



CREATING VALUE IN REAL ESTATE

**INTERIM STATEMENT BY THE MANAGING AGENT
FOR THE PERIOD 1.04.2010 TO 30.06.2010**

- **Net asset value of €59.95 per share**
- **Annual dividend outlook confirmed**
- **Disposal of the Empress Court building**

The Board of Directors of Befimmo SA, Managing Agent of the Befimmo SCA Sicafi, met on 24 August 2010 to prepare the consolidated quarterly financial statements of the Befimmo Sicafi as at 30 June 2010.

1. REAL-ESTATE PORTFOLIO

1.1. Disposal of the Empress Court building¹

On 9 July, the Company signed an agreement - subject to a suspensory condition - to sell the Empress Court building when completed to the Vivaqua company, for the sum of €51 million excluding fees. The ongoing refurbishment of the building will be completed in early 2011.

Next fiscal year the operation should generate a result of around €0.70/share.

¹ Formerly known as *Impératrice*, at Boulevard de l'Impératrice 17-19, 1000 Brussels.

1.2. World Trade Center – Block 2

Fedimmo SA has availed itself of its right to early termination, with effect from 1 April 2010, of the emphyteutic lease granted to Compagnie de Promotion SA on the site of Block 2 of the World Trade Center in Brussels. Fedimmo has thus become the freeholder of the buildings in Block 2, namely the base of Towers 3 and 4 and Tower 3 of the World Trade Center.

For Befimmo, this operation culminates in a non-recurring result (group share) of €6.5 million.

1.3. Change in values

The fair value² of Befimmo's consolidated portfolio at 30 June 2010 amounted to €1,920.6 million. As the fiscal year opened, at 1 October 2009, the value was €1,922.9 million.

The following table shows the values of Befimmo's consolidated portfolio, by geographical area.

	Change over the quarter [excluding investments & disinvestments] ³	Share of portfolio [%] ⁴	30.06.09	30.09.09	30.06.10
			[€ million]		
Offices					
Brussels centre (CBD)	-0.24%	56.8%	1 084.8	1 082.7	1 091.8
Brussels, decentralised	-2.06%	6.8%	141.6	139.4	131.1
Brussels periphery	-0.48%	8.5%	167.9	166.7	162.1
Flanders	0.14%	18.8%	360.6	360.4	361.5
Wallonia	-1.87%	4.8%	91.7	92.2	91.8
Luxembourg city	-0.01%	4.3%	-	81.5	82.3
TOTAL	-0.39%	100%	1 846.6	1 922.9	1 920.6

Change in floor area between 30 June 2009 and 30 June 2010: acquisition of Axento⁵ in Luxembourg in July 2009.

Excluding investments and disinvestments, the unrealised negative change in fair value of the consolidated portfolio was a mere -0.39% or €7.5 million over the third quarter of the fiscal year. This loss is more moderate than those recorded over the first two quarters of the fiscal year, -0.54% and -0.48% in the first and second quarters respectively, which appears to confirm that the

² These values are established in application of standard IAS 40 which requires investment property to be booked at "fair value". "Fair value" is obtained by deducting the average transaction costs from the "investment value" determined by independent real-estate experts. It corresponds to (i) 2.5% for property worth more than €2.5 million and (ii) 10% (Flanders) or 12.5% (Wallonia and Brussels) for property worth less than €2.5 million. The Befimmo portfolio comprises both investment property and property held for sale.

³ Change in fair value between 1 April and 30 June 2010.

⁴ The share of the portfolio is calculated on the basis of fair values at 30 June 2010.

⁵ For more information, see press releases of 23 July and 18 November 2009 (www.befimmo.be).

values of the portfolio are stabilising in relative terms.

The values of the properties located in the Brussels CBD (accounting for 57% of the portfolio) held firm (-0.24%), while the value of the buildings in decentralised areas saw a more pronounced drop of -2.06%. Properties in the periphery, on the other hand, saw a limited drop in value over the past quarter (-0.48%).

1.3.1. Overall rental yield

Looking at the consolidated portfolio, the overall yield on current rents was 6.43% at 30 June 2010, as against 6.49% at 31 March 2010 and 6.48% at 30 September 2009. The overall potential rental yield, including the estimated rental value of vacant premises, was 6.99% as against 7.05% and 6.92%, for the same periods.

1.3.2. Weighted average duration of leases

The weighted average duration of leases at 30 June 2010 was 9.30 years, up from 9.25 years at 31 March 2010. This increase is explained by extensions of leases agreed during the third quarter, notably with the tenants of the Schuman 3 and La Plaine buildings, for fixed terms until 2016 and 2019 respectively.

1.3.3. Occupancy rate

The occupancy rate⁶ of the buildings in the portfolio, calculated on the basis of the space actually available to let, was 95.3% at 30 June 2010, stable in relation to 95.5% at 31 March 2010.

The occupancy rate of all the investment property at 30 June 2010, i.e. including buildings undergoing a full refurbishment⁷, was 93.9% as compared with 92.1% at 31 March and 93.7% as the fiscal year opened.

2. NET ASSET VALUE AT 30 JUNE 2010

The total value of Befimmo's net assets (unaudited⁸) (group share) was €1,006.5 million at 30 June 2010; the net asset value (group share) therefore being €59.95 per share as compared with €58.87 as the fiscal year opened.

At 30 June 2010, the Befimmo share closed at €56.11, thus being listed at a discount of -6.41% in relation to the net asset value.

⁶ Occupancy rate: *current rent (including space let but for which the lease has yet to begin) / (current rent + estimated rental value for vacant space).*

⁷ Buildings undergoing a full refurbishment: *Froissart and Science-Montoyer.*

⁸ Audit of the accounts: *the half-yearly accounts (to 31 March) are subject to a limited review while the annual accounts to 30 September are audited.*

At 30 June 2010, the debt ratio⁹ was 43.87% and loan-to-value¹⁰ was 42.67%.

Return on equity was 4.03%¹¹, while return on share price was 5.69%¹¹, year-on-year to 30 June 2010.

3. PERIODIC RESULTS

	Q3 2008/2009 (cumulative) [1 Oct. 08 – 30 June 09]	Q3 2009/2010 (cumulative) [1 Oct. 09 – 30 June 10]
Net rental income ¹² (€ million)	87.2	92.4
Number of shares ¹³	13 140 972 ¹⁴	16 790 103
Net result (€/share) [group share]	-2.91	2.13
Net cash flow ¹⁵ (€/share) [group share]	3.98	3.90

The change in the key figures between 30 June 2009 and 30 June 2010 is influenced by the increase in the number of shares.

The **net rental result** is up 6% compared to the third quarter of last year. This increase is basically due to the impact of acquiring the Axento building in Luxembourg on 1 July 2009.

In the third quarter of the fiscal year the fair value of the properties fell by a limited amount of €7.5 million, less than during the previous two quarters.

The financial agreements reached on the exercise of the option to terminate the emphyteutic lease on Block 2 of the WTC complex (WTC Tower 3 and the base) had a positive accounting impact (group share) of €6.5 million as at the end of June 2010.

⁹ The debt ratio is calculated in accordance with Article 6 of the Royal Decree of 21 June 2006 on the accounting, annual accounts and consolidated accounts of public real-estate Sicafs.

¹⁰ Loan-to-value: [(financial debts – cash)/ fair value of portfolio].

¹¹ This is the Internal Rate of Return [IRR], calculated over the 12 previous months, taking account of the final dividend of €1.05 per share (gross) of the fiscal year 2008/2009.

¹² Net rental result as presented in the IFRS income statement layout in the Royal Decree of 21 June 2006 on accounting, annual accounts and consolidated accounts of public real-estate Sicafs, and amending the Royal Decree of 10 April 1995, on real-estate Sicafis, Belgian Official Journal of 29 June 2006.

¹³ The capital increase carried out in June 2009 increased the number of shares from 13,058,969 to 16,790,103. Befimmo does not hold any of its own shares.

¹⁴ This is the average number of shares over the period 1 October 2008 to 30 June 2009.

¹⁵ The net cash flow is the net result before write-downs, change in value and provisions.

The results of the first nine months of the 2009/2010 fiscal year show a positive **net result** of €38.6 million, as against a result of -€37.4 million for the previous period. The net decline in the unrealised value of the property portfolio, which was -€58.3 million, or 3.1% of the value of the portfolio at the end of June 2009, was limited to -€27.1 million (1.4% of the total value of the portfolio). The value of the financial instruments (-€33.5 million at 30 June 2009) declined by no more than €4.0 million at the end of June 2010.

Excluding unrealised changes in value, the net profit would have been €69.7 million at 30 June 2010 and €54.4 million one year previously.

Excluding the impact of the capital gain on the disposal of buildings last year (€0.2 million) and excluding the impact of the financial agreement on Block 2 of the WTC this fiscal year, the **net current cash flow** (group share) grew by €6.9 million, or 13% in relation to last year. This growth is explained mainly by the rise in rental income (+€5.2 million, due mainly to the addition of the Axento building in Luxembourg to the portfolio on 1 July 2009) and the reduction in financial charges (€6 million) due to the fall in interest rates and the volume of borrowings. These improvements were partially offset by the rise in real-estate charges (+€1.2 million) and overheads (+€1.8 million, this change is explained by the absence of remuneration for the Managing Agent the previous fiscal year) as well as revenue from the coordination of smaller projects and the amortisation of the premiums paid on the hedging instruments.

The **net cash flow** (group share) at 30 June 2010 was €65.5 million compared with €52.3 million at 30 June the previous year.

4. OUTLOOK

Unless other factors intervene, the Managing Agent confirms the previously published dividend forecast of €3.90 per share (gross) for the current fiscal year¹⁶.

5. FORTHCOMING PUBLICATIONS¹⁷

Thursday 18 November 2010	Press release: publication of annual results for 2009/2010
Tuesday 30 November 2010	Publication of the 2009/2010 Annual Financial Report on Befimmo's website (www.befimmo.be)

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¹⁶ See the chapter entitled "Forecasts" on pages 56 to 59 of the Annual Financial Report 2009.

¹⁷ Publication after the close of the stock exchange.