



Société en Commandite par Actions

**INTERIM STATEMENT BY THE MANAGING AGENT
FOR THE PERIOD 01.10.2010 TO 31.12.2010**

- **Dynamic management of the property portfolio**
- **Many leases and renewals (28,000 m²)**
- **Stability of the fair value of portfolio (-0.38%)**
- **Recurrent result of operating activities in line with forecasts**

The Board of Directors of Befimmo SA, Managing Agent of the Befimmo SCA Sicafi, met to prepare the consolidated interim financial statements of the Befimmo Sicafi at 31 December 2010.

DYNAMIC MANAGEMENT OF THE PROPERTY PORTFOLIO

In an economic climate that is still tough, in recent months Befimmo has carried out several important operations which bore fruit early in 2011. Firstly, Befimmo took the opportunity to sell the Empress Court building in Brussels for an attractive price. It also sold the Kattendijkdok building in Antwerp, as it was no longer in line with the strategy. Befimmo also invests in a new asset, the Pavilion, offering a guaranteed recurring income, a transaction that is fully in line with its pure-player investor strategy.

Transactions carried out after the end of the first quarter of the fiscal year

- Sale of the Kattendijkdok building in Antwerp (12,000 m²)

As announced previously, in September 2010 Befimmo signed an agreement to sell the Kattendijkdok building for €7.8 million excluding fees.

The transaction was completed early in 2011, generating a result of €0.12 per share.

The operation is in line with Befimmo's strategy, focusing on the office property sector, of disposing of buildings on short leases where redevelopment for a new use (residential, logistics, etc.) seems to be the most appropriate solution.

- The Pavilion¹ complex in the Leopold district of Brussels (19,650 m²)

We would recall that in late January, Befimmo reached agreement with the German fund SEB Investment GmbH for the purchase of the shares in Ringcenter SA, owner of the “Pavilion” complex.

The European Commission has a right of usufruct for the whole complex with a residual duration of almost 15 years, at a fee offering a current yield of 5.12%, calculated on an investment value of €78 million.

This operation enhances the stability of the Sicafi’s income and contributes to the sound dividend that it offers its shareholders. Based on the published assumptions² and unless other factors intervene, we can expect an improvement in Befimmo’s EPRA Earnings³, on an annual basis, of about €0.10/share a year.

New leases and renewals within the portfolio

Over the first quarter of the 2010/2011 fiscal year, Befimmo signed new leases and renewals of existing leases for nearly 28,000 m² of space, 23,762 m² of offices and 4,171 m² of retail, storage or multi-purpose space.

Some major tenants, such as Alpha Crédit, Entreprises Louis De Waele, Auxipress, Stryker, Shell Belgium and BNP Paribas Fortis, renewed their leases for several years. Most of these lease agreements had expired. These renewals attest to the quality of the Company’s portfolio and to proactive management by the sales team.

Over the first quarter of the fiscal year Befimmo was also pleased to welcome some new customers into its portfolio, notably Total, Sinsys, Unamic and Fidupar.

These new leases were agreed on terms that are in line with the assumptions made when preparing the three-year outlook, as published in the Annual Financial Report 2010.

These significant extensions and new leases lengthen the weighted mean duration of leases to 9.26 years at 31 December 2010 as against 9.14 years as the fiscal year opened.

¹ For more information, see our press release published on 27 January 2011, available on the Befimmo website (www.befimmo.be).

² For the published assumptions, please see the chapter “Outlook” on page 66 of the Annual Financial Report 2010.

³ EPRA Earnings: recurring result of operating activities. For more information, please see EPRA Best Practices Recommendations (October 2010), published on the European Public Real Estate Association website. Association (http://www.epra.com/research_reports.jsp#SlideFrame_1).

PROPERTY PORTFOLIO

Change in fair value⁴ of the property portfolio

The fair value of Befimmo's consolidated portfolio was €1,920.6 million at 31 December 2010, compared with €1,922.6 million at 30 September 2010. This change in value incorporates the cost of the renovation work carried out in the portfolio over the quarter, and the changes in value booked to the income statement.

Excluding investments, the value of the portfolio declined from €1,922.6 million to €1,915.2 million (-0.38%) over the first quarter of the 2010-2011 fiscal year.

Fair value of Befimmo's consolidated portfolio, by geographical area

Change in fair value					
OFFICES	Change over the quarter	Proportion of portfolio	31.12.2010	30.09.2010	31.12.2009
			(€ million)		
<i>Properties available for lease</i>		95.7%	1 837.8	1 835.3	1 863.4
Brussels centre (CBD)	-0.35%	53.3%	1 024.0	1 017.8	1 029.8
Brussels, decentralised	-0.36%	6.7%	129.4	129.8	136.2
Brussels periphery	-0.52%	8.3%	158.9	159.6	164.4
Flanders	0.18%	18.7%	359.0	358.4	356.8
Wallonia	-1.24%	4.5%	86.4	87.5	94.3
Luxembourg city	-2.45%	4.2%	80.1	82.2	81.9
<i>Properties that are being constructed or developed for own account in order to be leased</i>		2.1%	40.8	49.6	53.0
INVESTMENT PROPERTIES		97.8%	1 878.6	1 885.0	1 916.4
PROPERTIES HELD FOR SALE		2.2%	42.0	37.7	4.5
TOTAL	-0.38%	100%	1 920.6	1 922.6	1 920.9

- The **change over the quarter** is the change in fair values, at a constant floor area, between 30 September 2010 and 31 December 2010 (excluding investments and disinvestments).
- The **proportion of the portfolio** is calculated in the basis of the fair value of the portfolio at 31 December 2010.

Overall rental yield

The overall rental yield on current rents in investment properties (excluding properties that are being constructed or developed for own account in order to be leased) was 6.63% at 31 December 2010, as against 6.60% as the fiscal year opened.

Again at 31 December 2010, the overall rental yield on current rents, plus the estimated rental value on unoccupied premises, was 7.00% as against 6.90% at 30 September 2010.

⁴ These values are established in application of standard IAS 40 which requires investment property to be booked at "fair value". Fair value is obtained by deducting the average costs for transactions established by independent real-estate experts from the "investment value". It corresponds to (i) 2.5% for property worth more than €2.5 million and (ii) 10% (Flanders) or 12.5% (Wallonia and Brussels) for property worth less than €2.5 million. The Befimmo portfolio comprises both investment property and property held for sale.

Taking account of properties that are being constructed or developed for own account in order to be leased, the real and potential yields were 6.49% and 6.91% respectively at 31 December 2010.

Occupancy rate

The occupancy rate⁵ of the buildings in the portfolio, calculated on the basis of the space actually available to let, was 94.82%⁶ at 31 December 2010 as against 95.53% as the fiscal year opened.

This slight fall in the occupancy rate is on the one hand explained by the foreseen departure of a tenant in the Dubrucq building and on the other by the completion of the work on the Froissart building, located in the European quarter in Brussels, again available for lease (approx. 2,800 m²). This building has an ideal city-centre location and is attracting sustained interest.

The occupancy rate of all investment properties at 31 December 2010, i.e. including properties that are being constructed or developed for own account in order to be leased, was 93.89% as against 94.03% as the fiscal year opened.

VALUE OF NET ASSETS AT 31 DECEMBER 2010

At 31 December 2010, Befimmo's total net asset value⁷ – group share – was €971.7 million.

The net asset value – group share – is therefore €57.88 per share.

(€/share)

Net asset value at 30 September 2010	€60.60
Dividend 2010	-€3.90
Net result at 31 December 2010	€1.18
Net asset value at 31 December 2010	€57.88
EPRA NAV⁸	€58.50
EPRA NNAV⁸	€57.70

⁵ Occupancy rate: current rent (including space already let but where the lease has yet to begin) / (current rent + estimated rental value for vacant space).

⁶ This occupancy rate takes account, in the Axento building, of the income guarantee for the space still available to let (approx. 3,000 m²), which expired on 31 December 2010.

⁷ Audit of the accounts: the quarterly accounts (to 30 June and 31 December) are not audited. However, the half-yearly accounts (to 31 March) are subject to a limited review while the accounts to 30 September are audited.

⁸ Details of the methods of calculating the EPRA NAV and NNAV are given on page 58 of Befimmo's Annual Financial Report 2010 (www.befimmo.be).

SHARE PRICE AND YIELDS

At 31 December 2010, the Befimmo share closed at €61.30, thus being listed at a premium of 5.91% to its net asset value.

The return on shareholders' equity was 5.61%⁹. The year-on-year return on the share price attained 5.52%⁹ at 31 December 2010.

TREND OF RESULTS

	Q1 2010/2011 [1 Oct. 10 - 31 Dec. 10]	Q1 2009/2010 [1 Oct. 09 - 31 Dec. 09]
Net rental income ¹⁰ (€ million)	31.2	30.9
Number of shares	16 790 103	16 790 103
Operating result before result on portfolio (€/share)	1.57	1.57
Net result (€/share) [group share]	1.18	0.69
EPRA Earnings ¹¹ (€/share) [group share]	1.18	1.16

The **net rental income** is in line with the result recorded for the first quarter of the previous fiscal year.

EPRA Earnings for the first quarter of the period is slightly up on the previous year, mainly thanks to a reduction in financial charges.

The improvement of the **net result** at 31 December 2010 is due to the change in fair value of the portfolio (IAS 40) -€7.4 million) being offset by the change in fair value of the financial hedging instruments (IAS 39) (€7.6 million).

⁹ This is the Internal Rate of Return (IRR), calculated over the 12 previous months, taking account of the dividend of €3.90 per share (gross).

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

¹¹ EPRA Earnings: recurring result of operating activities. For more information, please see the website of the European Public Real Estate Association (www.epra.com).

OUTLOOK

Unless other factors intervene, the Managing Agent confirms the previously published dividend forecast of €3.94 per share (gross) for the current fiscal year¹².

Befimmo is pursuing its core business of asset manager, based on a strategy as a pure-player investor in quality office buildings located in city centres. The Company strives to enhance its current portfolio while seizing any investment opportunity that can create value for its shareholders.

FORTHCOMING PUBLICATIONS¹³

Thursday 26 May 2011	Press release: publication of half-yearly results for 2010-2011
Tuesday 31 May 2011	Publication of the 2010-2011 Half-Yearly Financial Report on Befimmo's website (www.befimmo.be)

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Further information:

Emilie Delacroix - Investor Relations & External Communication Manager
Befimmo SCA - Chaussée de Wavre 1945 - 1160 Brussels
Tel.: 02/679 38 60 - Fax: 02/679.38.66
www.befimmo.be - Email: e.delacroix@befimmo.be

¹² See the chapter entitled "Outlook" on pages 66 to 69 of the Annual Financial Report 2010.

¹³ Publication after the close of trading.