

UPDATE OF VALUATION AT 31 DECEMBER 2007 OF THE REAL ESTATE PORTFOLIO



CREATING VALUE IN REAL ESTATE

Overall value of properties holds firm

First quarter earnings per share in line with forecasts

Real estate portfolio and business development

The following table gives the values¹ of the Befimmo portfolio consolidated by segment and geographical area.

(million €)	31 Dec. 2006	30 Sept. 2007	31 Dec. 2007
▪ Offices	1 747.5	1 753.7	1 774.3
- Brussels centre	1 026.9	1 028.8	1 039.3
- Brussels, decentralised	149.4	154.7	154.3
- Brussels suburbs	206.2	209.1	215.2
- Flanders	267.7	268.2	271.3
- Wallonia	97.3	93.0	94.2
▪ Other	57.8	59.2	58.1
TOTAL REAL ESTATE PORTFOLIO	1 805.3	1 812.9	1 832.4

The total value of the portfolio is € 832.4 million at 31 December 2007 as compared with € 812.9 million at the start of the fiscal year (1 October 2007).

For a constant floor area, i.e. excluding the acquisition of the new latest buildings of phase V in the Ikaros Business Park and investments made in the portfolio, the value of the consolidated portfolio has held firm overall, namely +0.08% since the start of the fiscal year.

¹ These values are established in accordance with standard IAS 40 which requires investment property to be booked at "fair value". "Fair value" is obtained by deducting from the "investment value" the average costs for transactions recorded over the past three years, corresponding to 2.5% for property worth more than €2.5 million and 10% (Flanders) or 12.5% (Wallonia) for property worth less than €2.5 million.

At 31 December 2007, the overall yield of the consolidated portfolio for ongoing rents was 6.32% while the overall yield on ongoing rents plus the estimated rental value of vacant premises was 6.69% in relation to 6.40% and 6.73% respectively at 30 September 2007.

The occupancy rate² of the investment property was 94.5% as compared with 95.1% at 30 September 2007.

After closing on 31 December 2007, Befimmo agreed a long-term lease from 1 April 2008 for the whole of Brederode Corner. The building has just been handed over after a full renovation.

We would recall that Befimmo has reached agreement – subject to certain suspensory conditions – with the companies AIG Global Real Estate Investment, Rockspring Property Asset Management and Rockspring PIM Ltd to sell its semi-industrial portfolio and two office buildings located in the suburbs. If completed according to plan, this transaction will generate, the date of its closing, a result during the 2007/2008 fiscal year of some €0.40 per share.

Once these two transactions are completed, the occupancy rate will be in excess of 97%.

Key figures at 31 December 2007

- Net asset value

The total (unaudited³) value – group share – of Befimmo's net assets at 31 December 2007 was €28.8 million and the book value – group share – was €71.12 per share as compared with €71.36 per share at 30 September 2007. This slight drop is due to the payment of the balance of the 2007 dividend compensated, in part, by the quarterly result.

The Sicafi's debt ratio at 31 December 2007 was 48.9%, generating an investment capacity through borrowing of some €891 million⁴.

Over the 12 months ending on 31 December 2007, and taking account of the gross dividend of €4.51 per share distributed for the same period, the return on equity is 14.96%⁵.

² *Occupancy rate: current rent (including space let but for which the lease has yet to begin) / (current rent + estimated rental values for vacant premises). This occupancy rate applies to all the buildings in Befimmo's consolidated portfolio, including those unlet and being renovated.*

³ *Auditing of the accounts: the half-yearly accounts (at 31 March) are audited in April and the annual accounts (at 30 September) in October.*

⁴ *This investment capacity is calculated on the basis of a maximum leverage of 65%.*

⁵ *This return is calculated as the percentage ratio between the book value at 31 December 2007 (€71.12) plus the gross dividend of December 2007 (€4.51) and the book value at 31 December 2006 (€65.79) minus one.*

- **Year-on-year result**

	Q1 2006/2007 (30.09.2006 - 31.12.2006)	Q1 2007/2008 (30.09.2007 - 31.12.2007)
Net rental income⁶ (million €)	20.0	27.3
Cash-flow (€share) (group share)	1.21	1.03
Net earnings (€share) (group share)	3.25	1.20

Net earnings are down on last year. This drop is explained mainly by the fact that the overall value of the portfolio remained steady during this first quarter of the year as compared with the rise of €9.7 million, or €2.01/share, during the first quarter of the 2006/2007 fiscal year.

Cash flow is in line with forecasts. It is lower than last year. Indeed, as we have said before, the current fiscal year is one of transition following major renovation work on a number of properties in the portfolio.

Outlook for the current fiscal year

If no other factors intervene, Befimmo can confirm its dividend forecast for the current fiscal year of €4.51 (gross) per share as published previously (see Annual Report 2006/2007).

Befimmo is focusing on its core business of asset manager, pursuing a strategy as a pure player investor in quality city-centre offices. It is 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.

Further information

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⁶ Net rental income as presented in the IFRS income statement diagram of the Royal Decree of 21 June 2006.