



Public fixed capital real estate investment company under Belgian law
Publicly traded company
Limited Liability Company (*Société Anonyme/Naamloze vennootschap*)
Auderghem (1160 Brussels), 1945 Chaussée de Wavre
Register of Legal Persons No 0455.835.167 – VAT BE 455.835.167
(Hereinafter, the “Company”)

Special Report of the Board of Directors on the renewal of the authorised capital, pursuant to article 604 of the Belgian Company Code

The original version of this report is written in Dutch and French, neither language taking preference over the other; this English version is an unofficial translation

This report has been prepared by the Board of Directors of Befimmo SA/NV pursuant to article 604 of the Belgian Company Code.

Pursuant to article 604 of the Belgian Company Code, when the Board of Directors proposes to the General Meeting to grant or to renew the authorisation to increase, in one or several stages, the share capital, it prepares a special report indicating the specific circumstances under which the Board of Directors may make use of the authorised capital as well as the objectives pursued.

I. Authorisation given by the Extraordinary General Meeting of June 22, 2011 and partial use of the authorised capital

The Extraordinary General Meeting of June 22, 2011 granted to the Board of directors of Befimmo SA/NV the authorisation to increase the share capital, in one or several stages, on the dates and pursuant to the terms and conditions to be resolved by it, up to an amount of 253,194,780.59 €. This authorisation has been granted for a period of five years from the publication date in the Annexes of the Belgian Official Gazette of the minutes of the shareholders’ meeting and expires on July 5, 2016.

The Board of Directors partially used this authorisation by proceeding:

- on November 24, 2011, to a capital increase in consideration of the contributions in kind of the right to an interim dividend; this capital increase of € 10,866,812.21 (an amount of € 24,212,793.19 was allocated to the “Issue premium” account) occurred on December 15, 2011;
- on October 3, 2012, to a capital increase of € 8,628,481.29 (an amount of € 21,981,176.25 was allocated to the "Issue premium" account), in consideration of the contribution by the Société Fédérale de Participations et d'Investissement / Federale Participatie en Investeringsmaatschappij of 491,008 shares, fully paid-up, of the limited liability company FEDIMMO, that the Company did not already own and allowing the Company to hold 100% of the share capital of Fedimmo, which has been converted into an institutional sicafi / vastgoedbevak (real estate investment trust) afterwards;
- on November 23, 2012, to a capital increase in consideration of the contributions in kind of the right to an interim dividend; this capital increase of € 5,104,844.44 (an amount of € 9,992,770.92 was allocated to the "Issue premium" account) occurred on December 19, 2012;

- on July 10, 2013, to a capital increase of € 29,595,059.86 (an amount of € 80,404,940.14 was allocated to the "Issue premium" account) in consideration of the contribution by AXA Belgium SA/NV of the AMCA building located in Anvers/Antwerp;
- on November 22, 2013, to a capital increase in consideration of the contributions in kind of the right to an interim dividend; this capital increase of € 5,467,649.74 (an amount of €12,808,361.51 was allocated to the "Issue premium" account) occurred on December 18, 2013;

As a result, the amount of the authorised capital currently amounts to € 193,531,933.05.

II. Proposal to renew the authorisation given to the Board of Directors to proceed to a capital increase in the context of article 603 of the Belgian Company Code, for a new period of five years, up to a maximum amount equal to the current share capital of the Company.

In view of the next extraordinary general meeting to be held either on April 11, 2014, or on April 29, 2014 (if the required number of shares present or represented at the first meeting is not reached), the Board of Directors proposes to the shareholders of the Company to renew for a new period of five years from the publication date in the Annexes of the Belgian Official Gazette of the minutes of the Extraordinary General Meeting, the authorisation to increase, in one or several stages, the share capital of the Company up to a maximum amount equal to the current share capital which amounts to € 320,537,602.80 .

The renewal of the authorised capital will provide the Company with the opportunity to have a financial flexibility allowing it, on the one hand, to react quickly to any opportunity that would arise on the market and, on the other hand, to fund, through its equity funds, new investments falling within its strategy and which are value-creating for the shareholders, while controlling its debt level. This authorisation aims at strengthening the real estate portfolio of the Company, in the interest of the Company and its shareholders.

This motivation is identical to the one described in the previous reports established by the Company on the basis of the article 604 of the Belgian Company Code. Therefore, this report mainly adapts this authorisation to the evolution of the share capital since June 2011.

The Board of Directors therefore proposes to the shareholders of the Company to vote in favour of the following proposal:

- Purely and simply cancel the authorisation granted to the Board of Directors by the Extraordinary General Meeting of June 22, 2011, according to the minutes published in the Belgian Official Gazette of July 5, 2011, under number 2011-07-05 / 0100535 and, consequently, cancel any unused balance of the authorised capital existing at the publication date in the Belgian Official Gazette of the amendments to the articles of association of the Company approved by the Extraordinary General Meeting which will deliberate on its renewal ;
- Replace it with a new authorisation to increase the share capital pursuant to articles 603 and following of the Belgian Company Code, in one or several stages, according to the terms and conditions below, up to a maximum amount equal to the current share capital of the Company, i.e. to an amount of € 320,537,602.80. This resolution shall be effective on the publication date of the minutes noting its adoption and shall be valid for a period of five years; and accordingly,
- To replace paragraphs 1 to 4 of article 8 of the articles of association by the following:

Article 8, paragraphs 1-4 of the articles of association:

“The Board of Directors is authorised to increase the share capital, in one or several stages, on the dates and pursuant to the terms and conditions resolved by him, by an amount of maximum three hundred twenty millions five hundred thirty-seven thousand six hundred and two euros and eighty cents (€ 320,537,602.80) . Shareholders’ right of preference can be restricted or withdrawn in accordance with article 10 of the articles of association.

The board of directors is authorised to issue convertible bonds or subscription rights under the same conditions.

This authorisation is granted for a period of five years from the date of publication in the Annexes of the Belgian Official Gazette of the minutes of the shareholders’ meeting of [date] 2014.

The authorisation is renewable”.

In accordance with the Royal Decree of December 7, 2010 on Sicafi, the proposed amendment to the articles of association is subject to the approval of the FSMA.

Brussels, March 7, 2014.

For the Board of Directors

Befimmo SA/NV