



Acquisition of rights in two buildings let to Fortis Bank on long-term

Yesterday, 26 June 2008, Befimmo has agreed a transaction with Fortis Bank to acquire the rights in two buildings, located in Antwerp and Leuven, mainly let to Fortis Bank.

The Antwerp building (21 253 m²) comprises two technically independent wings:

- the **Meir**, a classical-style building, of high architectural value (bank branch, meeting rooms, safe deposit vault and offices) let entirely to Fortis Bank for a term of 27 years;
- the **Wapper**, a contemporary building used as offices and bank branch, also let entirely to Fortis Bank for a term of 18 years.

The other building (18 084 m²) is situated at Vital Decosterstraat 42-44 in Leuven. It is also a recent and functional administrative building, three-quarters let to Fortis Bank long-term (leases of 12 and 15 years) and the rest to other renowned tenants.

The overall purchase price for the transaction was €94.1 million.

The financing structure set up allows, for the first three years at least, an immediate increase in Befimmo's cash flow of €0.07/share or so on an annual basis, indexed from the second year.

This operation is fully in line with Befimmo's strategy as a *pure player* investor. These are indeed quality office buildings, with an excellent city-centre location. Let entirely to top-class tenants for an average weighted duration of 17.3 years, they will guarantee long, regular, secured and indexed cash flows.

This information is notified to the extent required under Article 24 of the Royal Decree of 10 April 1995 given Fortis Bank's investment in this transaction (referred to in this Article). It is taking place at normal market conditions, not exceeding the figures established by the real estate expert.

Interest for Befimmo's shareholder

This transaction significantly strengthens Befimmo's base of long, regular and secured cash flows.

As a result of this acquisition, the total value¹ of the consolidated portfolio stands now at €1 879 million, with 857 000 m² of office space. The average weighted duration of leases is of 9.5 years or so and the portfolio occupancy rate² is yet stronger at 97%.

All this helps maintain the sustainability of the dividend and offers prospects of a growth in value.

Outlook

Befimmo is currently finalising a refinancing operation with its banks to the tune of at least €200 million over five years.

This is designed to prepare it for any investment opportunities that may arise in its strategy as an investor in quality office buildings in city-centres in Belgium but also in France on the Parisian market, as part of a geographical diversification.

With this in mind, Befimmo has begun taking the necessary steps to be listed on Euronext Paris in the coming months.

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¹ Based on the value survey as of 31 March 2008. 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 & Brussels) for property worth less than €2.5 million.

² Occupancy rate = current rent (including space let but for which the lease has yet to begin) / (current rent + estimated rental value for vacant premises). The occupancy rate is calculated taking account of all the property in the portfolio, excluding the investment project in Luxembourg to be handed over in April 2009 and for which Befimmo has guaranteed rent for 18 months from the handover date.

Befimmo is a Sicafi implementing a strategy of a pure player investor in city-centre office buildings.

As Asset Manager, it currently manages a portfolio of quality offices located mainly in Brussels. Over 65% of the portfolio is on long-term let to public institutions providing lasting, regular cash flows. By caring for its clients, the tenants of its buildings, it pursues a strategy based on maximising its long-term cash flow and creating value in real estate.

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The quarterly results (book value as of 30 June 2008) will be published on Tuesday 19 August, after the closure of the stock market.

Further information

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