



Suspension of the « Sicafi 2006 » real estate public contract allocation.

Facts.

As echoed by the media, the Belgian Council of State has acceded to the action suit filed by Befimmo within the framework of a summary court proceedings and has issued a court order dated 11 October 2006 suspending the decision taken by the Belgian government to allocate the Sicafi 2006 real estate public contract to another bidder.

By way of reminder, the public contract was intended to create together with the Belgian State a real estate closed-end investment company (SICAFI) that would hold mostly real estates rented out to the public authorities, broadly speaking, and to remain a shareholder of such a Sicafi whilst ensuring its development and management.

Befimmo's action suit.

Befimmo decided to file an action suit with the Council of State once it appeared – having closely examined the findings established by the committee responsible for scrutinizing the tenders – that core principles such as equality of treatment of the various bidders and the rules of proper administration had not been complied with.

In its action suit filed with the Council of State, Befimmo put forward eight motives justifying the suspension of the allocation procedure. These motives focus on both issues of substance and irregularities committed during the procedure.

Acceding to Befimmo's action suit, the Council of State suspended the decision to allocate the public contract. The Council of State based its decision to suspend the contract on one motive only. Indeed, it upheld the absence of any motivation and justification as to resorting to negotiated proceedings which challenges the global development of the procedure. Quite logically, the Council of State did not rule on the validity of the other motives which, at any rate, could not carry a wider suspension. Therefore, the Council of State did not dismiss Befimmo's other motives.

18 October 2006

Conclusion

The suspension of the « Sicafi 2006 » public contract will bear no impact on Befimmo's revenue given the quality and flexibility of its portfolio.

Moreover, Befimmo wishes to inform its shareholders that no major negotiation is under way with the Belgian government as far as its portfolio is concerned.

Finally, Befimmo reasserts its willingness to positively contribute to the goals set by the Belgian government.

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Further information

Please contact head office if you require any further information:

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