

VALUATION OF THE REAL ESTATE PORTFOLIO UPDATED ON 31 DECEMBER 2005



CREATING VALUE IN REAL ESTATE

- **Stable property values**
- **Rising occupancy rate**
- **Forecasts confirmed**

First publication using IFRS standards

From this fiscal year, beginning on 1 October 2005, Befimmo is drawing up its annual accounts in accordance with IFRS standards.

In that respect, we would stress that the change of reference basis (to IAS/IFRS from Belgian Gaap) has no impact on the real situation of the company's assets and commitments.

Similarly, the application of IFRS standards has no impact on cash-flow or dividend prospects.

Real estate portfolio and business development

The following table was drawn up in accordance with standard IAS 40 which requires investment property to be booked at "fair value". Thus, in accordance with the press releases of the Belgian Association of Asset Managers (BEAMA) and Befimmo of 8 February 2006, an adjustment of 2.5%¹ has been applied to the "investment value" of the assets.

(million euros)	31/12/2004	30/09/2005	31/12/2005
<u>BUILDINGS</u>	1 097.5	1 063.2	1 059.9
▪ Offices	1 065.5	1 031.1	1 033.4
- Brussels Centre	697.7	666.7	669.6
- Brussels decentralised	146.2	143.9	144.0
- Brussels suburbs	205.8	205.1	204.4
- Other	15.8	15.4	15.4
▪ Semi-industrial	26.6	26.6	26.5
▪ Commercial	5.4	5.5	-
<u>REAL-ESTATE CERTIFICATES</u>	3.7	1.4	1.5
TOTAL REAL-ESTATE PORTFOLIO	1 101.2	1 064.6	1 061.4

¹ "Fair value" = investment value / 1.025.

The total value of the portfolio is €1 061.4 million at 31 December 2005 as compared with €1 064.6 million at the start of the fiscal year (1 October 2005).

This reduction in the portfolio's overall value is due firstly to the transfer of the "Rue de la Montagne" building in Charleroi, amounting to € 5.5 million, and secondly from a slight increase in value at a constant surface area of +0.17%.

The stability of the portfolio's value is explained by the substantial proportion (63%) of Befimmo's portfolio invested in the Central Business District (CBD) of Brussels, where values are continuing to rise (+0.41%) owing to the high demand – boosted by the low interest rates – from investors looking for quality property.

The occupancy rate of the portfolio is still rising, even though Befimmo recently disposed of two fully occupied buildings (Borschette and "Rue de la Montagne" in Charleroi). The occupancy rate – calculated to take account of all the buildings in the portfolio – thus rose from 92.8% at the start of the fiscal year to 93.3% at 31 December 2005, thanks to new lets in both the suburbs and the Central Gate building (former Shell building).

In this difficult rental market, Befimmo is pursuing its goal of improving the occupancy rates of its buildings and building longer term cash flows.

Key figures on 31 December 2005

- Net asset value

The total (not audited²) value of Befimmo's net assets at 31 December 2005 was €608.95 million and the book value was €62.17 per share³.

Over the year ending on 31 December 2005, and taking account of the gross dividend of €4.80 per share distributed in December 2005, the return on shareholders' equity was 11.41%⁴.

The Sicafi's leverage at 31 December 2005 was 43.7%, generating an investment capacity through debt of some €115.2 million⁵. (In Belgian Gaap, these figures are 42.2% and €151.6 million respectively).

² Auditing of the accounts: the half-yearly accounts (at 31 March) are audited in April and the annual accounts (at 30 September) in October.

³ By way of comparison with the book value of €63.64 per share at 30 September 2005 after distribution published in Belgian Gaap, these values at 31 December 2005 are €637.54 million and €65.09 per share respectively.

⁴ This return is calculated as the percentage ratio between the book value at 31 December 2005 (€62.17) plus the gross dividend of December 2005 (€4.80) and the book value at 31 December (€60.11) minus one.

⁵ This investment capacity is calculated on the basis of a maximum leverage of 50%.

- **Profit and loss for the period⁶**

	Q1 2004/2005 (30/09/04-31/12/04)	Q1 2005/2006 (30/09/05-31/12/05)
Turnover (in €million)	19.7	19.0
Cash flow (€share)	1.35	1.28
Net current result (€share)	1.23	1.47
Net result (€share)	1.23	1.50

Prospects for the current fiscal year

All other things being equal, the Managing Agent confirms the results forecast for the current fiscal year as published previously.

Befimmo continues in its role as investor in the office market, endeavouring to both enhance the value of its portfolio and take opportunities for growth or investment in Belgium or abroad, provided that they create value for its shareholders.

Additional information

Any additional information can be requested by contacting head office:

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⁶ In application of Articles 9(2) and 8(3) subparagraph 5 of the Royal Decree of 31 March 2003.