3</sup> at the start of the period), stable during the third quarter. This stability is due mainly to additional lets which compensated for the incorporation of two empty buildings in the Ikaros Business Park (Phase IV – 3 586 m<sup>2</sup>).

### **Net asset value on 30 June 2005**

Befimmo's net asset value (not audited<sup>4</sup>) stood at €42.4 million on 30 June 2005. The book value stood at €5.59 per share, up €3.94 compared to €1.65 at the end of the 2004 financial year, i.e. 30 September 2004.

Taking account of the gross dividend of €4.62 distributed in December 2004, the return for the 12-month period ending on 30 June 2005 was 7.1%<sup>5</sup>.

The debt ratio of the Sicafi stood at 42.5% on 30 June 2005, generating a debt-driven investment capacity of more than €100 million.

### **Key figures**<sup>6 7</sup>

	<b>from 01/10/2003 to 30/06/2004</b>	<b>from 01/10/2004 to 30/06/2005</b>
Turnover (in €million )	58.8	58.3
Net cash-flow (€share)	4.35	3.98
Net current cash-flow (€share)	4.09	3.98
Net profit (€share)	3.62	3.15
Net current profit (€share)	3.35	3.15

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

All other things being equal in the present context and in view of the recent trend in portfolio values, the current return for this financial year closing on 30 September 2005 should approach 8%.

The net current cash-flow per share for the period should be €5.10, above the forecast in the 2004 annual report (€4.91).

All other things being equal, Befimmo can therefore confirm its dividend forecast of €4.80 per share (€4.08 net).

Furthermore, Befimmo is in the process of finalising an agreement with the European Commission concerning the Borschette building.

**Additional information**

Please contact head office for any additional information

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<sup>1</sup> This investment value is derived from the valuation report drafted on 19 July 2005 by Winssinger & Associés, incorporating the values attributed to the buildings valued by Cushman & Wakefield Healey & Baker and CB Richard Ellis in accordance with Article 56 § 2 of the Royal Decree of 10 April 1995 on SICAFIs and the stock market price on 30 June 2005 of the portfolio of real estate securities held by Befimmo.

Under current regulations we are required to divulge both the sale value and the acquisition value of the portfolio to be declared; the latter value is considered to be the “investment value”. This includes variable transaction costs of up to 13%, which an investor would have had to pay in the event of a direct real estate investment. Consequently, assuming the sale of the portfolio based on the expert valuation, the net sale value for the SICAFI would be between €99.5 million €1,128.9 million.

<sup>2</sup> Estimated rental value: the amount of rent that should be chargeable in the present market conditions for the type of property concerned in the area where it is located.

<sup>3</sup> Occupancy rate = current rent (including area let but for which the lease has yet to begin) / (current rent + estimated rental value for unoccupied premises).

<sup>4</sup> Auditing of accounts: the interim accounts (31 March) are audited in April, and the annual accounts (30 September) are audited in October.

<sup>5</sup> This return, expressed as a percentage, is calculated as the ratio between the book value on 30 June 2005 (€65.59) plus the gross dividend on December 2004 (€4.62) and the book value on 30 June 2004 (€65.57) minus one.

<sup>6</sup> In application of Articles 9 §2 and 8, §3, al. 5 of the Royal Decree of 31 March 2003.

<sup>7</sup> Befimmo's results are presented in strict accordance with the rules laid out in the Royal Decree of 10 April 1995. This means that only the gains actually realised appear on the profit and loss account, with the unrealised gains and losses reflected in the shareholder's equity, with the exception of losses booked when the expert valuation is lower than the acquisition value.