Financial Report

Consolidated statement of total comprehensive income

(€ thousand)

		Notes	30.09.10	30.09.09
I.	(+) Rental income	5	124 012	119 086
III.	(+/-) Charges linked to letting	6	- 560	- 441
NET RENTAL RESULT			**123 452**	**118 645**
IV.	(+) Recovery of property charges	7	5 572	11 653
V.	(+) Recovery of rental charges and taxes normally paid by tenants on let properties	8	26 936	20 945
VII.	(-) Rental charges and taxes normally paid by tenants on let properties	8	-26 109	-19 714
VIII.	(+/-) Other revenue and charges for letting		106	239
PROPERTY RESULT			**129 956**	**131 767**
IX.	(-) Technical costs	7	-9 417	-14 542
X.	(-) Commercial costs	7	- 948	- 581
XI.	(-) Charges and taxes on unlet properties	7	-2 124	-1 361
XII.	(-) Property management costs	7	-1 584	-1 157
XIII.	(-) Other property charges	7	- 185	- 24
	(+/-) Property charges		**-14 258**	**-17 666**
PROPERTY OPERATING RESULT			**115 699**	**114 101**
XIV.	(-) Corporate overheads	9	-12 512	-9 841
XV.	(+/-) Other operating income and charges	10	8 970	1 874
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			**112 157**	**106 134**
XVI.	(+/-) Gains and losses on disposals of investment properties	11	215	213
XVIII.	(+/-) Changes in fair value of investment properties	12	-34 557	-74 982
OPERATING RESULT			**77 814**	**31 364**
XIX.	(+) Financial income	13	5 510	5 032
XX.	(-) Interest charges	13	-20 704	-30 010
XXI.	(-) Other financial charges	13	-11 371	-39 304
	(+/-) Financial result		**-26 566**	**-64 282**
PRE-TAX RESULT			**51 249**	**-32 918**
XXIII.	(-) Corporation tax	14	- 651	- 461
	(+/-) Taxes		**- 651**	**- 461**
NET RESULT		15	**50 598**	**-33 379**
NET RESULT (group share)			46 659	-34 499
NON CONTROLLING INTERESTS			3 938	1 120
BASIC NET RESULT AND DILUTED (€/share) (group share)			**2.78**	**-2.45**

Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**50 598**	**-33 379**
TOTAL COMPREHENSIVE INCOME (group share)		46 659	-34 499
NON CONTROLLING INTERESTS		3 938	1 120

Consolidated statement of financial position

(€ thousand)

ASSETS	Notes	30.09.10	30.09.09
I. Non-current Assets		**1 905 723**	**1 939 688**
A. Goodwill	16	15 890	15 890
C. Investment properties	17	1 884 964	1 918 317
E. Other property, plant and equipment	18	658	630
F. Non-current financial assets	19	1 888	2 412
G. Finance leases receivables	20	2 323	2 439
II. Current Assets		**79 352**	**49 707**
A Assets held for sale	17	37 647	4 576
B. Current financial assets	19	411	551
C. Finance leases receivables	20	58	7 326
D. Trade receivables	21	19 475	23 520
E. Tax receivables and other current assets	22	3 973	3 281
F. Cash and cash equivalents	23	3 492	6 096
G. Deferred charges and accrued income	24	14 296	4 357
TOTAL ASSETS		**1 985 075**	**1 989 395**

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.09.10	30.09.09
TOTAL SHAREHOLDERS' EQUITY		**1 081 884**	**1 049 999**
I. Equity attributable to shareholders of the parent company		**1 017 445**	**988 367**
A. Capital		233 985	233 985
B. Share premium account		485 340	485 340
D. Reserves		21 113	21 113
E. Result		277 008	247 930
a. Result brought forward from previous years		230 349	282 429
b. Net result for the fiscal year		46 659	- 34 499
II. Non controlling interests		**64 439**	**61 632**
LIABILITIES		**903 191**	**939 396**
I. Non-current liabilities		**604 919**	**764 268**
B. Non-current financial debts	25	584 796	745 414
a. Credit institution		425 552	529 068
c. Other		159 245	216 346
C. Other non-current financial liabilities	26	20 122	18 854
II. Current liabilities		**298 272**	**175 128**
A. Provisions	27	1 383	2 422
B. Current financial debts	25	205 967	47 019
a. Credit institution		205 967	1 877
b. Finance lease		-	45 142
D. Trade debts and other current debts	28	84 169	110 506
F. Accrued charges and deferred income	29	6 752	15 181
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1 985 075**	**1 989 395**

Consolidated cash flow statement

(€ thousand)

	30.09.10	30.09.09
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	**6 096**	**4 556**
Net result for the fiscal year	**50 598**	**-33 379**
Operating income	77 814	31 364
Interest paid	-15 449	-24 337
Interest received	112	2 588
Dividends received	162	439
Taxes paid	- 625	- 501
Changes in fair value of non-current financial assets/liabilities booked to income statement (+/-)	-3 774	-34 978
Other income	-7 643	-7 955
Items with no effect on cash flow to be extracted from earnings	**43 161**	**116 360**
Loss of (gain in) value on trade receivables (+/-)	299	178
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	216	193
Fair value adjustment for investment buildings (+/-)	34 557	74 982
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	3 774	34 978
Other items	4 316	6 030
Items with cash flow effects to be extracted from the operating result	**-**	**- 213**
Capital gain realised on disposal of investment property	-	- 213
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**93 759**	**82 769**
Change in working capital requirements	**-6 075**	**4 835**
Change in assets items	1 439	-1 713
Change in liabilities items	-7 514	6 548
CASH FLOW FROM OPERATING ACTIVITIES	**87 684**	**87 604**
Investments (-) / Disposals (+)		
Acquisition Axento	-	-1 800
Investment properties		
Investments	-23 742	-29 848
Disposals	-	4 178
Other property, plant and equipment	- 244	- 100
Financial hedging instruments and other financial assets	-1 996	-1 817
CASH FLOW FROM INVESTMENT ACTIVITIES	**-25 982**	**-29 386**
CASH FLOW BEFORE FINANCING ACTIVITIES	**61 702**	**58 218**
Financing (+/-)		
Increase (+) / Decrease (-) in financial debts	43 473	-142 547
Increase (+) / Decrease (-) in finance lease debts	-45 127	-12 941
Capital increase / Decrease	-	159 453
Dividend for previous fiscal year (-)	-62 652	-60 642
CASH FLOW FROM FINANCING ACTIVITIES	**-64 306**	**-56 678**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-2 604**	**1 540**
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	**3 492**	**6 096**

Consolidated statement of changes in equity

(€ thousand)

	Capital	Share premiums	Reserves [1]	Undistributed result	Equity group share	Non controlling interests	Total equity
EQUITY AS AT 30.09.08	186 919	372 952	21 113	385 825	966 809	61 698	1 028 507
Total comprehensive income	-	-	-	-34 499	-34 499	1 120	-33 379
Befimmo capital increase [2]	47 065	112 387	-	-	159 453	-	159 453
Dividend distributed	-	-	-	- 103 396 [3]	- 103 396	- 1 186	- 104 582
Befimmo 2008 dividend				- 59 457	- 59 457	-	- 59 457
Befimmo 2009 Interim dividend				- 43 940	- 43 940	-	- 43 940
Fedimmo 2008 dividend to non controlling interests					-	- 1 186	- 1 186
EQUITY AS AT 30.09.09	233 985	485 340	21 113	247 930	988 367	61 632	1 049 999
Total comprehensive income	-	-	-	46 659	46 659	3 938	50 598
Dividend distributed	-	-	-	-17 581	-17 581	-1 131	-18 712
Befimmo 2009 final dividend				-17 581 [3]	-17 581	-	-17 581
Fedimmo 2009 dividend to non controlling interests					-	-1 131	-1 131
EQUITY AS AT 30.09.10	233 985	485 340	21 113	277 008	1 017 445	64 439	1 081 884

(1) The details of the reserves are as follows:
- statutory reserves: €1.3 million
- undistributable reserves: €3.6 million
- available reserves: €16.2 million

(2) The capital increase carried out in June 2009 raised a total of €159.45 million, after deduction of the associated transaction costs. This increased the number of shares representing the Company capital from 13,058,969 to 16,790,103.

(3) For the 2008/2009 fiscal year the heading *Dividends distributed* includes the dividend for the previous period, paid out in December 2008 amounting to €59.5 million, and the interim dividend allocated in June 2009 (but payable in December 2009) amounting to €43.9 million. The final dividend for the 2008/2009 fiscal year of €17.6 million was paid out in December 2009.

Notes to the consolidated Financial Statements

1. GENERAL BUSINESS INFORMATION

Befimmo (the Company) is a SICAFI (Société d'Investissement à capital fixe publique de droit belge – fixed-capital investment trust incorporated under Belgian law). It is organised as a "Société en commandite par actions" (partnership limited by shares) under Belgian law. Its registered office is at Chaussée de Wavre 1945, 1160 Brussels (Belgium).

During the 2006/2007 fiscal year the Company acquired a 90% majority shareholding in Fedimmo SA, a public company under Belgian law, founded on 28 December 2006. Fedimmo SA's accounting year also closes on 30 September. In June 2008, Befimmo founded the limited companies Meirfree and Vitalfree, of which it is the shareholder. These companies also close their fiscal years at 30 September. On 1 July 2009, Befimmo acquired all the shares in the Luxembourg company Axento SA. This company also closes its accounts at 30 September.

The Company therefore presents its consolidated Financial Statements as at 30 September 2010. The Board of Directors of the Managing Agent Befimmo SA adopted and authorised the publication of these consolidated Financial Statements on 10 November 2010.

The Company's activities are dedicated solely to the ownership and management of a real-estate portfolio. At 30 September 2010, the portfolio consisted principally of office buildings located in Brussels and let to public authorities or private businesses, office buildings in various towns in Flanders and Wallonia, let long-term to public authorities, and a building in the city of Luxembourg.

The Company is listed on Euronext Brussels and is in the BEL20 index.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. Except where otherwise specified, they are denominated in thousands of euros, rounded to the nearest thousand. Accounting policies have been applied consistently to the periods presented.

In preparing its consolidated Financial Statements at 30 September 2010, the Company has applied the following new or amended standards and interpretations which entered force this fiscal year:

> Standard IFRS 8 – *Operating segments*, which requires additional segment information to be presented in the notes. However, this new standard has not impacted the identification of the segments to be presented separately.

> The amendments to standard IAS 40 – *Investment properties*, which require properties under redevelopment or construction to be included under investment properties where they are intended for letting at a later date. Any buildings under redevelopment or construction will be valued at fair value.

> The revision of standard IAS 23 – *Borrowing costs*, which requires borrowing costs (interest) to be capitalised when incurred for the acquisition, construction or production of an asset requiring a long period before they can be used or sold (qualifying asset). Taking account of the previous change (booking of redevelopment or construction projects at fair value), this revision has no impact on the net result, only on the presentation of the components of the result. This new accounting policy is applicable to construction projects started on or after 1 October 2009.

> The amendments to standard IAS 1 – *Presentation of Financial Statements* and which requires in particular total comprehensive income to be stated, incorporating items of income and expense booked directly to shareholders' equity.

> The amendments to IFRS 7 – *Financial instruments*.This amendment to the standard requires additional information to be presented on Financial Statements, notably regarding the way of assessing the fair value of a financial instrument (three levels).

> The revision of standard IFRS 3 – *Business combinations* which, for acquisitions after 30 September 2009, introduces substantial changes in relation to the previous version of the standard, notably: expensing of costs directly related to acquisition, valuation at fair value of any price supplements and booking to the income statement of subsequent changes, treatment of step acquisitions, possibility of valuing minority interests (now renamed “non-controlling interests”) at fair value with recognition of 100% of goodwill. Since the Company did not make any acquisitions over the fiscal year, the revision of IFRS 3 did not have any impact on the Financial Statements.

> The amendments to standard IAS 27 – *Consolidated and Separate Financial Statements* could have an impact on the handling of transactions involving the purchase / sale of shares in the subsidiaries. Since the Company has not carried out any such transactions over the fiscal year, the amendments to IAS 27 have not had any impact on the Financial Statements.

None of the other new or amended standards or interpretations which entered force during the fiscal year had any impact on the Company's Financial Statements.

Furthermore, the Company has chosen not to apply early new or amended standards or interpretations issued before the date that the consolidated Financial Statements were authorised for publication with a date of entry into force later than the fiscal year closing at 30 September 2010, namely:

> Standard IFRS 9 – *Financial instruments* which restructures the treatment of financial instruments but which has yet to be adopted at European level while waiting for the IASB to finalise the whole draft. It is planned to enter force for the 2013-2014 fiscal year.

> Annual improvements to the IFRS standards which involve a series of minor amendments to the existing standards and interpretations. Noteworthy among these changes is the amendment of IAS 17 – *Leases* which now states that a lease on land may be classed as a finance lease even if there are no plans to transfer ownership, notably where land is leased for a very long term. These amendments should not have any significant impacts on the Company's Financial Statements. These improvements are due to enter force in the 2010-2011 and 2011-2012 fiscal years.

> Amendments to standard IAS 24 – *Related-party information* which in particular change the definition of a related party and introduce exceptions for entities linked to the State. These amendments could have a limited impact on the information provided in the annexes concerning related parties. They are due to enter force in the 2011-2012 fiscal year.

None of the other new or amended standards or interpretations which will enter force during subsequent fiscal years should have any impact on the Company's Financial Statements

In most cases, the value of the assets and liabilities recorded in Befimmo's IFRS accounts is equivalent to their fair value, since the main assets items (investment properties, real-estate certificates, etc.) are booked at their market value or closing share price and the financial debts are mostly at floating rates (except for the debts linked to assignments of future rent, which are at fixed rates and represent 10% of financial debts at 30 September 2010), while trade payables are short term; these liabilities hence have a nominal value almost equivalent to their market value.

Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company, i.e. when the Company, directly or indirectly via its subsidiaries, has more than 50% of the voting rights or has the power to govern the financial and operational policies of a subsidiary so as to obtain benefits from its activities.

Subsidiaries are consolidated by full incorporation from the date on which the Company obtains control. They are deconsolidated from the date on which control ceases.

Jointly controlled entities

A jointly controlled entity is an entity of which the Company has joint control under a contractual arrangement with other venturers. Jointly controlled entities are accounted using the equity method from the date on which the Company has joint control and until such time as that control ceases.

Business combinations

Shareholdings in companies over which the Company has significant influence, but no controlling interest, are accounted using the equity method.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated Financial Statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated in proportion to the Company's interest in such entities. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of any impairment.

Business combinations and goodwill

Where the Company takes control of a business as defined in standard IFRS 3 – *Business combinations*, the assets, liabilities and any identifiable liabilities of the business acquired are recorded separately at fair value. The difference between fair value of the consideration transferred to the vendor and Befimmo's share of the fair value of the net asset acquired, is booked under goodwill on the assets side of the balance sheet. If that difference is negative (often termed negative goodwill or badwill), after confirmation of the values, it is booked straight to the income statement.

Costs related with acquisition, such as fees paid to consultants are expensed directly.

Goodwill is subject to an impairment test carried out at least once a year in accordance with IAS 36 – *Depreciation of assets* (see note below).

Foreign currency

Foreign currency transactions

Foreign currency transactions are recorded initially at the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are then remeasured at closing rate. Resulting gains and losses are recorded in the income statement.

Gains and losses resulting from the settlement of foreign currency transactions are included in the income statement as financial gains or losses.

Foreign operations

In the context of the consolidation, assets and liabilities of foreign operations are converted into euros at the closing rate. Income statement items are converted into euros at the average exchange rate for the period. The resulting translation differences are transferred to the equity item "currency translation differences".

Intangible assets

Intangible assets are recognised only when it is probable that the expected future economic benefits associated with the asset will flow to the Company and its cost can be measured reliably. They are recognised initially at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and impairment losses.

Intangible assets are amortised using the straight-line method to allocate the cost over the best estimated useful life of the asset. The useful life and amortisation method of intangible assets are reviewed at least at each financial year end.

Costs associated with training and marketing or promotion, as well as reorganisation costs, are expensed as incurred.

Investment properties

General principles

Property that is held for rent or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and non-deductible VAT. For buildings acquired through a merger, split or contribution of a branch of activity, taxes due on the potential capital gains on the companies absorbed are included in the cost of the assets. After initial recognition, investment property is carried at fair value.

Investment property that is being redeveloped for continuing use as investment property continues to be measured at fair value. Buildings under construction for use as investment properties at a later date are also booked at fair value.

An independent expert determines the investment value of the property portfolio (also known as “deed in hands value”). This valuation is based on the present value of the net rental income in accordance with the International Valuation Standards, established by the International Valuation Standards Committee, as set out in the expert’s report. The fair value of the investment property is obtained by deducting from this investment value the amount of expenses and taxes (registration duties and/or value added tax, notary’s expenses) that the investor has to defray in order to acquire ownership of the property. Based on the various transfer methods in use on the market, the average rate of these transaction costs amounts to 2.5%(1) for properties costing more than €2.5 million and between 10% and 12.5% for property below this value, depending on the region where it is located.

The independent expert establishes the investment value of the real-estate portfolio in detail at the end of each fiscal year. At the end of each of the first three quarters of the accounting year, the expert updates the valuation in line with market developments and the specific characteristics of the properties.

Any gain or loss arising from a change in fair value is posted in the income statement.

Commissions paid to real-estate agents and other transaction costs

Commissions relating to the acquisition of investment properties are included in the asset’s carrying amount. The same applies where the acquisition involves buying shares in a property company, a contribution in kind of a property in consideration for new shares, or a contribution of assets through a merger or takeover of a property company. In these various cases, however, notary and audit costs are recorded as costs in the income statement.

Commissions relating to property rentals are recorded as costs in the income statement.

(1) Average transactions costs paid, as recorded by experts on the Belgian market. This accounting method is described at length in the BeAMA press release of 8 February 2006.

Works carried out on investment properties

The accounting treatment of works carried out on investment properties depends on the type of work concerned:

> Improvement works: these are works carried out on an occasional basis to add functionality to the property or significantly enhance the standard of comfort, thus making it possible to raise the rent and, hence, the estimated rental value. The costs of these works are capitalised within the asset's carrying amount provided and to the extent that the independent expert recognises an equivalent appreciation in the value of the property. Example: installation of an air-conditioning system where one did not previously exist.

> Major renovation works: these are normally undertaken at intervals of 25 to 35 years and involve virtually reconstructing the building whereby, in most cases, the existing carcass work is reutilised and state-of-the-art building techniques applied. These costs are capitalised within the asset's carrying amount. Borrowing costs linked to the redevelopment or construction of a building, provided that it does not generate any income during the period, are then booked to the assets of the balance sheet under the heading 'Investment property'. Since investment properties are valued at fair value, this new accounting policy has no impact on the net result, only on the presentation of the components of the result.

> Expenditure relating to maintenance and repair works which does not add any extra functionality to or increase the standard of comfort of the building is recorded as costs in the income statement. Examples: repairs to a roof, replacement of lifts or window frames.

Investment property occupied by owner

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If the Company occupies only a minimal part of the property it owns, the whole property is recognised as an investment property at fair value.

Other property, plant and equipment

Other tangible assets are recorded at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and appropriate allocation of indirect costs incurred to bring the asset to working condition for its intended use.

The straight-line depreciation method is applied through the estimated useful life of the assets. The useful life and depreciation method are reviewed at least at each financial year-end. Useful life is defined as follows per each type of asset:

Buildings

> Buildings: 30 years.

> Technical equipment: 20 years.

> Improvements to owned buildings: 10-20 years.

> Improvements to leased buildings: period of the lease - maximum 10 years.

Furniture and vehicles

> Vehicles: 4 years.

> Computer equipment: 3 years.

> Furniture and office equipment: 5 years.

> Finance-leased equipment: duration of contract.

Financial assets

Financial assets are classified as follows:

- assets held to maturity;
- assets at fair value through profit or loss;
- assets available for sale;
- loans and receivables.

They are classified in the balance sheet as current or non-current financial assets, based on the intention or probability of realisation within twelve months at the balance sheet date.

i. Assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity.

   Held-to-maturity investments are carried at amortised cost using the effective-interest method.

ii. Assets at fair value through profit or loss. These assets include:

   - assets held for trading, i.e. assets acquired principally for the purpose of selling in the short term;
   - assets designated by management to be recognised based on the fair value option in accordance with IAS 39.

   These two categories of assets are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value are included in the income statement in the period in which they arise.

iii. Assets available for sale are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

   Assets available for sale are carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity. In case of sale or impairment, the accumulated fair-value adjustments already recorded in equity are transferred to the income statement.

iv. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivable.

   Loans and receivables are initially stated at their carrying amount less appropriate allowance for irrecoverable amounts, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount. The amount of the allowance is recognised in the income statement.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing of its activities. The Company does not hold or issue derivative financial instruments for proprietary trading purposes. However, derivatives that do not qualify (under IFRS standards) for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost. Subsequently they are stated at fair value. Recognition of any resulting gain or loss depends on whether or not hedge accounting is applied and possibly on the nature of the item being hedged.

At inception of the hedge, the derivative is designated either as a hedge of the fair value of recognised assets or liabilities or of a firm commitment (fair value hedge) or as a hedge of future cash flow (cash flow hedge).

Derivative financial instruments that qualify for hedge accounting are recorded as follows:

(i) Fair-value hedge

Changes in the fair value of derivatives that are designated and qualify as fair-value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are transferred to the income statement in the periods during which the hedged cash flows affect the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the commitment or hedged cash flows are ultimately recognised in the income statement.

When hedged cash flows are no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Even if they do result in an effective economic hedge, certain derivative instruments do not qualify for hedge accounting according to IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

Properties held for sale

An investment property is classified as held for sale when it satisfies the criteria laid down in IFRS 5.

Investment property held for sale is valued on the same basis as investment property.

Trade receivables

Trade receivables are stated at their carrying amount less appropriate allowance for irrecoverable amounts. The amount of the allowance is recognised in the income statement.

Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash, have maturity dates at acquisition of three months or less and are subject to an insignificant risk of change in value.

These items are carried in the balance sheet at their carrying amount or at cost.

Impairment of assets

The Company reviews the carrying amount of intangible and tangible assets other than investment property at each balance sheet date to determine whether there is any indication of impairment, in which case an impairment test is carried out. Such a test is carried out systematically every year on the cash-flow generating units (CGUs) or groups of CGUs to which goodwill has been allocated in the context of a business combination.

In so far as it generates cash influxes independently of other assets, investment property is in principle a CGU.

An impairment test consists of comparing the carrying amount of an asset or CGU (group of CGUs) with its recoverable amount being the higher of (i) its fair value less costs to sell and (ii) its value in use. The value in use is the updated value of the estimated future cash flows from the use of an asset or CGU (group of CGUs).

If the carrying amount of an asset or CGU (group of CGUs) exceeds its recoverable amount, the excess is recognised as impairment loss recorded directly in costs and charged as a priority as a reduction in the goodwill for the CGU (group of CGUs).

An impairment loss is reversed if the recoverable amount of the asset or CGU (group of CGUs) exceeds the carrying amount, with the exception of impairment of goodwill which is never reversed.

Share capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends are recognised as a liability when they are declared by the general meeting of shareholders.

Interest-bearing borrowings

Borrowings are initially recognised for the amount of the proceeds received, net of transaction costs.

Borrowings are subsequently stated at amortised cost; any difference between the net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Trade and other payables

Trade and other payables are stated at their carrying amount.

Employee benefits

The Company has both defined-benefit and defined-contribution plans.

> A defined-benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The amount presented in the balance sheet is based on actuarial calculations (using the projected unit credit method) and represents the present value of the defined-benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and as reduced by the fair value of the plan assets. If this amount is positive, a provision will be recorded on the liability side of the balance sheet, representing at this time the complement of the amount the Company would have to pay to its employees at their retirement. Conversely, if this amount is negative, an asset will be recorded on the balance sheet only if the Company can benefit in the future from this overfunding of the plan.

Actuarial gains and losses are recognised if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded the higher of (i) 10% of the present value of the defined benefit obligation at that date and (ii) 10% of the fair value of any plan assets at that date. The portion of actuarial gains and losses exceeding these limits is divided by the expected average remaining working lives of the employees participating in that plan. These calculations are performed for each of the Company's defined-benefit plans.

> A defined-contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions are recognised as expenses as they fall due, and as such are included in personnel costs.

Provisions

Provisions are recognised in the balance sheet when:

> there is a present obligation (legal or constructive) as a result of a past event;

> it is probable that an outflow of resources will be required to settle the obligation; and

> a reliable estimate can be made on the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Revenue

Rental income from operating leases is recognised in income on an accrual basis over the lease term.

Rental gratuities and other incentives granted to customers are recognised over the first firm period of the lease term, on a straight-line basis.

Gain or loss on sales of investment property

The result on disposals of investment property represents the difference between sales proceeds net of transaction costs and the latest reported fair value of the property sold. The result is realised at the time of the transfer of risks and rewards.

Income taxes

Income taxes for the fiscal year include both current tax and deferred tax. Taxes are recorded in the income statement except where they relate to items recorded directly in equity, in which case they too are recorded in equity.

Current tax is the expected tax payable on the taxable income of the year, and any adjustment to tax payable (or receivable) in respect of previous years. It is calculated using tax rates enacted at the balance sheet date.

Deferred taxes are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. These taxes are measured using the tax rates expected to apply when the asset is realised or the liability settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable earnings will be available against which the temporary differences can be utilised.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTY REGARDING ESTIMATES

Significant judgments in the application of the Company's accounting policies

For buildings on a long-term let, except for limited exceptions, the Company considered that hardly any of the risks and benefits inherent in the ownership of the assets have been transferred to the tenant and, therefore, that these contracts are simple lease agreements pursuant to IAS 17.

Main sources of uncertainty regarding estimates

Estimate of the fair value and, if appropriate, of the value in use of investment property

The fair value and, if appropriate, the value in use of investment property are estimated by independent experts in accordance with the principles set out in the accounting policies.

Disputes and uncertainties

Befimmo is involved, as defendant or plaintiff, in a number of legal proceedings which, on the whole, are unlikely to have a major impact on Befimmo, as the gains or losses which could arise are highly unlikely to occur or are of insignificant amounts.

4. SEGMENT INFORMATION (1)

Befimmo owns a property portfolio consisting entirely of offices.

Following the acquisition of Fedimmo in December 2006, the Flanders and Wallonia segments were formed. In addition, after the acquisition of the Axento building was completed, in July 2009, the city of Luxembourg segment was formed.

In terms of geographical distribution, most of Befimmo's real-estate portfolio is located in Brussels (71.8%), the remaining 28.2% being in Flanders (19%), Wallonia (4.8%) and the city of Luxembourg (4.4%).

In the Brussels market (see map in the management report), a distinction can be made between a number of sub-markets that have experienced different trends in recent years:

Central Business District (CBD)

City centre

Market:

> Space: 2.2 million m^2.

> Significant presence of Belgian public administrations, banks and law firms.

> Rental vacancy rate: 5.4% (approx. 118,000 m²), steady over the past year.

> Speculative projects by end 2012: approx. 11,000 m^2.

> Take-up in 2010 (Q1-Q3): approx. 58,000 m².

There are fewer developments in progress or planned than in recent years.
With the South area, the rental vacancy rate in the city centre is the lowest on the Brussels market (5.4%).

Befimmo:

More than 16% of Befimmo's portfolio is located in the city centre, represented by nine buildings with a total area of 109,639 m², reduced by the sale of Empress Court, which should be completed during the 2010/2011 fiscal year.

Befimmo's vacancy rate seems high at 30 September 2010 (6.4%); this is due to the renovation of the Central Gate building, which is partly unoccupied.

Leopold district

Market:

> Space: 3.4 million m^2.

> Significant presence of European institutions and representation offices.

> Rental vacancy rate: 9.6% (approx. 327,000 m^2), up following the hand-over of speculative projects.

Developments in progress or planned in the Léopold district are still relatively numerous in relation to other sub-markets. Some 61,000 m^2 of speculative office projects will be handed over by the end of 2012.

> Take-up in 2010 (Q1-Q3): approx. 38,000 m².

Rents in the Leopold district, the most expensive area of Brussels, rose over the decade up to 2005. Since then they have fallen; prime rent was down from €300/m² at 30 September 2009 to €285/m² at 30 September 2010.

(1) Source: real-estate market data: CB Richard Ellis – 30 September 2010.

Befimmo:

16.3% of Befimmo's portfolio is located in the Leopold district, represented by seven buildings and a further two being renovated, with a total area of 76,144 m^2.

These buildings are particularly well located (Rond-point Schuman, rue Wiertz) or let long-term to the public sector (Joseph II, avenue des Arts) and they do not involve any major uncertainties. The occupancy rate (not including ongoing projects) is still very high, at almost 99%.

North area

Market:

> Space: 1.5 million m^2.

> Significant presence of Belgian and regional public administrations.

> Rental vacancy rate: 9.4% (approx. 139,000 m²) and rising.

> Take-up in 2010 (Q1-Q3): approx. 44,000 m², well up on the same period last year.

The vacancy rate in Espace Nord has risen sharply in recent years, following the handover of speculative projects.

This rate should stabilise or even fall, however, as no speculative projects are due to be handed over in the next two years.

Befimmo:

Nearly 24% of Befimmo's portfolio is located in the North area, in three buildings (and a plot of land) with a total space of 187,506 m^2.

The North district portfolio (WTC Towers 2 and 3 and Noordbuilding) is relatively secure in view of the long weighted average duration of the leases on the buildings in that district (10 years at 30 September 2010).

Decentralised

Market:

> Space: 2.9 million m^2.

> Most tenants in this area are private companies, and to a lesser extent the European Commission (back office).

> The rental vacancy rate is still relatively high: 14.6% (approx. 418,000 m²), rising over the past two years owing to the economic downturn.

Speculative projects by end 2012: 23,000 m^2.

> Take-up in 2010 (Q1-Q3): approx. 74,000 m².

Befimmo:

6.9% of Befimmo's portfolio is located in the decentralised area, comprising seven buildings and half a floor in one building, with a total space of 60,794 m^2.

The rental situation of the buildings located in the decentralised area is stabilised in the short and medium terms since the weighted average duration of the leases in those buildings is relatively long (4 years at 30 September 2010).

Befimmo's rental vacancy rate in this segment is 9.4%, below the market average (14.6%), and has increased since last year following the expected departure of a tenant from one building.

Periphery

Market:

> Space: 1.9 million m^2.

> This segment is home mainly to private companies, which are highly sensitive to the economic climate.

> High rental vacancy rate: 23.6% (approx. 456,000 m^2), up over the past two years owing to the economic downturn.

New project developments have decreased. Some 32,000 m^2 of speculative office projects will be handed over by the end of 2012.

> Take-up in 2010 (Q1-Q3): approx. 69,000 m^2.

Befimmo:

8.5% of Befimmo's portfolio is located in the periphery, comprising seven buildings and office parks with a total space of 106,470 m^2.

Fierce competition is depressing rents and prompting owners to grant tenants substantial advantages in terms of rental gratuities.

Flanders and Wallonia

Flanders

19% of Befimmo's portfolio is located in Flanders, comprising 33 buildings with a total space of 180,563 m^2, slightly reduced following the sale of the Kattendijkdok building, which should be completed during the 2010/2011 fiscal year.

The buildings in Flanders generally have a city centre location and are on long-term leases to public-sector administrations, with the exception of two buildings located in Antwerp and Leuven, also on long-term leases and acquired in June 2008.

The occupancy rate is 100%.

Wallonia

Wallonia is home to 4.8% of Befimmo's portfolio, comprising 20 buildings with a total space of 95,601 m^2.

These buildings are generally located in town centres and are on long-term leases to public-sector administrations.

The occupancy rate is 100%.

Luxembourg

Market:

> Space: 3.5 million m^2.

> Half of the office space in the city of Luxembourg is in the CBD and the Kirchberg district.

> The main tenants are the financial sector, accounting for 32% of all tenants, and the European institutions (19%).

> Rental vacancy rate: 8.2%, rising sharply (+55%) as a result of the economic downturn.

> Take-up in 2010 (Q1-Q3): approx. 84,000 m².

Befimmo:

Following the acquisition, on 1 July 2009, of all the shares in the Luxembourg company Axento SA, 4.4% of Befimmo's portfolio is located in the city of Luxembourg. Axento owns a brand-new office building (13,447 m²) located on the Plateau du Kirchberg, along Avenue Kennedy.

Three quarters of the building is currently let. For the unlet areas, Befimmo has an 18-month rental guarantee which expires on 31 December 2010.

	Brussels Central Business District		Brussels decentralised		Bruxelles periphery	
(€ thousand)	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
INCOME STATEMENT						
A. Rental income	65 751	64 117	9 405	10 320	11 049	11 639
B. Operating income from buildings	62 520	61 914	8 219	9 732	9 189	10 332
C. Fair value adjustment for buildings	- 15 112	- 31 186	- 9 285	- 11 912	- 7 945	- 13 974
D. Income from disposal of buildings	-	-	215	-	-	-
E. SEGMENT RESULT (= B+C+D)	**47 408**	**30 728**	**- 851**	**- 2 180**	**1 243**	**- 3 642**
Percentage by segment	58.3%	78.1%	-1.0%	-5.5%	1.5%	-9.3%
F. Company overheads						
G. Other operating income and charges						
H. Financial result						
I. Income tax						
NET RESULT (= E+F+G+H+I)						
Group share						
Non controlling interests						
BALANCE SHEET						
Assets						
Goodwill	7 391	7 391	-	-	-	-
Investment property			130 228	139 359	159 632	166 736
of which investments during the year	*27 773*	*18 898*	*674*	*- 88*	*842*	*1 066*
Other assets	-	7 269	-	-	-	-
TOTAL ASSETS			**130 228**	**139 359**	**159 632**	**166 736**
Percentage by segment	55.6%	55.2%	6.6%	7.0%	8.0%	8.4%
TOTAL LIABILITIES	-	50 785	-	-	-	-
Total shareholders' equity						
Group share						
Non controlling interests						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**-**	**50 785**	**-**	**-**	**-**	**-**

Wallonia		Flanders		City of Luxembourg		Unallocated amounts		Total	
2009/10	**2008/09**	**2009/10**	**2008/09**	**2009/10**	**2008/09**	**2009/10**	**2008/09**	**2009/10**	**2008/09**
11 042	10 729	21 388	20 913	5 376	1 366	-	-	**124 012**	**119 086**
10 115	10 308	20 394	20 461	5 262	1 354	-	-	**115 699**	**114 101**
- 3 367	- 5 949	443	- 8 088	709	- 3 873	-	-	**- 34 557**	**- 74 982**
-	-	-	213	-	-	-	-	**215**	**213**
6 747	**4 359**	**20 837**	**12 586**	**5 971**	**- 2 520**	**-**	**-**	**81 356**	**39 331**
8.3%	11.1%	25.6%	32.0%	7.3%	-6.4%	-	-	**100%**	**100%**
						- 12 512	- 9 841	**- 12 512**	**- 9 841**
						8 970	1 874	**8 970**	**1 874**
						- 26 566	- 64 282	**- 26 566**	**- 64 282**
						- 651	- 461	**- 651**	**- 461**
								50 598	**- 33 379**
								46 659	**- 34 499**
								3 938	**1 120**
2 673	2 673	5 826	5 826	-	-	-	-	**15 890**	**15 890**
91 466	92 149	363 636	360 374	82 244	81 532	-	-	**1 922 611**	**1 922 893**
2 685	*4 991*	*2 819*	*4 981*	*3*	*93 495*	-	-	***34 795***	***123 342***
2 381	2 496	-	-	-	-	44 193	40 847	**46 574**	**50 612**
96 521	**97 318**	**369 462**	**366 200**	**82 244**	**81 532**	**44 193**	**40 847**	**1 985 075**	**1 989 395**
4.9%	4.9%	18.6%	18.4%	4.1%	4.1%	2.2%	2.1%	**100%**	**100%**
-	-	-	-	-	-	903 191	888 611	**903 191**	**939 396**
						1 081 884	1 049 999	**1 081 884**	**1 049 999**
						1 017 445	988 367	**1 017 445**	**988 367**
						64 439	61 632	**64 439**	**61 632**
-	-	-	-	-	-	1 985 075	1 938 610	**1 985 075**	**1 989 395**

5. RENTAL INCOME

I. Rental income (€ thousand)	**30.09.10**	**30.09.09**
Rents	**119 900**	**118 276**
Guaranteed income	4 901	1 265
Cost of rent free periods	-1 229	-1 340
Concessions granted to tenants (incentives)	- 68	97
Indemnities for early termination of rental contracts	507	787
Rental income	**124 012**	**119 086**

This table sets out the various components of rental income. Besides rent, rental income also includes:

- various items relating to the spread of rental gratuities granted, booked in accordance with IFRS standards, and of which the effect is neutralised in Heading XV of the income statement;

- compensation related to early termination of leases.

(€ thousand)	**30.09.10**	**30.09.09**
Less than one year	120 244	123 893
One to five years	387 080	390 694
More than five years	627 308	661 355
Rental income	**1 134 632**	**1 175 943**

This table gives details of future rents that Befimmo is certain to receive under ongoing lease agreements. These are unindexed rents that will be received before the next intermediate termination option provided for in the lease agreements.

Contingent rents collected by Befimmo consist of the annual indexing of rents, and amount to €0.0 and €2.49 million for the 2009/2010 and 2008/2009 fiscal years respectively.

The Befimmo standard lease

The great majority of Befimmo SCA's properties (not including Fedimmo's buildings, those let to the Buildings Agency and certain other leases) are let under a standard lease, generally lasting nine years and allowing, as the case may be, for early termination at the end of the third and sixth year, subject to minimum six months' notice before the end of the term.

The leases may not be terminated at any other time and may not generally be tacitly renewed.

Rent is generally payable quarterly or six-monthly in advance. Rents are indexed annually at the anniversary of the contract, usually with a minimum of the last rent (or, for Buildings Agency leases, the base rent).

In most cases, common and individual charges and insurance premiums are payable by tenants who, in order to cover the amount concerned, pay a quarterly (or half-yearly) provision at the same time as the rent. An account of charges actually incurred is drawn up every year.

All property and other taxes are also passed on to tenants.

As a guarantee of performance of their obligations under the lease, most tenants (except for the Belgian Government and certain Representations) provide an irrevocable rental guarantee that can be called in on demand.

When tenants enter the premises, a detailed inventory is drawn up by an expert. At the end of the lease, the tenants have to surrender the premises in the state described in the inventory, with allowance for normal wear and tear. The expert draws up a closing inventory. Tenants have to pay compensation covering the amount of any damage to or unavailability of the premises during repair work.

Tenants may not transfer the lease or sublet the premises without the explicit prior agreement of the lessor. Where Befimmo agrees to the transfer of a lease, the transferor and the transferee remain jointly and severally liable to Befimmo.

Each lease is registered.

The Fedimmo standard lease

Fedimmo SA's buildings are let to the Belgian Government under a standard lease.

Leases may not be terminated before expiry and are generally long-term. Unless notice is given before the expiry of the term, they are tacitly renewed for a period that varies according to the lease.

The rent is payable six-monthly during the period and is subject to annual indexing, with a minimum of the initial rent.

Rental charges are charged to the tenant under the special conditions and all taxes are payable by the tenant.

Inventories are drawn up on entry and departure by two experts, on designated by the lessor and the other by the tenant, with a view to determining the amount of any compensation for damage payable by the tenant to the lessor.

The Belgian Government, as tenant, is not required to provide a rental guarantee. If the lease is transferred to anyone other than a Government department, a rental guarantee must be provided.

The premises may be sublet by the tenant only with the lessor's consent, unless to a Government department. If the lease is sublet or transferred, the tenant and sub-tenant or transferee remain jointly and severally bound by all the obligations under the lease agreement.

The standard lease requires the lessor (Fedimmo SA) to carry out renovation work (listed in an appendix specific to each lease) within three years and, in consideration of all of this work, increases the rent (also as specified in the appendix) payable by the tenant (the Belgian Government). The rent increase for each item of the work is calculated proportionally and applied after each item is completed.

Accordingly, Fedimmo completed the agreed general works programme on its buildings within the planned deadlines at a cost of €26.8 million (2007-2009 renovation programme). The part of the programme concerning WTC Tower 3 (budget €22.2 million) was postponed at the request of the Belgian Government and will be carried out over 2009/2012.

The leases are registered.

6. CHARGES LINKED TO LETTING

III. Charges linked to letting (€ thousand)	**30.09.10**	**30.09.09**
Rents payable on rented premises	- 261	- 263
Write-downs on trade receivables	- 519	- 290
Write-back of write-downs on trade receivables	221	113
Charges linked to letting	**- 560**	**- 441**

This tables includes the following amounts:

- rent paid for leased premises which were subsequently re-let to customers of the Company;

- write-downs and write-backs on write-downs on trade receivables, realised and unrealised.

(€ thousand)	**30.09.10**	**30.09.09**
Less than one year	435	368
One to five years	1 377	1 182
More than five years	11 654	11 674
Rental paid	**13 466**	**13 224**

This table gives details of future payments that Befimmo is certain to make under ongoing lease agreements signed by Befimmo as lessee (rent of buildings, vehicles, etc.). The rental amounts given are fixed and so do not take account of future indexing. Conditional rental amounts paid by Befimmo, consisting mainly of the annual indexing of rents, are estimated at less than €10,000 for the two previous fiscal years.

7. PROPERTY CHARGES AND RECOVERY OF PROPERTY CHARGES

2009/2010 (€ thousand)

AT CHARGE		NET	RECOVERY	
IX. Technical costs	**-9 417**		**5 572**	**IV. Recovery of property charges**
Recurrent	-7 179	-3 924	3 255	Recurrent
Repairs	-5 017	-2 453	2 564	Repairs
Total-guarantee charge	-1 281	- 906	375	Total-guarantee charge
Insurance premiums	- 881	- 565	316	Insurance premiums
Non recurrent	-2 238	-1 165	1 073	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-2 056	-1 482	574	Recovery of major repair costs
Damage expenses	- 182	317	94	Recovery of damage expenses
		-	86	Compensation of damage by insurers
		-	319	Compensation for damage by tenants
XII. Property management costs	**-1 584**	- 340	1 244	Property management costs
Fees paid to (external) managers	-1 584	- 340	1 244	Management fees received
X. Commercial costs	**- 948**	**- 948**		
Letting fees paid to real estate brokers	- 712	- 712		
Advertising	- 15	- 15		
Fees paid to lawyers and other experts	- 222	- 222		
XI. Charges and taxes on unlet properties	**-2 124**	**-2 124**		
XIII. Other property charges	**- 185**	**- 185**		
Property charges	**-14 258**	**-8 686**	**5 572**	**IV. Recovery of property charges**

2008/2009 (€ thousand)

AT CHARGE		NET	RECOVERY	
IX. Technical costs	**-14 542**		**11 653**	**IV. Recovery of property charges**
Recurrent	-5 866	-2 600	3 266	Recurrent
Repairs	-3 495	-1 025	2 471	Repairs
Total-guarantee charge	-1 248	- 930	318	Total-guarantee charge
Insurance premiums	-1 122	- 646	477	Insurance premiums
Non recurrent	-8 676	-1 165	7 511	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-8 559	-1 733	6 826	Recovery of major repair costs
Damage expenses	- 117	568	24	Recovery of damage expenses
			120	Compensation of damage by insurers
			541	Compensation for damage by tenants
XII. Property management costs	**-1 157**	- 282	876	Property management costs
Fees paid to (external) managers	-1 157	- 282	876	Management fees received
X. Commercial costs	**- 581**	**- 581**		
Letting fees paid to real estate brokers	- 212	- 212		
Advertising	- 50	- 50		
Fees paid to lawyers and other experts	- 320	- 320		
XI. Charges and taxes on unlet properties	**-1 361**	**-1 361**		
XIII. Other property charges	**- 24**	**- 24**		
Property charges	**-17 666**	**-6 013**	**11 653**	**IV. Recovery of property charges**

These tables set out, for the 2009/2010 and 2008/2009 fiscal years, the origins of the net property charges borne by the Company.

8. CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES

(€ thousand)	30.09.10	30.09.09
V. Recovery of rental charges and taxes normally paid by tenants on let properties	**26 936**	**20 945**
Rebilling of rental charges invoiced to the landlord	11 391	10 711
Rebilling of withholding taxes and other taxes on let properties	15 545	10 233
VII. Rental charges and taxes normally paid by tenants on let properties	**-26 109**	**-19 714**
Rental charges invoiced to the landlord	-9 893	-8 953
Withholding taxes and other taxes on let properties	-16 216	-10 761
Total	**827**	**1 231**

Most lease agreements provide for rental charges and taxes to be borne by the tenant. Under some leases, however, the terms provide for flat-rate billing of charges, which the owner pays at its own risk, or make the owner liable for certain taxes.

9. CORPORATE OVERHEADS

XIV. Corporate overheads (€ thousand)	30.09.10	30.09.09
Staff costs	4 906	3 862
Operating costs	1 839	1 699
Fees	1 799	1 740
Costs linked to SICAFI status	1 630	1 548
Amounts paid to the managing agent Befimmo SA	2 338	993
- Refund of costs directly linked to its mission (including remuneration of directors)	*982*	*993*
- Remuneration directly proportional to Befimmo SCA's result	*1 356*	*-*
Corporate overheads	**12 512**	**9 841**

The Sicafi's corporate overheads cover all costs not directly chargeable to the management, upkeep and maintenance of the properties. They include the costs of the Company staff (salaries, social contributions, etc.), operating costs (office rents, office supplies, etc.), and fees paid to various external consultants (legal, technical, financial, fiscal, etc.), notably in the context of special projects.

Costs linked to Sicafi status cover all costs involved in listing on a public stock market (Euronext, cost of paying coupons, etc.) and the status of Sicafi (quarterly portfolio valuation, depositary bank charges, etc.).

Amounts paid to the Managing Agent, Befimmo SA, comprise the costs directly linked to its duties, including the remuneration of the Directors, and the remuneration of Befimmo SA, the Managing Agent, as defined in the articles of association of Befimmo SCA.

	30.09.10	30.09.09
COMPANY STAFF		
Number of persons under a contract of employment	40	34

10. OTHER OPERATING INCOME AND CHARGES

XV. Other operating income and charges (€ thousand)	**30.09.10**	**30.09.09**
Spreading of the cost of rental gratuities	945	49
Others	809	1 825
Non recurrent result on the termination of the leasehold granted on Block II of WTC	7 216	-
Other operating income and charges	**8 970**	**1 874**

This heading includes recurring compensation for the effect of spreading rental gratuities granted. Spreading of rental gratuities, recorded in accordance with IFRS standards under rental income, is neutralised here, so that the effect is zero on the Company's net result.

The other items under this heading are not recurring and for this fiscal year consist mainly of the completion of the termination of the leasehold granted on Block II of the World Trade Center in Brussels.

11. GAINS OR LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

XVI. Gains and losses on disposals of investment properties (€ thousand)	**30.09.10**	**30.09.09**
Net sale of properties (selling price - transaction costs)	735	4 178
Book value of properties sold	- 520	-3 965
Gains and losses on disposals of investment properties	**215**	**213**

The gains and losses on disposals of investment properties consist solely of the sale of a floor of office space in a jointly owned building at Chaussée de la Hulpe 177, Brussels.

12. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

XVII. Changes in fair value of investment properties (€ thousand)	**30.09.10**	**30.09.09**
Positive changes in fair value of investment properties	17 824	22 005
Negative changes in fair value of investment properties	-52 381	-96 987
Changes in fair value of investment properties	**-34 557**	**-74 982**

The changes in fair value of investment properties do not include investments. The "Portfolio" section of the management report contains more information on changes in value.

13. FINANCIAL RESULT

(€ thousand)		30.09.10	30.09.09
XIX. (+)	**Financial income**	**5 510**	**5 032**
(+)	Interests and dividends received	172	2 237
(+)	Leasing charges	197	334
(+)	Revaluation earnings on financial assets	5 141	2 448
(+)	Others	-	12
XX. (-)	**Interest charges**	**-20 704**	**-30 010**
(-)	Nominal interest on loans	-9 253	-21 000
(-)	Reconstitution of the face value of financial debts	- 608	- 559
(-)	Other interest charges	-10 842	-8 451
XXI. (-)	**Other financial charges**	**-11 371**	**-39 304**
(-)	Bank charges and other commissions	-2 457	-1 878
(-)	Revaluation deficits on financial assets	-8 915	-37 426
(+/-)	**Financial result**	**-26 566**	**-64 282**

The above table sets out the financial result in accordance with the layout required by the Royal Decree of 21 June 2006.

The following table sets out the financial result in analytical form and allows a distinction to be made between items linked to revaluations of the financial instruments and other financial charges and revenue.

(€ thousand)		30.09.10	30.09.09
(+)	**Financial income**	**369**	**1 328**
(+)	Interests and dividends received	172	994
(+)	Charges for finance leases and similar	197	335
(+/-)	**Net interest charges**	**-20 704**	**-28 755**
(-)	Nominal interest on loans	-9 253	-20 988
(-)	Reconstitution of the face value of financial debts	- 608	- 559
(-)	Other interest charges	-1 245	-2 544
(+)	Revenues from financial hedging instruments	-	1 243
(-)	Charges from financial hedging instruments	-9 597	-5 907
(-)	**Other financial charges**	**-2 457**	**-1 877**
(-)	Bank charges and other commissions	-2 457	-1 877
(+/-)	**Changes in fair value of financial assets and liabilities**	**-3 774**	**-34 978**
(+/-)	Financial hedging instruments	-3 789	-26 916
(+/-)	Others	15	-8 062
(+/-)	**Financial result**	**-26 566**	**-64 282**

The financial result for the 2009/2010 fiscal year is much improved in relation to last year. This is explained mainly by:

- a sharp reduction in net interest charges paid on the part of borrowings at floating rates. This reduction is due to the fall in short-term rates;
- the much more limited negative impact than last year of the change in market value of the financial hedging instruments (mainly IRS, IRS Callables, Twin Caps and Caps) amounting to €3.8 million net, as against €26.9 million for the previous fiscal year;
- the booking, during the previous fiscal year, of a drop of €8.1 million in the value of the financial asset consisting of the undertaking to buy the shares of Axento SA in Luxembourg (signed on 1 July 2009).

As required by IFRS 7.20, the following tables allow a distinction to be made between the types of financial assets and liabilities behind the financial charge or revenue reflected in the financial result of the fiscal year just closed:

2009/2010 (€ thousand)	**TOTAL**	**Financial assets or liabilities at fair value throught profit or loss account**	**Loans and receivables**	**Financial liabilities valued at amortised cost**
Financial income	**369**	162	207	-
Net interest charges	**-20 704**	-9 597	390	-11 497
Other financial charges	**-2 457**	-	-	-2 457
Changes in fair value of financial assets and liabilities	**-3 774**	-3 785	-	11
Total result on financial assets/liabilities	**-26 566**	**-13 221**	**597**	**-13 942**

2008/2009 (€ thousand)	**TOTAL**	**Financial assets or liabilities at fair value throught profit or loss account**	**Loans and receivables**	**Financial liabilities valued at amortised cost**
Financial income	**1 328**	439	889	-
Net interest charges	**-28 755**	-4 664	- 6	-24 085
Other financial charges	**-1 877**	-	1	-1 878
Changes in fair value of financial assets and liabilities	**-34 978**	-35 007	-	30
Total result on financial assets/liabilities	**-64 282**	**-39 232**	**884**	**-25 934**

14. INCOME TAXES

The income tax burden is broken down as follows:

XXIII. Corporation tax (€ thousand)	**30.09.10**	**30.09.09**
Current taxes for fiscal year	- 652	- 460
Adjustment of current taxes from previous periods	1	- 1
Deferred taxes	-	-
Corporation tax	**- 651**	**- 461**

Befimmo is a public limited company by shares with the status of Sicafi. This status exempts the Company from corporation tax on its earnings.

The Company is nevertheless liable for corporation tax at the rate (33.99%) on its non-deductible expenses. A full provision of €0.65 million has been made at 30 September 2010 for the estimated amount of tax payable on these expenses at 30 September 2010.

The subsidiary Fedimmo is a public company and as such is liable to corporation tax. Yet, after deducting notional interest calculated on Fedimmo's shareholders' equity, its tax base for the 2009/2010 fiscal year is zero and the sum of €6.0 million of notional interest is carried forward to future years. Taking account of the reserves of notional interest constituted previously, the total reserve to be carried forward to future years at 30 September 2010 amounts to €33.3 million.

Even though no income tax is recorded for Fedimmo, it will therefore be necessary to book a deferred tax asset, equivalent to 33.99% of the notional interest carried over, to reflect the tax reserve deductible from future profits. However, since the financial forecasts for Fedimmo show that its tax base should be zero every fiscal year, since the notional interest is deductible, the Company need not realise this deferred tax asset and so it has not been recorded.

Likewise, since Fedimmo is not subject to IFRS standards for the preparation of its statutory accounts, Belgian accounting standards require its property portfolio to be valued using the amortised cost method. This valuation method therefore creates a discrepancy between the fiscal value of the properties (established according to Belgian standards) and their investment value determined by the experts. Since the realisation value of the assets (investment value minus the applicable registration fees) is less than their fiscal value, no fiscal latency need be recorded.

15. RESULT PER SHARE

RESULT FOR THE FISCAL YEAR (€ thousand)	**30.09.10**	**30.09.09**
NUMERATOR		
Net result for the fiscal year	50 598	-33 379
Non controlling interests	3 938	1 120
Group share	46 659	-34 499
DENOMINATOR		
Shares outstanding at the end of the period (in units)	16 790 103	16 790 103
Weighted average of shares outstanding during the period (in units)	16 790 103	14 060 753
Net result per share (basic and diluted) (in €)	**2.78**	**-2.45**
Dividend for the fiscal year		
Interim dividend (gross)	-	43 940
Gross attributable dividend	65 580	17 581
Total gross dividend for the fiscal year	**65 580**	**61 521**
Gross dividend per share (in €)	3.9059	3.36 / 1.04

The result per share is calculated by dividing the net result by the weighted average of the number of shares outstanding during the relevant fiscal year.

Since Befimmo has no diluting instruments, the basic and diluted results are identical.

16. GOODWILL

Befimmo's acquisition of Fedimmo generated goodwill from the positive difference between the acquisition cost (including transaction costs) and Befimmo's share of the fair value of the net asset acquired. This goodwill, recorded on the assets side of the consolidated Financial Statements, represents the future financial advantages associated with the synergies, optimisations and development prospects of a geographically diversified portfolio.

The following table illustrates the change in value of the goodwill over the fiscal year:

(€ thousand)	**30.09.10**	**30.09.09**
COST		
Opening balance	**15 890**	**15 977**
Additional amounts linked to business combinations carried out during the period	-	-
Reductions linked to assets sold during the period	-	- 87
Closing balance	**15 890**	**15 890**
DECREASE IN VALUE		
Opening balance	**-**	**-**
Decreases in value posted during the period	-	-
Closing balance	**-**	**-**
CARRYING AMOUNT		
Opening balance	**15 890**	**15 977**
Closing balance	**15 890**	**15 890**

The goodwill has been allocated to the cash generating units that will benefit from the synergies of the acquisition, which corresponds in the case of the Fedimmo portfolio to the buildings grouped by geographical segment according to their location. This breakdown of goodwill by geographical segment is illustrated in the table below.

No change was recorded over the year.

Impairment test

GEOGRAPHICAL SEGMENTS (€ thousand)	Goodwill	Carrying amount (including 100% goodwill)	Value in use	Depreciation
Brussels centre	597	29 533	29 596	-
Brussels Leopold district	2 108	106 540	106 818	-
Brussels North area	4 685	222 547	222 811	-
Wallonia	2 673	83 741	83 848	-
Flanders	5 826	278 919	279 432	-
Total portfolio	**15 890**	**721 280**	**722 503**	**-**

Each time the accounts are closed, the goodwill is subject to an impairment test (conducted on the groups of buildings to which it was allocated on the basis of geographical segment), comparing the carrying amount of the groups of buildings (including the goodwill allocated at 100%) with their value in use. The value in use of the groups of buildings is assessed by the real-estate expert on the basis of a calculation for updating the cash flows generated by these buildings, based on assumptions in accordance with standard IAS 36. This value in use is equivalent to the investment value of the buildings.

The result of this test carried out at 30 September 2010 (illustrated in the table above) shows that no impairment need be recorded as the value in use by segment is higher than the carrying amount.

Sensitivity test

The method for calculating the fair value of investment property by independent experts relies on making several specific assumptions, mainly the rate of updating the cash flows generated by the buildings and the residual value of each building.

The sensitivity of the value of the goodwill to changes in the rate of updating the cash flows generated by the groups of buildings to which the goodwill was allocated was tested. It appears that this rate has to be increased by 25.05% before the value of the goodwill recorded begins to be impaired. A further 1% increase in the rate above that level would lead to an impairment of the value of the goodwill of €3,647.

17. INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE

C. Investment properties (€ thousand)	**30.09.10**	**30.09.09**
Proporties available for lease	1 835 334	1 877 236
Properties that are being constructed or developed for own account in order to be leased	49 631	41 081
Investment properties	**1 884 964**	**1 918 317**

As required by the amendment of standard IAS 40 (see above, Significant Accounting Policies > Basis of preparation) investment properties that are being constructed or developed for own account in order to be leased, are included under investment properties where they are intended to be leased. This category covers properties undergoing a major renovation and earning no income over that period, or by their nature not generating income (land).

A. Assets held for sale (€ thousand)	**30.09.10**	**30.09.09**
Investment properties	37 647	4 576
Real-estate certificats	-	-
Other assets	-	-
Assets held for sale	**37 647**	**4 576**

This heading covers property held for sale and which, when certain conditions are met, should therefore leave the Befimmo portfolio during the 2010/2011 fiscal year.

This heading includes:

- the Empress Court building (CBD): in July 2010, Befimmo signed an agreement subject to a suspensory condition to sell the Empress Court building in Brussels when completed to the Vivaqua company, for the net sum of €51 million excluding fees and VAT. Once the suspensory condition is met and the renovation programme completed, the official deed of sale is expected to be signed and the building handed over by 1 March 2011;

- the Kattendijkdok building (Flanders): In September 2010 Fedimmo signed an agreement to sell the building, subject to suspensory conditions, for €7.8 million excluding fees. The transaction should be completed early in 2011;

- half a floor in the jointly owned building at Chaussée de la Hulpe 177, Brussels (Brussels decentralised): a preliminary agreement was signed in September 2010 and the sale should be completed during the 2010/2011 fiscal year.

(€ thousand)	
Carrying value as at 30.09.2008	**1 886 500**
of which: - Investment properties	*1 877 636*
- Assets held for sale	*8 865*
Acquisitions	93 495
Other investments	29 848
Disposals	- 3 878
Changes in fair value	- 74 982
Change in value of Axento before acquisition booked to the financial result	- 8 090
Carrying value as at 30.09.2009	**1 922 893**
of which: - Investment properties	*1 918 317*
- Assets held for sale	*4 576*
Acquisitions	-
Other investments	34 795
Disposals	- 520
Changes in fair value	- 34 557
Carrying value as at 30.09.2010	**1 922 611**
of which: - Investment properties	*1 884 964*
- Assets held for sale	*37 647*

During the fiscal year, an office floor was sold in a jointly owned building at Chaussée de la Hulpe 177, Brussels.

The sale that took place during the 2008/2009 fiscal year related to the Frankrijklei building in Antwerp.

Commitments

Commitments to tenants:

Fedimmo has given the Belgian Government an undertaking to carry out work in the whole portfolio at a cost under contract of €49.0 million, €26.8 million of which was to be done by the end of 2009. The remaining work, under a contract worth €22.2 million, relates to the renovation of Tower 3 of the World Trade Center, postponed (2009/2012) at the request of the Buildings Agency. At 30 September 2010, a total of €32.8 million had been spent.

Fedimmo has also given an undertaking to the Buildings Agency to construct a new building to house the Federal Public Finance Service by 1 June 2013 at Rue Paradis in Liège. The total budget for the project is €91.1 million.

Commitments to purchasers of properties to be sold

Under the agreement - subject to a suspensory condition - to sell the Empress Court building when completed to the Vivaqua company, Befimmo has given an undertaking to Vivaqua to complete the renovation work by the end of February 2011. The total budget for the project is €25.0 million.

Ongoing contractual commitments signed with approved building contractors

Commitments contracted by Befimmo with approved building contractors:

Befimmo's main contractual commitments with approved building contractors are worth some €20.2 million including VAT. These commitments relate to the Empress Court, Central Gate, Triomphe III, Fountain Plaza, View and Triomphe I & II buildings and the whole Befimmo portfolio for the Telemonitoring energy project.

Commitments contracted by Fedimmo with approved building contractors:

Fedimmo's main contractual commitments with approved building contractors are worth some €10.9 million including VAT. These commitments relate to the following buildings: Science-Montoyer, WTC Tower 3, Liège Paradis (new Finance centre), WTC Tower 4 (application for single permit), Tervuren, Braine l'Alleud and Bloemistenstraat in Kortrijk.

Restrictions on assignment

None of the buildings in Befimmo's porfolio is mortgaged or subject to any other restriction on realisation or assignment, save only the standard provisions contained in several loan agreements, notably the syndicated loans of 30 March 2006 and 27 June 2008 (property intended for leasing may not be sold to or bought by a company in the group) and which have no impact on their value.

Similarly, none of Befimmo's real-estate property is subject to any restriction on the recovery of revenue, with the sole reservation that in the context of two financial operations that were arranged on favourable terms, the Poelaert building and four buildings in the Fedimmo portfolio (Avenue des Arts, Rue du Gouvernement Provisoire and Rue Lambermont in Brussels and Majoor Vandammestraat in Knokke) were financed by the assignment of the credit for future rents to a financial institution, and may not be transferred without the prior consent of the assignee of the rents or before first paying off the financial liability.

18. OTHER PROPERTY, PLANT AND EQUIPMENT

E. Other property, plant and equipment (€ thousand)	**30.09.10**	**30.09.09**
Property, plant and equipment for own use	658	630
Others	-	-
Other property, plant and equipment	**658**	**630**

19. NON-CURRENT AND CURRENT FINANCIAL ASSETS

F. Non-current financial assets (€ thousand)	**30.09.10**	**30.09.09**
Assets at fair value through profit and loss	1 854	2 358
Financial hedging instruments - level 2	1 854	2 358
Option - CAP et Twin CAP	1 854	2 358
Forward - IRS	-	-
Loans and receivables	-	23
Other non-current financial assets	34	31
Non-current financial assets	**1 888**	**2 412**

B. Current financial assets (€ thousand)	**30.09.10**	**30.09.09**
Loans and receivables	402	498
Other current financial assets	9	53
Current financial assets	**411**	**551**

The heading "Assets at fair value through profit or loss" mainly covers derivatives that are not recognised as hedging instruments, as defined in standard IAS 39, i.e. the IRS, IRS Callable and Twin Cap options held by the Company, as long as the market value is positive. Otherwise, their value is entered in the equivalent heading under liabilities.

The heading "Loans and receivables" includes various amounts to be recovered from counterparties of the Company.

20. FINANCE LEASES RECEIVABLES

This heading relates to finance lease agreements (as per standard IAS 17) and at 30 September 2010 includes only the asset embodied in the building in Wandre.

In the previous period this heading also included the agreement granting a leasehold on the land of Block II of the WTC. Fedimmo availed itself of its right to terminate the leasehold with effect from 1 April 2010.

21. TRADE RECEIVABLES

Trade receivables arise through rent, the billing of taxes or rental charges. The quantitative description of the principal risks (hereafter) includes a section on the credit risk which analyses the Company's exposure to such debts in terms of the counterparty or of the maturity.

22. TAX RECEIVABLES AND OTHER CURRENT ASSETS

E. Tax receivables and other current assets (€ thousand)	**30.09.10**	**30.09.09**
Taxes	451	392
Others	3 523	2 889
Tax receivables and other current assets	**3 973**	**3 281**

23. CASH AND CASH EQUIVALENTS

F. Cash and cash equivalents (€ thousand)	**30.09.10**	**30.09.09**
Available values	3 492	6 096

As the Company is structurally indebted, available funds are limited, consisting almost entirely of positive balances in the Company's various bank accounts.

24. DEFERRED CHARGES AND ACCRUED INCOME

G. Deferred charges and accrued income (€ thousand)	**30.09.10**	**30.09.09**
Rent free periods and incentives granted to tenants to be spread	-	-
Accrued rental income	10 311	-
Prepaid property charges	3 258	3 432
Prepaid interest and other financial charges	184	279
Others	544	647
Deferred charges and accrued income	**14 296**	**4 357**

This heading principally includes income from properties accrued but not yet due, in accordance with the terms of the leases, and real-estate charges paid in advance.

25. CURRENT AND NON-CURRENT FINANCIAL DEBTS

B. Non-current financial debts (€ thousand)	**30.09.10**	**30.09.09**
Credit institutions	425 552	529 068
Finance lease	-	-
Other: Borrowings	157 420	214 720
Other: Rental guarantees received	1 825	1 626
Non-current financial debts	**584 796**	**745 414**

B. Current financial debts (€ thousand)	**30.09.10**	**30.09.09**
Credit institutions	205 967	1 877
Finance lease	-	45 142
Current financial debts	**205 967**	**47 019**

The headings “Credit institutions” (non-current and current) cover all the bank financing held by the Company. These headings also include the two financing deals involving the assignment of future rents.

The heading “Other – borrowings” covers the outstanding commercial paper issued by the Company at the balance sheet date. Although these were short-term issues, the whole programme has a back-up facility for a residual term of more than 12 months (via the unused portion of the bilateral lines and syndicated loans arranged), which gives the Company the capacity to refinance the issues for the medium and long term. Accordingly, the Company has opted to record these debts under non-current financial debts.

The heading “Other – rental guarantees received” covers the amount of rental guarantees received in cash from some tenants in the Company’s property portfolio. Their carrying amount is equivalent to their fair value.

The subheading “Finance lease” includes the debt associated with the leasehold agreement for WTC Tower 3, where Fedimmo is the leasehold tenant. The leasehold granted on Block II of the World Trade Center has meanwhile been terminated.

As mentioned under “Significant Accounting Policies”, the value of the booked assets and liabilities is equivalent to their fair value, as the main assets and liabilities items are booked at their market value or at the closing share price, or else their carrying amounts are almost equivalent to their market values. The only exception is the financial debt consisting of assignments of future rents, structured at fixed rates, worth a residual total of €78.8 million at 30 September 2010. The fixed rates set for these long-term borrowings generally no longer correspond to the current market rates, giving rise to a difference between the carrying amount of the liabilities on the balance sheet and their fair value. Moreover, bank margins have also changed substantially since the end of 2008. The table below compares the carrying amount of the fixed-rate borrowings with their fair value at the end of the 2008/2009 and 2009/2010 fiscal years. The fair value of fixed-rate borrowings is estimated by updating their future cash flows using a rate that takes account of the Company's borrowing risk. This fair value is given in the table below as an indication, the carrying amount being used for accounting purposes.

(€ thousand)	30.09.10		30.09.09	
	Nominal value	Fair value	Nominal value	Fair value
Fixed rate financial debts	**78 815**	**84 771**	**82 590**	**88 833**

26. OTHER NON-CURRENT FINANCIAL LIABILITIES

C. Other non-current financial liabilities (€ thousand)	**30.09.10**	**30.09.09**
Financial hedging instruments	-	-
Other non-current financial liabilities	20 122	18 854
Financial hedging instruments at fair value through profit and loss - level 2	20 122	18 854
Forward - IRS	20 122	18 854
Other non-current financial liabilities	**20 122**	**18 854**

The heading "Other non-current financial liabilities" reflects the fair value of the financial instruments, as per IAS 39, which have a negative value. The values of the two IRS instruments that Befimmo held at 30 September 2010, described hereafter, were adjusted in line with the fall in interest rates. They were therefore moved from "Non-current financial assets" to "Non-current financial liabilities" during the previous fiscal year. The resulting difference in value was recorded in the income statement as appropriate under "Revaluation gains on financial assets" or "Revaluation losses on financial losses".

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices noted on an active market. The IRS contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7.

The fair value of these contracts is determined at the balance sheet date. We obtain this information from various financial institutions and we check and validate it.

27. PROVISIONS

A. Current provisions (€ thousand)	30.09.10	30.09.09
Pensions	-	-
Others	1 383	2 422
Current provisions	**1 383**	**2 422**

The amounts of provisions mainly cover the undertakings the Company gave when selling certain properties (rental guarantees, undertakings to carry out works, etc.).

28. TRADE DEBTS AND OTHER CURRENT DEBTS

D. Trade debts and other current debts (€ thousand)	30.09.10	30.09.09
Trade payables	68 102	43 182
Suppliers	20 893	19 508
Tenants	47 209	23 674
Other	16 067	67 324
Tax, salaries and social charges	13 559	14 058
Others	2 508	53 266
Trade debts and other current debts	**84 169**	**110 506**

The heading “Trade debts” to suppliers includes the amounts owing to the various suppliers of goods and service providers. Debts to tenants relates to amounts received as deposits for provisions for common charges paid in advance by tenants, and advance payments of rent for later periods.

Under the heading “Others”, the first subheading mainly represents debts relating to taxes and charges owed by the Company, while the second sub-heading covers the Company’s other short-term debts. This last heading includes a large amount in September 2009 which was the interim dividend attributed to shareholders in June 2009.

29. ACCRUED CHARGES AND DEFERRED INCOME

F. Accrued charges and deferred income (€ thousand)	30.09.10	30.09.09
Property income received in advance	5 378	13 824
Interest and other financial charges accrued and not yet due	1 367	1 327
Others	8	30
Accrued charges and deferred income	**6 752**	**15 181**

This heading principally includes income from properties received in advance, in accordance with the terms of the leases, and financial interest and charges accrued but not yet due.

30. QUANTITATIVE DESCRIPTION OF MAIN RISKS

The management report contains a chapter giving details of the main risks, and there is a specific section on page 51 of the report entitled ‘main financial risks’. That information complements the quantitative description of the main risks set out below.

A. Credit risk

Please see page 36 of the Annual Report for a breakdown of Befimmo’s portfolio of tenants.

The following tables show the maximum amounts of the Company’s exposure to credit risk, at the balance sheet date, by category of counterparty:

30.09.10 (€ thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
F. Non-current financial assets	**1 888**	1 854	4	-	30
G. Finance lease receivables	**2 323**	-	-	2 323	-
Current financial assets					
B. Current financial assets	**411**	362	40	-	9
C. Finance lease receivables	**58**	-	-	58	-
D. Trade receivables	**19 475**	1 032	9 966	8 476	-
E. Other current assets	**3 523**	-	2 083	1 440	-
F. Cash and cash equivalents	**3 492**	3 415	-	-	77
Total financial assets	**31 170**	**6 663**	**12 093**	**12 298**	**116**

30.09.09 (€ thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
F. Non-current financial assets	**2 412**	2 358	27	-	28
G. Finance lease receivables	**2 439**	-	-	2 439	-
Current financial assets					
B. Current financial assets	**551**	406	92	-	53
C. Finance lease receivables	**7 326**	-	7 326	-	-
D. Trade receivables	**23 520**	742	12 738	10 040	-
E. Other current assets	**2 889**	-	1 450	1 440	-
F. Cash and cash equivalents	**6 096**	6 084	-	-	12
Total financial assets	**45 234**	**9 590**	**21 632**	**13 919**	**93**

All the financial assets in the above table are in the "loans and receivables" category, as per standard IAS 39, except for the heading “financial hedging instruments” which accounts for most of the “non-current financial assets” and which are recognised at fair value through the income statement.

To limit the counterparty risk, in the context of its property rental business and also for investment or disinvestment transactions, Befimmo has received the following guarantees:

(€ thousand)		30.09.10	30.09.09
Rental guarantees for leases	Blocked accounts	12 191	15 247
Rental guarantees for leases	Guarantees received in cash	1 825	1 626
Guarantees for investment work	Blocked accounts	17 259	18 379
Instalment on disinvestment (buildings with short leases)	Guarantees received in cash	-	675
Guarantee on disinvestment (buildings with short leases)	Bank guarantee	-	12 825
Guarantee on disinvestment	Blocked accounts	7 096	-
Guarantees on acquisition	Bank guarantee	2 806	9 460
Guarantees received at the close of the fiscal year		**41 176**	**58 211**

Befimmo regularly monitors the recovery of its debts. The details of due dates for trade debts at the closing date are as follows:

Aging balance of trade receivables (€ thousand)	> 3 months	1 to 3 months	< 1 month	Unexpired	Total
As at 30.09.10	909	27	3 772	14 767	**19 475**
As at 30.09.09	5 239 (1)	537	4 251	13 493	**23 520**

Befimmo bears the final risk of trade debts.

For certain tenants in arrears, a debt repayment plan has been arranged; the amount of debt repayable under such a plan was €328,215 at 30 September 2010, compared with €90,134 at 30 September 2009.

Furthermore, write-downs of €519,504 were recorded during the 2009/2010 fiscal year (as against €290,460 in 2008/2009); while €220,757 of write-downs were written back in 2009/2010 (as against €112,693 in 2008/2009).

B. Finance-related risk

Most of the Company's current borrowings are based on loans at floating rates (based on Euribor rates). However, the interest rate risks of this type of financing are mitigated by implementing a policy of hedging interest rate risks, by buying options type financial hedging instruments such as Caps or Twin Caps, or concluding agreements to swap variable rates for fixed ones such as Interest Rate Swaps (IRS) or Forward Rate Agreements (FRA). The rates are therefore fixed for a significant part of its borrowings (48.0% as at 30 September 2010).

Borrowings consist principally of the following:

• a syndicated loan arranged in March 2006 totalling €350 million for a term of six years (2006-2012), extended for a further year at €220 million;

• a syndicated loan arranged in June 2008 totalling €300 million for a five-year term (2008-2013);

• a number of credit lines totalling €450 million and maturing in February 2011 (€100 million), March 2011 (€100 million), April 2012 (€100 million) and November 2017 (€150 million);

• various fixed-rate loans, with a residual total of €78.8 million, corresponding to the assignment of future rents (unindexed) on four buildings in the Fedimmo portfolio and one in the Befimmo SCA portfolio.

(1) Most of this amount is owed by public institutions.

In order to reduce its finance costs, Befimmo has set up a commercial paper programme with a maximum amount of €400 million. In the context of the crisis on the financial markets, €157.4 million were in use under this programme at 30 September 2010. This programme has backup facilities consisting of the various credit lines arranged.

(€ thousand)	30.09.10	30.09.09
Variable-rate borrowings	506 114	663 069
Fixed-rate borrowings	76 857	80 719
Non-current borrowings	**582 972**	**743 788**
Variable-rate borrowings	204 009	-
Fixed-rate borrowings	1 958	1 871
Current borrowings	**205 967**	**1 871**
Total borrowings	**788 939**	**745 658**

The above table shows an amount of €200 million under current borrowings at floating rates representing the financing by two bilateral lines for €100 million each (maturing in February and March 2011) and which have been refinanced early by arranging a new bilateral line of €150 million. It was not necessary to refinance the full amount of these two bilateral lines at a constant floor area, and as mentioned in the section of the management report on the financial structure, the Company even has lines available for taking investment opportunities.

The financial debt linked to the Company's issue of commercial paper is classified as long term, in order better to reflect the economic reality of this type of finance, while abiding by IFRS presentation rules.

Befimmo's financing strategy has resulted in an average financing cost for this fiscal year of 2.97% (margin and current hedging costs included), and in a weighted average term of borrowings of 2.87 years.

Befimmo has put in place an interest-rate hedging strategy designed to limit the potential impact of an increase in short-term interest rates on its financial charges. The Board of Directors has accordingly adopted a policy of hedging some 50-75% of the company's total borrowings, over a 3-5 year time frame, by a combination of financial instruments with option features and agreements to swap variable rates for fixed rates. As a result of applying this policy, the Company has acquired the following financial instruments from financial institutions:

> 3.5%-5.0% Twin Cap options, acquired in October 2006 and March 2007, covering the period from end December 2008 to 31 December 2011, for a notional €400 million. These instruments, half the carrying values of which are based on Euribor 1 month and 3 months, enable the Company to cap the interest rate at 3.5%, and at 5% when rates exceed this latter figure;

> 4.5% Cap options, covering the period January 2012 to January 2015, for a notional €150 million, based on Euribor 3 months;

> 4.0% Cap options, covering the period January 2012 to January 2015, for a notional €100 million, based on Euribor 1 month;

> 3.5% Cap options, covering the periods from:

- January 2012 to January 2015, for a notional €50 million, based on Euribor 1 month;

- January 2012 to January 2014, for a notional €25 million, based on Euribor 1 month;

- January 2012 to January 2016, for a notional €25 million, based on Euribor 1 month;

> IRS at 3.73%, acquired in March 2007 for five years and for a notional €200 million. This instrument sets the interest rate (half at Euribor 3 months and Euribor 1 month) at 3.73%;

> IRS Callable at 3.90%, acquired in November 2007 for ten years and for a notional €100 million. This instrument sets the interest rate (Euribor 3 months) at 3.90% for 10 years. When acquiring this instrument, Befimmo nevertheless sold the bank an option to cancel the swap at a given date, namely 31 December 2010, at its own initiative. The sale of this option secured Befimmo a lower guaranteed fixed rate for the period up to end December 2010;

> several interest-rate swaps at an average rate of 1.40%, acquired in October and November 2010 for a one-year term from September/October 2011 to September/October 2012 and a notional amount of €140 million.

> several interest-rate swaps at an average rate of 1.77%, acquired in October and November 2010 for a one-year term from September/October 2012 to September/October 2013 and a notional amount of €140 million.

> several interest-rate swaps at an average rate of 2.18%, acquired in October and November 2010 for a one-year term from September/October 2013 to September/October 2014 and a notional amount of €160 million.

Befimmo does not practice hedge accounting for the financial hedging instruments it holds. These instruments are therefore regarded as trading instruments under IFRS, and changes in their market value are booked directly and entirely to the income statement. Note that the market value of the derivatives is notified at every closing of the accounts by the financial institutions from which these instruments were acquired.

The following table lists all the hedging instruments held by the Company at 12 November 2010:

(€ million)	Level in IFRS 7.27	Class in IFRS 7.6	Notional	Interest rate	Period of hedge	
Twin cap	2	Option	400	3.5% - 5.0%	Dec. 2008	Dec. 2011
Cap	2	Option	25	3.50%	Jan. 2012	Jan. 2014
Cap	2	Option	25	3.50%	Jan. 2012	Jan. 2016
Cap	2	Option	50	3.50%	Jan. 2012	Jan. 2015
Cap	2	Option	100	4.00%	Jan. 2012	Jan. 2015
Cap	2	Option	150	4.50%	Jan. 2012	Jan. 2015
IRS	2	Forward	200	3.73%	March 2007	March 2012
IRS callable (1)	2	Forward	100	3.90%	April 2008	Jan. 2018
IRS (2)	2	Forward	140	1.40%	Sept./Oct. 2011	Sept./Oct. 2012
IRS (2)	2	Forward	140	1.77%	Sept./Oct. 2012	Sept./Oct. 2013
IRS (2)	2	Forward	160	2.18%	Sept./Oct. 2013	Sept./Oct. 2014

At 30 September 2010, the hedging ratio was 98.55%.

The market value of the financial hedging instruments in the 'option' class is €1.85 million, and in the 'forward' class -€20.1 million.

(1) The bank has a single option to cancel the contract which can be exercised on 30 December 2010.
(2) These IRS were acquired after 30 September 2010, so their fair value is not included in the balance sheet.

In accordance with the significant accounting policies, changes in the value of the derivatives held by the Company taking place during the accounting year are described in the following table:

(€ thousand)	Initial fair value	Acquisitions during the period	Changes in fair value in profit and loss account	Final fair value
2009/2010 fiscal year	-16 497	2 016	-3 789	-18 269 (1)
2008/2009 fiscal year	8 550	1 870	-26 916 (2)	-16 497

C. Liquidity risk

Please see page 52 of the Annual Report for a description of the liquidity risk in the management report.

The residual (weighted) average duration of Befimmo's financing structure is 2.87 years. The tables below illustrate the maturities of the financial liabilities held by the Company.

LIABILITIES (30.09.10)	**Total**	**< 1 year**	**1 to 5 years**	**> 5 years**
Non-current financial liabilities				
B. Non-current financial debts	**584 796**	-	525 273	59 523
D. Trade debts and other non-current debts	**-**	-	-	-
Current financial liabilities				
B. Current financial debts	**205 967**	205 967	-	-
D. Trade debts and other current debts	**71 055**	71 055	-	-
Total financial liabilities	**861 818**	**277 022**	**525 273**	**59 523**

LIABILITIES (30.09.09)	**Total**	**< 1 year**	**1 to 5 years**	**> 5 years**
Non-current financial liabilities				
B. Non-current financial debts	**745 414**	-	681 252	64 162
D. Trade debts and other non-current debts	**-**	-	-	-
Current financial liabilities				
B. Current financial debts	**47 019**	47 019	-	-
D. Trade debts and other current debts	**96 827**	96 827	-	-
Total financial liabilities	**889 260**	**143 846**	**681 252**	**64 162**

(1) This amount is composed of €20.1 million in non-current financial liabilities and €1.9 million in non-current financial assets.
(2) The amount of -€26.9 million does not take account of the fall in value of €8.09 million on the financial assets existing before the effective acquisition of Axento.

31. EMPLOYEE BENEFITS

Befimmo's staff are covered by a defined-benefit pension plan. The plan provides for payment of a retirement pension, calculated on the basis of the final salary and seniority, and a survivor's pension. At the member's request, benefits may be paid as a lump sum.

The pension plan is funded by contributions paid into the pension fund of AG Real Estate OFP and by payment of defined contributions into a group insurance.

An actuarial valuation is made every year in accordance with IAS 19 by independent actuaries.

Interpretation IFRIC 14 – IAS 19, the *Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, is applied from the 2008-2009 fiscal year. Based on the funding plan adopted by Befimmo, the application of this interpretation has had no impact on the amounts recognised in the balance sheet for pension obligations.

The current value of the obligation has evolved as follows:

(€ thousand)	30.09.10	30.09.09
RECONCILIATION OF CURRENT VALUE OF THE OBLIGATION		
Opening balance	**2 449.9**	**1 471.5**
Current service cost during the fiscal year	284.0	182.4
Financial cost	138.9	101.4
Plan members' contributions	44.9	36.3
Past service cost	-	71.9
Business combinations	-	-
Actuarial gains or losses	347.6	586.4
Benefits paid	-	-
Closing balance	**3 265.3**	**2 449.9**
Current value of obligations – funded plans	3 265.3	2 449.9
Current value of obligations – non-funded plans	-	-

Actuarial gains or losses are due mainly to a reduction in the discount rate.

The fair value of the assets has evolved as follows:

(€ thousand)	30.09.10	30.09.09
RECONCILIATION OF FAIR VALUE OF PLAN ASSETS		
Opening balance	**2 812.4**	**2 093.2**
Expected return	172.1	139.3
Actuarial gains or losses	- 78.6	116.4
Employer's contributions	598.5	427.2
Plan members' contributions	44.9	36.3
Business combinations	-	-
Reductions or settlements	-	-
Benefits paid	-	-
Closing balance	**3 549.4**	**2 812.4**

The assets or liabilities are recognised in the balance sheet as follows:

(€ thousand)	30.09.10	30.09.09
RECONCILIATION OF AMOUNTS RECOGNISED IN THE BALANCE SHEET		
Current value of the obligation	3 265.3	2 449.9
Fair value of assets	-3 549.4	-2 812.4
(Surplus) / deficit	- 284.1	- 362.5
Actuarial gains or losses not booked to the balance sheet	-	-
Past service costs not yet booked to the balance sheet	-	-
Amount not booked to plan assets owing to limit on plan assets	284.1	362.5
Assets / liabilities recognised in the balance sheet	**-**	**-**
Liabilities booked to the balance sheet	-	-
Assets booked to the balance sheet	-	-

The total charge booked to the income statement amounts to:

(€ thousand)	30.09.10	30.09.09
TOTAL CHARGE BOOKED TO THE INCOME STATEMENT		
Current service cost during the fiscal year	284.0	182.4
Financial cost	138.9	101.4
Expected return	- 172.1	- 139.3
Actuarial gains or losses	426.2	470.0
Effect of the limit on plan assets booked to the balance sheet	- 78.5	- 259.2
Past service cost	-	71.9
Reductions or settlements	-	-
Total charge	**598.5**	**427.3**

The charge is included under the heading 'corporate overheads' in the IFRS income statement.

The fair value of plan assets breaks down as follows:

(€ thousand)	30.09.10		30.09.09	
FAIR VALUE OF ASSETS				
Equity instruments	644.3	26.0%	381.8	19.9%
Borrowing instruments	1 685.1	68.0%	1 183.2	61.6%
Real-estate	-	-	35.5	1.9%
Others	148.7	6.0%	320.0	16.7%
Subtotal (pension fund)	2 478.1	100.0%	1 920.5	100.0%
Group insurance	1 071.3		891.9	
Total	**3 549.4**		**2 812.4**	

The expected rate of return is 5.5%, calculated by weighting the expected rates of return on the pension fund and the group insurance.

These expected rates of return are based on the assumption of a risk premium of 3% on the share part of the Pension Fund and a yield of 4.5% a year for the group insurance. The actual yield of the assets during the fiscal year was positive at €93,500. For the 2008/2009 fiscal year, it was positive at €255,700.

The main actuarial assumptions are summarised below:

	30.09.10	30.09.09
Discount rate	4.50%	5.00%
Expected rate of salary increase	4.00%	4.00%
Expected yield rate of plan assets	5.50%	5.50%
Expected rate of pension increase	2.00%	2.00%
Mortality table	MR-5/FR-5	MR-5/FR-5

The history of the scheme's surpluses and deficits and the adjustments linked to the experience of the current value of the obligation and the fair value of the assets (i.e. without taking account of the actuarial gains or losses arising out of changes in the actuarial assumptions) are summarised in the following table:

(€ thousand)	30.09.10	30.09.09	30.09.08	30.09.07	30.09.06
Current value of the obligation	3 265.3	2 449.9	1 471.5	1 224.3	1 316.4
Fair value of assets	-3 549.4	-2 812.4	-2 093.2	-1 946.7	-1 598.0
(Surplus) / deficit	- 284.1	- 362.5	- 621.7	- 722.4	- 281.6
Adjustments based on experience					
a) current value of the obligation	- 36.0	78.6	113.9	78.4	102.2
b) fair value of assets	- 78.6	116.4	- 350.9	54.1	- 54.5

Befimmo expects to contribute an estimated €622,490 for the 2010/2011 fiscal year.

32. RELATED-PARTY TRANSACTIONS

Remuneration of the directors of Befimmo SA and the key management personnel of Befimmo SCA, borne by Befimmo SCA.

FISCAL YEAR 2009/2010 Name	Short-term benefits (salaries, bonuses) (1)	Post-employment benefits (pension, ...)
Benoît Godts	71 750	
Alain Devos	48 000	
Gustaaf Buelens	43 000	
Luc Vandewalle	38 000	
Marc Blanpain	57 250	
Marcus Van Heddeghem	34 750	
Roude bvba - Jacques Rousseaux	68 750	
Arcade Consult bvba - André Sougné	45 000	
CEO	477 884	90 473
variable portion	150 000	
Management (2)	687 556	139 537
variable portion	91 100	
Total key management personnel	**1 571 940**	**230 010**

FISCAL YEAR 2008/2009 Name	Short-term benefits (salaries, bonuses) (1)	Post-employment benefits (pension, ...)
Benoît Godts	70 000	
Alain Devos	46 500	
Gustaaf Buelens	34 000	
Luc Vandewalle	39 500	
Marc Blanpain	53 250	
Marcus Van Heddeghem	41 500	
Gaëtan Piret	25 000	
Roude bvba - Jacques Rousseaux	62 000	
Arcade Consult bvba - André Sougné	42 500	
CEO	441 279	87 477
variable portion	150 000	
Management (2)	577 645	96 853
variable portion	83 650	
Total key management personnel	**1 433 174**	**184 330**

Post-employment benefits are described in the annex on employee benefits.

Relationships with entities of AG Insurance are described in the chapter on corporate governance.

The Company did not grant any other long-term benefits during the 2008/2009 or 2009/2010 fiscal years.

(1) Short-term benefits are fixed and variable remuneration, and any other miscellaneous components and benefits (including social charges).
(2) This amount may be influenced by fluctuations in staff numbers.

Statutory Auditor's report

DELOITTE
Bedrijfsrevisoren / Réviseurs d'Entreprises
Lange Lozanastraat 270
2018 Antwerp
Belgium

Statutory auditor's report
on the consolidated financial statements for the year ended 30 September 2010
to the shareholders' meeting

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Befimmo SCA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 30 September 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 1,985,075 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 46,659 (000) EUR.

The management of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the management and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 30 September 2010, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the management.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Antwerp, 12 November 2010
The statutory auditor
DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

Jurgen Kesselaers Frank Verhaegen

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB
Member of Deloitte Touche Tohmatsu

Statutory statement of total comprehensive income (€ thousand)

		30.09.10	30.09.09
I.	(+) Rental income	77 463	78 282
III.	(+/-) Charges linked to letting	- 514	- 445
NET RENTAL INCOME		**76 949**	**77 837**
IV.	(+) Recovery of property charges	4 909	11 040
V.	(+) Recovery of rental charges and taxes normally payable by tenants on let properties	19 111	16 743
VII.	(-) Charges and taxes normally paid by tenants on let properties	-18 302	-15 509
VIII.	(+/-) Other revenue and charges for letting	106	235
PROPERTY RESULT		**82 773**	**90 347**
IX.	(-) Technical costs	-6 495	-12 698
X.	(-) Commercial costs	- 856	- 446
XI.	(-) Charges and taxes on unlet properties	-2 062	-1 340
XII.	(-) Property management costs	-1 558	-1 157
XIII.	(-) Other property charges	- 165	- 23
	(+/-) Property charges	**-11 136**	**-15 665**
PROPERTY OPERATING RESULT		**71 637**	**74 682**
XIV.	(-) Corporate management costs	-8 644	-6 734
XV.	(+/-) Other operating income and charges	1 015	1 715
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**64 008**	**69 663**
XVI.	(+/-) Gains or losses on disposals of investment properties	215	-
XVIII.	(+/-) Changes in fair value of investment properties	-35 004	-50 750
OPERATING RESULT		**29 219**	**18 912**
XIX.	(+) Financial income	49 591	30 185
XX.	(-) Interest charges	-17 309	-25 720
XXI.	(-) Other financial charges	-14 189	-57 407
	(+/-) Financial result	**18 093**	**-52 943**
PRE-TAX RESULT		**47 312**	**-34 031**
XXIII.	(-) Corporation tax	- 651	- 461
	(+/-) Taxes	**- 651**	**- 461**
NET RESULT		**46 661**	**-34 492**
TOTAL BASIC NET RESULT AND DILUTED PER SHARE		**2.78**	**-2.45**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**46 661**	**-34 492**

The auditor's report gives unqualified approval to the statutory accounts of Befimmo SCA.

Statistory statement of financial position

(€ thousand)

ASSETS	30.09.10	30.09.09
I. Non-current assets	**1 782 031**	**1 808 528**
C. Investment properties	1 103 804	1 156 987
E. Other property, plant and equipment	329	295
F. Non-current financial assets	677 898	651 246
II. Current assets	**57 813**	**31 499**
A Assets held for sale	32 377	-
B. Current financial assets	418	3 922
D. Trade receivables	12 640	15 683
E. Tax receivables and other current assets	3 705	3 004
F. Cash and cash equivalents	3 014	5 020
G. Deferred charges and accrued income	5 659	3 871
TOTAL ASSETS	**1 839 844**	**1 840 027**

SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.10	30.09.09
SHAREHOLDERS' EQUITY	**1 017 446**	**988 367**
A. Capital	233 985	233 985
B. Share premium account	485 340	485 340
D. Reserves	21 113	21 113
E. Result	277 009	247 929
a. Result brought forward from previous years	230 348	282 421
b. Net result for the fiscal year	46 661	- 34 492
LIABILITIES	**822 398**	**851 661**
I. Non-current liabilities	**551 140**	**708 363**
B. Non-current financial debts	531 017	689 509
a. Credit institution	371 772	473 163
c. Other	159 245	216 346
C. Other non-current financial liabilities	20 122	18 854
II. Current liabilities	**271 258**	**143 298**
A. Provisions	1 348	2 422
B. Current financial debts	217 003	46 847
a. Credit institution	204 889	847
c. Other	12 114	46 000
D. Trade debts and other current debts	48 589	90 117
F. Accrued charges and deferred income	4 318	3 912
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 839 844**	**1 840 027**

The auditor's report gives unqualified approval to the statutory accounts of Befimmo SCA.

Explanatory note on changes in the statutory profit (loss) carried forward

The total profit to be appropriated at 30 September 2010 is €277 million. It consists of a realised part of €104.3 million corresponding to the cumulative surplus cash flow realised in relation to the dividend distributed, and an unrealised part of €172.7 million corresponding to the unrealised gains or losses recorded on the property portfolio and hedging instruments.

After distribution of the dividend proposed for the fiscal year (€65.6 million), the profit to be carried forward will be €211.4 million, consisting of a realised part of €38.7 million and an unrealised part of €172.7 million.

Explanatory table of the statutory profit (loss) to be carried forward from the 2009/2010 fiscal year

(€ million)	
Profit (loss) to be appropriated as at 30 September 2009	**247.9**
- unrealised	183.3
- realised	64.6
Balance of dividend for the 2008/2009 fiscal year	**-17.6**
Profit (loss) brought forward as at 30 September 2009	**230.3**
- unrealised	183.3
- realised	47.0
Profit (loss) for the 2009/2010 fiscal year	**46.7**
- unrealised	-10.6
- realised	57.3
Profit (loss) to be appropriated as at 30 September 2010	**277.0**
- unrealised	172.7
- realised	104.3
Proposed dividend for the 2009/2010 fiscal year [1]	**-65.6**
Profit/loss to be carried forward as at 30 September 2010	**211.4**
- unrealised	172.7
- realised	38.7

(1) Note that the dividend for the fiscal year is €8.3 million higher than the realised part of the profit for the fiscal year. This is primarily because Fedimmo SA, whose accounts are kept according to Belgian accounting standards, may not distribute all of its cash flow owing to the amortisation it must carry out on its properties. The consolidated cash flow is €83.9 million.