

## Annual results 31.12.2017

### Open minds, open spaces

- North area:
  - Quatuor (60,000 m<sup>2</sup>):
    - One third of the project prelet (22,000 m<sup>2</sup>)
    - Final permits obtained and works started
  - « Future ex-WTC 1 & 2 »: a new multifunctional space
- Arts 56: acquisition of a right in rem to a 99-year leasehold
- Value crystallisation of the Brederode complex (capital gain of €21.5 million)
- Silversquare @Befimmo: an innovative and strategic partnership
  
- Solid letting activity (58,400 m<sup>2</sup>)
- Stable fair value of the property portfolio (+0.54%) at constant perimeter
  
- EPRA earnings of €3.74 per share, in line with forecasts
- Net result of €5.32 per share
- Net asset value of €56.63 per share
- Loan-to-value ratio of 39.61%
  
- Confirmation of the proposed final dividend of €0.86 gross per share, payable as from 4 May 2018, bringing the total dividend for the fiscal year to €3.45 gross per share
- Dividend outlook of €3.45 gross per share for the 2018 fiscal year

# Contents

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<b>1. Open minds, open spaces</b> .....	<b>3</b>
<b>2. Key events</b> .....	<b>5</b>
Quatuor project (60,000 m <sup>2</sup> ).....	5
« Future ex-WTC 1 & 2 » : a new multifunctional space.....	5
Arts 56 building in Brussels.....	6
Value crystallisation of the Brederode complex.....	6
Silversquare @Befimmo: an innovative combination .....	6
<b>3. Property portfolio</b> .....	<b>7</b>
Key figures .....	7
Ongoing projects.....	8
Change in fair values of the property portfolio .....	10
New rentals and lease renewals .....	11
Occupancy rate.....	11
Weighted average duration of leases .....	11
Overall rental yield .....	12
Reversion rate.....	12
<b>4. Financial report</b> .....	<b>13</b>
Key figures .....	13
Net asset value as at 31 December 2017.....	14
Financial results as at 31 December 2017.....	15
Financial structure.....	17
<b>5. Corporate governance</b> .....	<b>21</b>
Composition of the Board of Directors of Befimmo.....	21
<b>6. Befimmo share</b> .....	<b>21</b>
Key figures .....	21
Evolution of the share price .....	22
<b>7. Dividend for the 2017 fiscal year</b> .....	<b>22</b>
Distribution of the interim dividend.....	22
Final dividend for the 2017 fiscal year .....	22
<b>8. Key dates for 2018</b> .....	<b>23</b>
<b>9. Outlook and dividend forecast</b> .....	<b>24</b>
EPRA earnings outlook.....	24
EPRA earnings Forecast.....	27
Dividend forecast for the 2018 fiscal year.....	28
<b>10. A new identity</b> .....	<b>29</b>
<b>11. Publication of the Message of the Chairman and the CEO</b> .....	<b>29</b>
<b>12. Appendix 1</b> .....	<b>31</b>
Consolidated income statement (in € thousand) .....	31
Consolidated balance sheet (in € thousand).....	32
<b>13. Appendix 2</b> .....	<b>33</b>
Glossary of the “Alternative Performance Measures” .....	33
Reconciliation tables of the “Alternative Performance Measures” .....	34
<b>14. Appendix 3</b> .....	<b>36</b>
Tables of the EPRA indicators .....	36
<b>15. Appendix 4</b> .....	<b>39</b>
Glossary of the real-estate indicators .....	39

# 1. Open minds, open spaces

The 2017 **results** are in line with the forecasts. The EPRA earnings amounts to €3.74 per share as against €3.68 per share at the close of 2016.

Befimmo closed 2017 with a new look! This new impetus reflects an evolution, which began a few years ago.

Befimmo is expanding its mission and vision of tomorrow's workspaces, and of how to design and use them.

In **the North area**, Befimmo is a player in the revitalisation of the district, not only as a co-founder of the Up4North association, but especially with projects that will support the creation of a vibrant neighbourhood. In 2017, it obtained the permit for the Quatuor project, where work began in early 2018, and has signed a first lease for the building. It also prepares of an innovative multifunctional project concerning towers 1 and 2 of the WTC.

In early 2018, Befimmo finalised the acquisition of a right in rem on the **Arts 56** building, which is perfectly in line with its strategy. The combination of the building's assets (its location, visibility, flexibility and the services it offers) and Befimmo's track record will eventually enable the realisation of its value creating potential.

The **Silversquare @Befimmo** partnership contributes to the evolution the dynamics of the building. Silversquare, a leader in coworking and building communities, and Befimmo, an expert in office environments, share the same values and the same vision of new ways of working. Silversquare @Befimmo supports innovation and will allow business people to develop through direct interaction with other companies occupying the building or in the community. The first space will open in the Triomphe building in April 2018.

Befimmo aims to offer its tenants flexible work spaces, services and business networks, in an environment open to multifunctionality.

In the framework of its **strategy**, in 2017 Befimmo devised an ambitious new roadmap, in cooperation with its stakeholders. Following on its 4 current CSR pillars and on the basis of an analysis of the impact of Befimmo's activities on the 17 United Nations Sustainable Development Goals, a list of priority societal issues was drawn up. This exercise led to the establishment of six strategic priorities that reflect the way Befimmo views its business today and tomorrow:

- **Integration into the city:** the building becomes an ecosystem open to its urban environment that brings together a mix of functions;
- **The world of work:** rethinking workspaces based on the type of activity and profile of the users;
- **Setting an example:** Befimmo aims at sharing the benefit of its research with all its partners and uses its influence to foster positive developments in society;
- **Mobility:** contributing to the development of alternative, environmentally-friendly transport solutions;
- **Dialogue:** fostering and maintaining communication with all its stakeholders;
- **Use of resources:** applying the principles of eco-design and the circular economy at each phase of a building's life cycle.

This approach incorporates a desire for innovation in order to anticipate the needs and expectations of the tenants.

On the basis of the **outlook**, presented on pages 24 to 28 of this press release, Befimmo confirms the **dividend** forecast of €3.45 per share for the 2018 financial year.

By creating value in its work environments, Befimmo continues to create value for its shareholders.



The Annual Financial Report 2017 will be available at the Company headquarters and on the website as from Friday 23 March 2017. Befimmo is fully following the trend towards standardisation of financial reporting and also reporting on Social Responsibility – aiming at an improvement of quality and information comparability – by adopting the EPRA reporting guidelines and the GRI Standards. In 2017, Befimmo obtained a « Green Star - 86% » GRESB<sup>(1)</sup> score and achieved the category « Leadership – B Management » of the CDP<sup>(2)</sup>.

In the absence of a standardised reference system for the real-estate indicators, Befimmo conducted, over the fiscal year 2017, an in-depth analysis of the methods for calculating its main indicators, assisted in this exercise by the consultant PwC. Befimmo will now calculate its indicators on the basis of these slightly adapted definitions set out in Appendix 4 to this press release. The indicators as at 31 December 2016 were restated on the basis of the new definitions. The real-estate indicators within this press release are identified with a footnote at their first mention.

Since 3 July 2016, the “Alternative Performance Measures (APM)” Guidelines of the European Securities Markets Authority (ESMA) have been applicable. The APMs within this press release are identified with a footnote at the first mention of the APM in this Report. The full list of APMs, their definition, their utility and the related reconciliation tables are included in Appendix 1 and 2 to this press release and are published on the Befimmo website: <http://www.befimmo.be/en/investors/publications/alternative-performance-measures>.

<sup>(1)</sup> Global Real Estate Sustainability Benchmark.

<sup>(2)</sup> Carbon Disclosure Project.

## 2. Key events

### Quatuor project (60,000 m<sup>2</sup>)

#### One third of the project prelet (22,000 m<sup>2</sup>)

In March 2017, Befimmo signed an agreement with Beobank on the occupancy of a tower in the Quatuor<sup>1</sup> project (Brussels North Area). The agreement provides for the building to be made available for a fixed term of 15 years as from its hand-over in the course of 2020. Within this framework, the current lease of Beobank in the La Plaine building (15,180 m<sup>2</sup> - Brussels decentralised) will be extended until that date. A third of the Quatuor project is thus already prelet more than 3 years before hand-over.

#### Permit obtention and start of works

Befimmo has obtained the environmental and planning permits needed to build the Quatuor. Works have started and will take approximately 36 months. The project, open to mixed use, is in line with new trends. Befimmo is aiming for a BREEAM "Excellent/Outstanding" certification in the Design phase. The "all-in" construction cost of the project is estimated at €150 million. Based on a multi-tenant occupancy with "conventional 9 year" leases, the expected yield on the total investment value should exceed 5.30%.

### « Future ex-WTC 1 & 2 » : a new multifunctional space<sup>2</sup>

WTC 2 is to be vacated at the end of 2018. Built in the 1970s, the configuration of the site needs a rethink. The current site is mono-functional in office space and no longer meets the expectations and needs of the market.

Firstly, the new project, concerning towers 1 and 2, must take part in the evolution and revitalisation of the immediate environment in which it is located and, secondly, keep in step with the changing expectations of the occupant. Integrated and complementary functions are planned. The office space will be reduced to about two thirds of the current area, the rest being divided among several other uses, mainly housing.

In November 2017, the team of architects 51N4E and AUC were selected as architects associated with Jaspers Evers Architects, to conclude the call for applications launched in September with the Chief Architect of Brussels. The design team includes renowned experts in engineering, sustainability, the circular economy and well-being.

The all-in construction cost of the project is estimated at €300 million.

An initial timetable of the forthcoming milestones has been drawn up. Applications for permits should be made during the second quarter of the 2018 fiscal year, and the works should take place from 2020 to 2023.

### Up4North

*Befimmo is a key player in the North area: it owns the Quatuor project and the WTC towers.*

*As a corporate citizen, Befimmo is a co-founder of the Up4North association, which has the mission of giving a new impetus to the North area. Eventually, it will become a new, pleasant, multifunctional city district, lively and accessible to all.*

*Befimmo embraces this new collective vision of the North area, a natural extension of the Brussels Pentagon. Responsible and committed, it aims to help make it a neighbourhood looking resolutely towards the future.*

<http://www.labnorth.be/en>



<sup>1</sup> For more information, please consult page 8 of this press release.

<sup>2</sup> For information, please consult the press release of 18 September 2017 (<http://www.befimmo.be/en/investors/publications/press-releases>) and page 8 of this press release.

## Arts 56 building in Brussels

In January 2018, Befimmo finalised the acquisition of a right in rem to a 99-year leasehold on the Arts 56 building, for an amount of the order of €116 million<sup>3</sup>.



The Arts 56 building is a perfect fit for Befimmo's strategy, with high visibility on the Brussels inner ring road; it offers a broad range of services and facilities. The building is located in the European district of Brussels, near the Square de Meeûs, the Place du Luxembourg, and is also very well served by public transport.

The Arts 56, totalling 21,000 m<sup>2</sup> of office space, is currently let to a dozen leading tenants on the basis of 3/6/9-year leases. The occupancy rate is 98%. The gross annual rent amounts to €5.2 million (gross current yield of 4.5%).

## Value crystallisation of the Brederode complex<sup>4</sup>

In late March 2017, Befimmo granted a 99-year leasehold on the Brederode<sup>5</sup> complex to CBRE Global Investors (on behalf of one of its SMA<sup>6</sup> clients) for an amount of around €122 million, corresponding to an initial yield of 3.69%.

This operation is in line with the objective of punctually crystallising value, in a Brussels office market where the search for yields in a context of low interest rates creates opportunities for quality properties, which are well-located and occupied on a long-term basis.

## Silversquare @Befimmo: an innovative combination<sup>7</sup>

In September 2017, Befimmo has entered into a strategic partnership with Silversquare, the Belgian leader in coworking.

The Silversquare @Befimmo partnership is a response to the desire to gain a foothold in the world of tomorrow and to take account of the present and future needs of office occupants. The partnership will bring about a true exchange of skills and know-how.

Silversquare @Befimmo plans to develop 4 to 5 spaces over the next two years. The first 4,000 m<sup>2</sup> of coworking space will be set up in the Triomphe building, chosen for its excellent location. This first Silversquare @Befimmo is due to open in April 2018. In the long run, all Befimmo multitenant buildings, and its projects, could qualify for a Silversquare @Befimmo space. In addition to its business income, Befimmo will also benefit from added value by offering a networking and exchange concept to its tenants and coworkers.

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<sup>3</sup> In line with the fair value determined by an independent real-estate expert.

<sup>4</sup> For information, please consult the press release of 13 March 2017 (<http://www.befimmo.be/en/investors/publications/press-releases>).

<sup>5</sup> This concerns the Brederode 13 (11,340 m<sup>2</sup>), Brederode 9 (6,864 m<sup>2</sup>) and Namur 48 (1,517 m<sup>2</sup>) buildings. For more information, please consult pages 36, 37 and 65 of the Annual Financial Report 2016.

<sup>6</sup> "Separate Managed Accounts".

<sup>7</sup> For more information, please consult the press releases of 18 and 19 September 2017 (<http://www.befimmo.be/en/investors/publications/press-releases>).

## 3. Property portfolio

The Auditor has confirmed that its control of the real-estate indicators has been substantially completed and has not revealed any material correction to be made to the financial information included in this press release.

### Key figures<sup>8</sup>

	31.12.2017	31.12.2016 Restated <sup>(a)</sup>	31.12.2016 <sup>(b)</sup>
Fair value of portfolio (in € million)	2 494.4	not restated	2 511.7
Gross initial yield on properties available for lease	6.19%	5.95%	6.07%
Gross potential yield on properties available for lease	6.52%	6.41%	6.40%
Spot occupancy rate of properties available for lease	94.44%	92.22%	94.79%
Weighted average duration of current leases up to next break	7.31 ans <sup>(c)</sup>	8.10 ans <sup>(c)</sup>	8.07 ans
Weighted average duration of current leases up to final expiry	7.88 ans	8.61 ans	8.67 ans
Reversion rate of properties available for lease	-10.78% <sup>(d)</sup>	-9.53% <sup>(d)</sup>	-9.50%
EPRA Vacancy Rate <sup>(e)</sup>	5.43%	not restated	5.71%
EPRA Net Initial Yield (NIY)	5.82%	not restated	5.65%
EPRA Topped-up NIY	5.97%	not restated	5.81%

<sup>(a)</sup> Figures restated on the basis of the new definitions of the real-estate indicators mentioned in Appendix 4 to this press release.

<sup>(b)</sup> Figures as published in the Annual Financial Report 2016.

<sup>(c)</sup> Excluding the Noord Building and the WTC II buildings, the weighted average duration of leases up to next break would be 9.21 years as at 31 December 2016 and 8.47 years as at 31 December 2017.

<sup>(d)</sup> Excluding the Noord Building and the WTC II buildings, the reversion would be -4.99% as at 31 December 2016 and -5.90% as at 31 December 2017.

<sup>(e)</sup> Corresponding to the availability rate of properties available for lease.

<sup>8</sup> A glossary in Appendix 4 to this press release gives the definitions of the real-estate indicators.

## Ongoing projects

During the 2017 fiscal year, Befimmo invested €43.3 million in its portfolio.

### Summary of investments of the fiscal year 2017

	Rental space	Location	Start of the works	Completion	Type	BREEAM certification	Investment realised in 2017 (in € million)	Total investment realised until 31 December 2017	Total investment (in € million)
<b>Ongoing projects</b>									
Brederode Corner	6 500 m <sup>2</sup>	Brussels CBD, Centre	Q1 2018	Q1 2020	Renovation	Excellent	0.6	1.0	20
Guimard	5 500 m <sup>2</sup>	Brussels CBD, Leopold	Q1 2016	Q3 2017	Renovation	Excellent	8.9	13.0	13
Eupen - Rathausplatz	7 200 m <sup>2</sup>	Eupen, Wallonia	Phase 1: Q1 2017 Phase 2: Q4 2018	Phase 1: Q3 2018 Phase 2: Q4 2019	Renovation and construction	-	7.0	7.0	14 (a)
Quatuor	60 000 m <sup>2</sup>	Brussels CBD, North	2018	2020	Demolition Noord Building and construction Quatuor	Excellent/ Outstanding	5.9	7.6	150
							<b>30.0</b>		<b>To be committed</b>
Paradis Express	35 000 m <sup>2</sup>	Liège, Wallonia	2018	2020	Construction	Excellent	2.6	3.5	82 (b)
"Future ex-WTC 1 & 2"	110 000 m <sup>2</sup>	Brussels CBD, North	2020	2023	Demolition and construction	Outstanding	3.5	4.0	300
WTC 4	53 500 m <sup>2</sup>	Brussels CBD, North		Implementation of the permit According to commercialisation	Construction	Outstanding	1.4	18.1	140
<b>Other works (coworking included)</b>							<b>13.3</b>		
<b>Total</b>							<b>43.3</b>		

(a) The €18 million appearing in the Annual Financial Report 2016 include the acquisition value of the Eupen project (the acquisition occurred during the 1st quarter of the 2017 fiscal year).

(b) "All-in" construction cost of the project (including other functions than offices).

## Summary of the other ongoing projects<sup>9</sup>

- **Brederode Corner:**

The Brederode Corner building, which enjoys good visibility at the corner of Rue Brederode and Rue de Namur, will be completely renovated in 2018/2019. The permit is expected during the first quarter of fiscal year 2018. The structure of the building will be streamlined to create panoramic views over the Brussels city centre and the Royal Palace. The new building will offer facilities and services, and will be equipped with the latest technologies. Based on a multi-tenant occupancy with “conventional 9 year” leases, the expected yield on the total investment value should exceed 5.5%.

- **Eupen :**

Befimmo has been awarded the development contract for works organised by the Buildings Agency, for the provision of a new courtroom in Eupen. In performance of this contract, in early 2017 Befimmo acquired the land and existing structures and began the works; the implementation in several phases will be spread over a period of 30 months. The project consists of (i) the demolition of an existing building and the reconstruction of a new complex of 5,300 m<sup>2</sup> and (ii) a major renovation of a second existing building of 1,900 m<sup>2</sup>. The lease, with a base rent of approximately €900,000 and a duration of 25 years, will commence on completion of each phase of the works.

- **Paradis Express :**

This project, right next to the high-speed train station in Liège, involves the construction of an eco-neighbourhood offering a mix of offices, housing and local shops. The single permit was applied for during the first quarter of the 2017 fiscal year, and is expected to be issued in the first quarter of 2018. Based on a multi-tenant occupancy with “conventional 9 year” leases, the expected yield on the total investment value should exceed 6.0%<sup>10</sup>.



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<sup>9</sup> See also pages 5 and 8 of this press release.

<sup>10</sup> On the office part.

## Change in fair values<sup>11</sup> of the property portfolio

Offices	Change 2017 <sup>(a)</sup> (in %)	Proportion of portfolio <sup>(b)</sup> (31.12.2017) (in %)	Fair value (31.12.2017) (in € million)	Fair value (31.12.2016) (in € million)
Brussels CBD and similar <sup>(c)</sup>	0.43%	53.2%	1 327.7	1 423.0
Brussels decentralised	-5.48%	3.5%	87.0	88.4
Brussels periphery	-8.81%	5.5%	137.8	147.0
Flanders	-0.77%	19.6%	487.7	493.4
Wallonia	1.32%	7.8%	195.8	194.2
Luxembourg city	10.78%	4.4%	109.9	99.3
<i>Properties available for lease</i>	<i>-0.13%</i>	<i>94.0%</i>	<i>2 345.9</i>	<i>2 445.3</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>10.70%</i>	<i>6.0%</i>	<i>148.5</i>	<i>66.3</i>
<b>Investment properties</b>	<b>0.54%</b>	<b>100.0%</b>	<b>2 494.4</b>	<b>2 511.7</b>
<b>Properties held for sale</b>	<b>-0.35%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>0.54%</b>	<b>100.0%</b>	<b>2 494.4</b>	<b>2 511.7</b>

<sup>(a)</sup> The change over the 2017 fiscal year is the change in fair value between 1 January 2017 and 31 December 2017 (excluding the amount of acquisitions, investments and disinvestments).

<sup>(b)</sup> The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2017.

<sup>(c)</sup> Including the Brussels airport zone, where the Gateway building is situated.

The fair value of Befimmo's consolidated portfolio was €2,494.4 million at 31 December 2017, compared with €2,511.7 million at 31 December 2016.

This change in value of -€17.3 million incorporates:

- the renovation or redevelopment works carried out in the portfolio;
- the investments made;
- the disinvestments made:
  - the granting of a 99-year leasehold on the Brederode complex; and
  - the sale of the Liège-Digneffe and Ninove buildings;
- the changes in fair value booked to the income statement (IAS 40).

Accordingly, the value of the portfolio (excluding acquisitions, investments and disinvestments) was stable over the fiscal year (variation of +0.54% or, +€13.4 million).

### Rotation of real-estate experts

In accordance with the obligation to rotate the mandates of the real-estate experts, pursuant to the Royal Decree on BE-REITs of 13 July 2014, new three-year expert mandates have been given as from 1 January 2018 to JLL, PWC and Cushman & Wakefield. JLL will have the task of coordinating the valuations. These experts will carry out their first valuation as at 31 March 2018.

<sup>11</sup> These values are established in application of the IAS 40 standard which requires investment properties 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". These costs amount 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.

## New rentals and lease renewals

In fiscal year 2017, Befimmo signed new leases and renewals for a total floor area of 58,393 m<sup>2</sup>, 54,432 m<sup>2</sup> of which being offices and 3,961 m<sup>2</sup> retail and multipurpose space. This figure is up on the 37,200 m<sup>2</sup> signed in 2016. 73%<sup>12</sup> of the agreements signed relate to new leases (28 transactions), the remainder being renewals of existing leases (24 transactions).

### Significant transactions in fiscal year 2017:

- **Quatuor (Brussels | North area):** agreement signed with Beobank for the take-up of a tower of 22,000 m<sup>2</sup> for a fixed 15-year period from its handover in 2020;
- **Eupen (Wallonia):** award of the public development contract for work organised by the Buildings Agency, for the provision of a new Courtroom (some 7,200 m<sup>2</sup>);
- **Media (Brussels | Periphery):** extension of the lease with Oracle Belgium (4,200 m<sup>2</sup>) for a period of 9 years;
- **Central Gate (Brussels | city centre):** signing of a new lease with the Flemish Community for the uptake of 1,500 m<sup>2</sup>;
- **Axento (Grand Duchy of Luxembourg):** extension of the lease with KPMG.

## Occupancy rate

The spot occupancy rate of the properties available for lease is slightly up, at 94.44% as at 31 December 2017 (compared with 92.22% as at 31 December 2016<sup>13</sup>).

## Weighted average duration of leases <sup>14</sup>

The weighted average duration of the leases until their next maturity is 7.31 years as at 31 December 2017, compared with 8.10 years as at 31 December 2016<sup>13</sup>. The weighted average duration of current leases until their final expiry date was 7.88 years as at 31 December 2017.

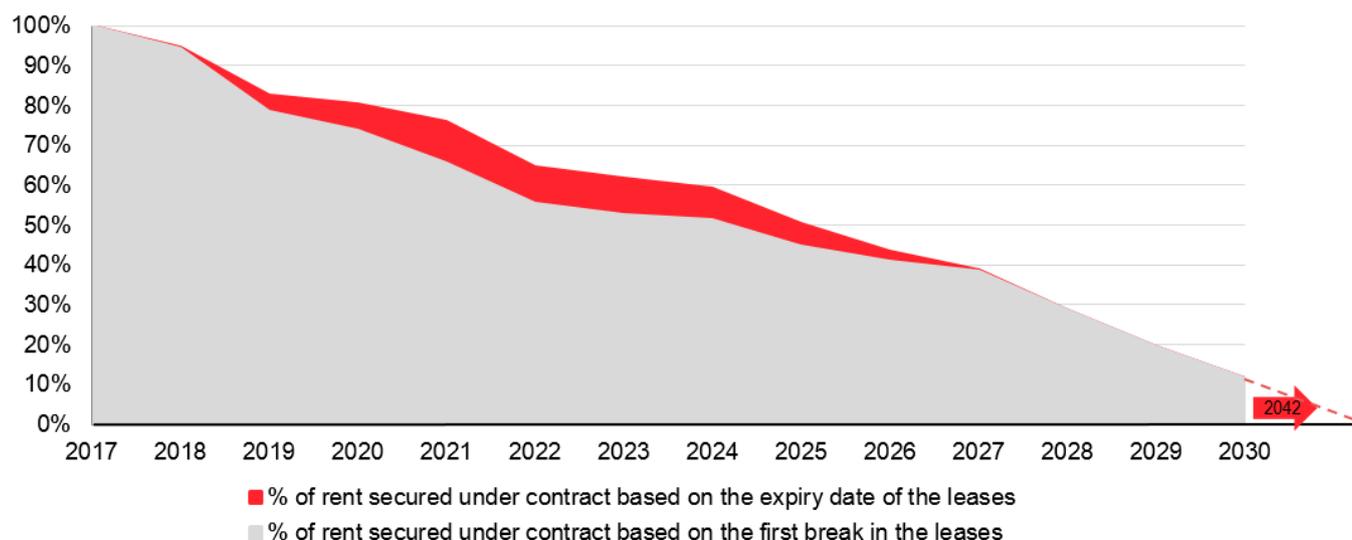
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<sup>12</sup> Based on the number of square metres let.

<sup>13</sup> Restated on the basis of the new definitions.

<sup>14</sup> The weighted average duration of current leases is calculated only on the basis of properties available for lease; the leases of buildings at the project stage, which will take effect only on completion of the works, as is the case in particular for the Quatuor project let to Beobank (for 15 years) and the Eupen project let to the Buildings Agency (for 25 years), are therefore not included in the calculation of this ratio.

## Percentage of rent guaranteed under contract on the basis of the remaining term of the leases in the consolidated portfolio<sup>15</sup> (in %)



## Overall rental yield

	Properties available for lease			Investment properties <sup>(c)</sup>		
	31.12.2017	31.12.2016 Restated <sup>(a)</sup>	31.12.2016 <sup>(b)</sup>	31.12.2017	31.12.2016 Restated <sup>(a)</sup>	31.12.2016 <sup>(b)</sup>
<b>Gross initial yield</b>	6.19%	5.95%	6.07%	5.85%	5.79%	5.89%
<b>Gross potential yield</b>	6.52%	6.41%	6.40%			

<sup>(a)</sup> Figures restated on the basis of the new definitions of real-estate indicators set out on Appendix 4 to this press release.

<sup>(b)</sup> Figures as published in the Annual Financial Report 2016.

<sup>(c)</sup> Comprising properties that are being constructed or developed for own account in order to be leased.

## Reversion rate

The reversion rate gives an indication of the impact on current rents of a sudden termination of the leases in the portfolio and simultaneous reletting at market rents. This ratio does not take account of any planned future investments or the resulting level of rents. It is based on the estimated rental value of the buildings in their present condition, and is thus not representative of the potential for value creation in the Befimmo portfolio.

The reversion rate of properties available for rent was -10.78% at 31 December 2017 (as against -9.53% at 31 December 2016<sup>16</sup>). This reversion should be viewed in the context of the weighted average duration of leases of 7.31 years. Note that, excluding the Noord Building and WTC II, reversion would be -5.90%.

If the full reversion is realised, the impact on the gross annual current rent under leases as at 31 December 2017 (€149.0 million) of the potential negative reversion of the leases expiring over the next three years would be €7.5 million.

The EPRA earnings<sup>17</sup> forecasts for the next three fiscal years presented below (page 27) take account of a potential reversion on the expiry of the current leases.

<sup>15</sup> Rents for future years calculated on the basis of the present situation, assuming that each tenant leaves at the next break and that no further lease is agreed in relation to the gross current rent from lease agreements as at 31 December 2017.

<sup>16</sup> Restated on the basis of the new definitions.

<sup>17</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 3 to this press release.

# 4. Financial report

## Key figures

	31.12.2017	31.12.2016
Number of shares issued	25 579 214	25 579 214
Average number of shares during the period	25 579 214	23 692 223
Shareholders' equity (in € million)	1 448.50	1 401.35
Net asset value (in € per share)	56.63	54.78
EPRA NAV <sup>(a)</sup> (in € per share)	57.03	55.49
EPRA NNNAV <sup>(a)</sup> (in € per share)	56.35	54.30
EPRA Like-for-Like net rental growth <sup>(b)</sup> (in %)	2.82%	-0.29%
Net result (in € per share)	5.32	3.82
EPRA earnings (in € per share)	3.74	3.68
Average (annualised) financing cost <sup>(c)</sup> (in %)	2.08%	2.26%
Weighted average duration of debts (in years)	4.73	3.66
Debt ratio according to the Royal Decree (in %)	41.62%	44.65%
Loan-to-value <sup>(d)</sup> (in %)	39.61%	42.33%
Return on shareholders' equity <sup>(e)</sup> (in € per share)	5.33	3.69
Return on shareholders' equity <sup>(e)</sup> (in %)	9.85%	6.79%

<sup>(a)</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 3 to this press release.

<sup>(b)</sup> Trend of the rental income minus property charges at constant perimeter, calculated on the basis of the "EPRA Best Practices Recommendations".

<sup>(c)</sup> Including margin and hedging costs. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

<sup>(d)</sup> Loan-to-value ("LTV"): [(nominal financial debts – cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

<sup>(e)</sup> Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if applicable the participation in the optional dividend and, if applicable the participation in the capital increase. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

## Net asset value as at 31 December 2017

As at 31 December 2017, Befimmo's total net asset value was €1,448.5 million.

The net asset value is therefore €56.63 per share, compared with €54.78 per share as at 31 December 2016.

### Changes in the net asset value

	(in € per share)	(in € million)	Number of shares
<b>Net asset value as at 31 December 2016</b>	<b>54.78</b>	<b>1 401.3</b>	<b>25 579 214</b>
Final dividend of the 2016 fiscal year		-23.0	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		0.4	
Interim dividend of the 2017 fiscal year		-66.3	
Net result as at 31 December 2017		136.1	
<b>Net asset value as at 31 December 2017</b>	<b>56.63</b>	<b>1 448.5</b>	<b>25 579 214</b>

### EPRA NAV and NNNAV

(in € thousand)	31.12.2017	31.12.2016
<b>Net Asset Value</b>	<b>1 448 504</b>	<b>1 401 349</b>
<b>Net Asset Value (in € per share)</b>	<b>56.63</b>	<b>54.78</b>
To include:		
II. Revaluation at fair value of finance lease credit	127	184
To exclude:		
IV. Fair value of financial instruments	10 143	17 753
<b>EPRA NAV</b>	<b>1 458 774</b>	<b>1 419 287</b>
<b>EPRA NAV (in € per share)</b>	<b>57.03</b>	<b>55.49</b>
To include:		
I. Fair value of financial instruments	- 10 143	- 17 753
II. Revaluations at fair value of fixed-rate loans	- 7 216	- 12 621
<b>EPRA NNNAV</b>	<b>1 441 415</b>	<b>1 388 912</b>
<b>EPRA NNNAV (in € per share)</b>	<b>56.35</b>	<b>54.30</b>

## Financial results as at 31 December 2017

The Auditor has confirmed that its revision of the consolidated financial statements has been substantially completed and has not revealed any material correction to be made to the financial information included in this press release.

### Condensed consolidated income statement

<b>(in € thousand)</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Net rental result	142 431	137 037
<i>Net rental result excluding spreading</i>	141 172	136 442
<i>Spreading of gratuities/concessions</i>	1 260	595
Net property charges <sup>(a)</sup>	-11 932	-14 257
<b>Property operating result</b>	<b>130 499</b>	<b>122 780</b>
Corporate overheads	-12 199	-10 447
Other operating income & charges	-1 252	- 596
<b>Operating result before result on portfolio</b>	<b>117 048</b>	<b>111 738</b>
<b>Operating margin<sup>(a)</sup></b>	<b>82.2%</b>	<b>81.5%</b>
Gains or losses on disposals of investment properties	21 798	1 154
<b>Net property result<sup>(a)</sup></b>	<b>138 846</b>	<b>112 892</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-19 750	-22 131
Corporate taxes	-1 642	-2 364
<b>Net result before changes in fair value of investment properties and financial assets and liabilities<sup>(a)</sup></b>	<b>117 455</b>	<b>88 397</b>
Changes in fair value of investment properties	13 429	21 121
Changes in fair value of financial assets and liabilities	5 186	-19 112
<b>Changes in fair value of investment properties &amp; financial assets and liabilities</b>	<b>18 615</b>	<b>2 009</b>
Net result	136 070	90 406
EPRA earnings	95 657	87 243
<b>Net result (in € per share)</b>	<b>5.32</b>	<b>3.82</b>
<b>EPRA earnings (in € per share)</b>	<b>3.74</b>	<b>3.68</b>

<sup>(a)</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

## EPRA earnings

(in € thousand)	31.12.2017	31.12.2016
<b>Net result IFRS</b>	<b>136 070</b>	<b>90 406</b>
<b>Net result IFRS (in € per share)</b>	<b>5.32</b>	<b>3.82</b>
Adjustments to calculate EPRA earnings	- 40 413	- 3 163
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 13 429	- 21 121
II. Result on disposals of investment properties	- 21 798	- 1 154
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 5 186	19 112
<b>EPRA earnings</b>	<b>95 657</b>	<b>87 243</b>
<b>EPRA earnings (in € per share)</b>	<b>3.74</b>	<b>3.68</b>

## Events with an impact on the perimeter of the Company

The Company's perimeter was changed during fiscal year 2017, mainly by the granting of a 99-year leasehold on the Brederode complex and the regrouping of almost all the ownership of WTC Towers 1 and 2. In 2016, it also changed mainly as a result of the gradual acquisition of the Gateway building, handed over at the end of the year.

The comparison of the data per share is also impacted by the increase in the average number of shares outstanding (increase of 2,557,921 shares in September 2016 following the capital increase).

## Analysis of the net result

The condensed consolidated income statement includes the data published on 31 December 2017. The result analysis is based on a comparison with the data as at 31 December 2016.

The year-on-year increase in **net rental result** of 3.9% is due to the difference between the impact of the addition to the portfolio of the Gateway building and the impact of the granting of a leasehold on the Brederode complex. The "like-for-like" net rental result<sup>18</sup> is up 1.57% year-on-year.

**Net property charges** were down from €14.3 million to €11.9 million. This change is mainly due, firstly, to a one-off impact in the first quarter of 2017 related to the restitution of a reserve fund and, secondly, to the reduction in rental charges and taxes on unlet property (notably following leases signed and rebates of withholding tax).

**Overheads** amounted to €12.2 million compared with €10.4 million in 2016. This change is due mainly to the one-off effect of a tax recovery booked in 2016 and an increase in the workforce.

The **Operating result before the portfolio result** is therefore up €5.3 million (+4.8%).

The **Result on sale of investment properties** of €21.8 million is due mainly to the capital gain realised on the granting of a 99-year leasehold on the Brederode complex for €122 million.

The **financial result** (excluding changes in the fair value of financial assets and liabilities) improved from -€22.1 million in 2016 to -€19.7 million in 2017. This improvement is attributable to a decrease in the average fixed rate at which the Company is financed, a decrease in the average volume of debt of €79 million, mainly as a result of the capital increase carried out in September 2016, and the granting of a 99-year leasehold on the Brederode complex in March 2017. However, this change is partially offset by a reduction in financial income of €1.3 million linked to the advances for the gradual purchase of the Gateway building.

As at 31 December 2017, the **Net result** was €136.1 million as against €90.4 million as at 31 December 2016. The change in fair value of the investment properties (excluding the amount of acquisitions, investments and disinvestments) amounted to €13.4 million, an increase of 0.54%. The change in the fair value of the financial assets and liabilities was €5.2 million, as against -€19.1 million one year earlier.

18 This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

**EPRA earnings** amounted to €95.7 million as at 31 December 2017, up 9.6% in relation to fiscal year 2016. The **EPRA earnings per share** of €3.74 is therefore slightly up (1.6%) year-on-year, despite the increase in the number of shares following the capital increase in September 2016.

The **net result per share** stood at €5.32, compared with €3.82 last year.

## Condensed consolidated balance sheet

(in € million)	31.12.2017	31.12.2016
Investment and held for sale properties	2 494.4	2 511.7
Other assets	64.8	101.4
<b>Total assets</b>	<b>2 559.1</b>	<b>2 613.1</b>
Shareholders' equity	1 448.5	1 401.3
Financial debts	1 002.1	1 098.0
non current	484.3	538.7
current <sup>(a)</sup>	517.8	559.2
Other debts	108.5	113.7
<b>Total equity &amp; liabilities</b>	<b>2 559.1</b>	<b>2 613.1</b>
<b>LTV</b>	<b>39.61%</b>	<b>42.33%</b>

<sup>(a)</sup> According to IAS 1 the commercial paper needs to be recorded as a current liability. It is important to note that the Company has confirmed bank lines in excess of one year as a back-up for the commercial paper.

## Financial structure

The financing arranged is designed to maintain the best possible balance between cost, maturity and diversification of funding sources.

## Financing arranged during the fiscal year

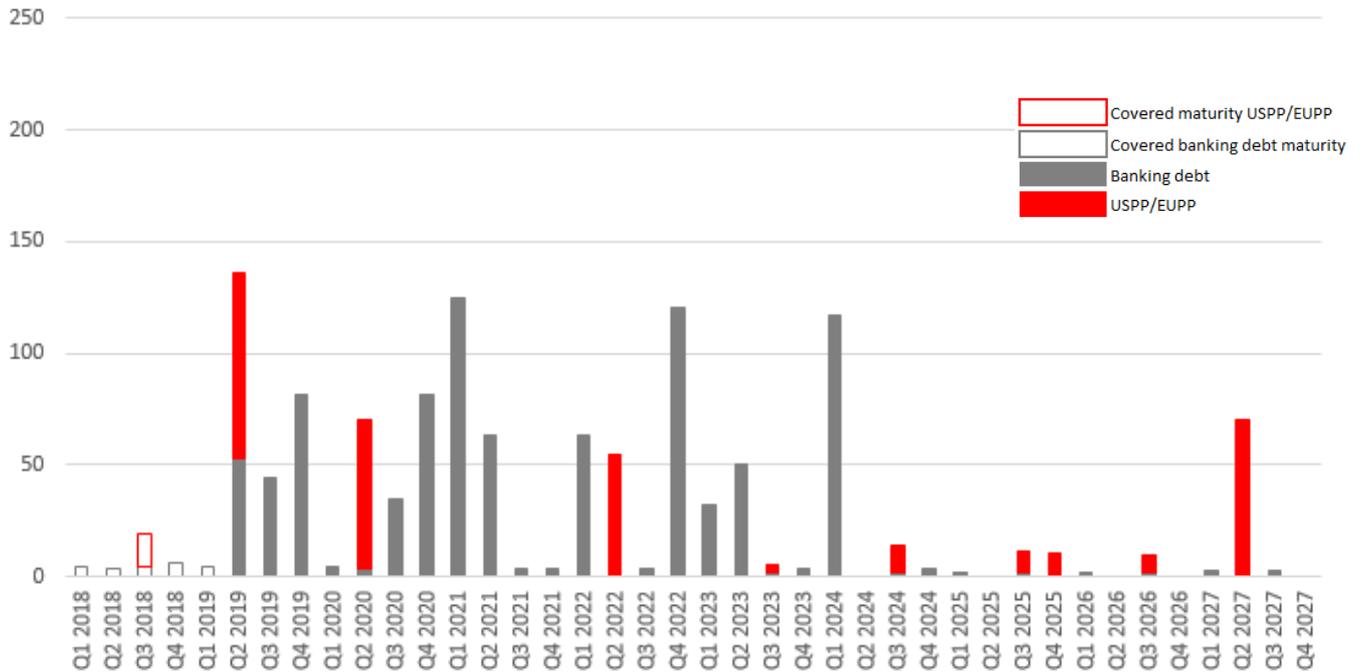
Within the framework of its overall financing programme, Befimmo carried out several operations:

- renegotiation and extension of a bank line for an amount of €135 million over 5 years with maturities of 4 to 7 years;
- renegotiation and extension of a bank line for an amount of €90 million with a maturity of 7 years;
- renegotiation and extension of a bank line for an amount of €50 million with a maturity of 6 years.
- fixed-rate private placement of debt totalling €70 million over 10 years (€60 million in April, followed by a €10 million TAP in June);
- partial early cancellation of a bank line maturing in 2019 for an amount of €25 million;
- renegotiation and extension of a bank line for an amount of €130 million with a maturity of 5 years and 5 months;
- renegotiation and extension of a bank line for an amount of €30 million with a maturity of 5 years.

On this basis, and all other things being equal, the Company has covered its financing needs until the end of the first quarter of 2019.

In order to meet its future commitments, resulting in particular from the major redevelopment projects in preparation, Befimmo will in future arrange a variety of bank or diversified financing (private placements, etc.).

## Maturities of commitments by quarter (in € million)



## Main characteristics of the financial structure

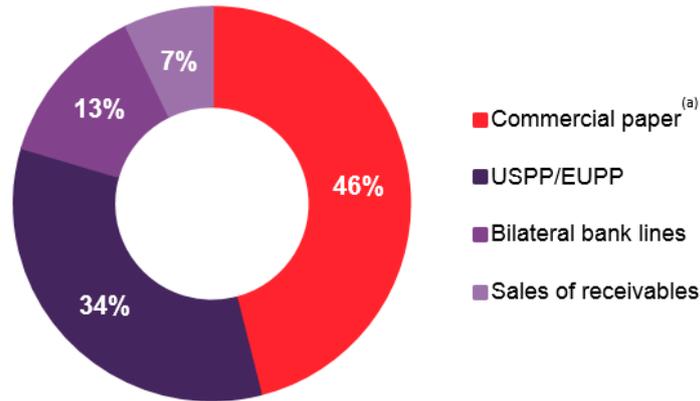
As at 31 December 2017, Befimmo's financial structure had the following main characteristics:

- confirmed credit facilities for a total sum of €1,258.3 million (73.7% of which were bank loans), €988.4 million of which were in use. The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of the financing agreements and commitments planned for the coming years;
- a debt ratio of 41.62%<sup>19</sup>;
- an LTV ratio of 39.61%<sup>20</sup>;
- a weighted average duration of borrowings of 4.73 years;
- 84.1% of total borrowings at fixed rates (including IRS);
- an average financing cost (including hedging margin and costs) of 2.08% over the year, compared with 2.66% for fiscal year 2016.

<sup>19</sup> The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

<sup>20</sup> Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio].

## Debt distribution



<sup>(a)</sup> With confirmed bank lines in excess of one year as a back-up.

On 23 May 2017, the Standard & Poor's rating agency confirmed the rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million, €455.5 million of which was in use as at 31 December 2016 for short-term issues and €66.25 million for long-term issues. For short-term issues, this programme has backup facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private placements of debt.

## Hedging the interest rate and exchange-rate risk

Befimmo holds a portfolio of instruments to hedge (i) the interest-rate risk, consisting of IRS, CAPs, SWAPTIONS and COLLARs<sup>21</sup>, and (ii) the exchange-rate risk on its fixed-rate United States private placement (USPP) by holding Cross Currency Swaps.

The package of instruments in place gives the Company a hedge ratio of 101.3%<sup>22</sup> as at 31 December 2017. The average hedge ratio of the fiscal year 2018, 2019 and 2020 is respectively estimated at 94%, 75% and 60%.

As part of its hedging policy, the Company carried out various operations on hedging instruments over the fiscal year:

- the restructuring of two IRS for an initial notional total of €35 million, which extended their maturity to early 2027 and increased their notional total to €50 million.
- the cancellation of two short-term hedging instruments (a COLLAR for a notional amount of €30 million and an IRS for a notional amount of €25 million);
- the restructuring of three IRS involving a total notional amount of €65 million, extending their maturity to 2027.

In early 2018, Befimmo carried out two additional operations:

- the conclusion of a swaptions tunnel on a fixed-rate IRS covering the period 2019-2027 for a notional amount of €30 million;
- the restructuring of an IRS on a notional amount of €25 million, extending its maturity to 2027.

<sup>21</sup> Subscription to a COLLAR places a ceiling on the rise in interest rates (CAP), but also involves an undertaking to pay a minimum rate (FLOOR).

<sup>22</sup> Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings. Taking into account the acquisition of a right in rem on the Arts 56 finalised in January 2018, the hedge ratio would be 90.8%.

## Evolution of the portfolio of hedging instruments and fixed-rate debts

Annual average		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
CAP	Notional (€ million)	160	92	47	20	0	-	-	-	-	-
	Average rate (in %)	1.15%	0.81%	0.87%	1.15%	1.15%	-	-	-	-	-
FLOOR	Notional (€ million)	20	20	20	20	0	-	-	-	-	-
	Average rate (in %)	0.55%	0.55%	0.55%	0.55%	0.55%	-	-	-	-	-
Fixed-rate financing (incl. IRS)	Notional (€ million)	872	830	769	732	693	636	556	415	275	138
	Average rate <sup>(a)</sup> (in %)	0.97%	0.99%	1.03%	1.02%	0.98%	0.91%	0.87%	0.86%	0.88%	0.97%

<sup>(a)</sup> Average fixed rate excluding credit margin and including options on swaps (SWAPTIONS) considered at the maximum rate.

## 5. Corporate governance

### Composition of the Board of Directors of Befimmo

At its meeting on 14 December 2017, the Board of Directors of Befimmo SA decided to co-opt Mrs Anne-Marie Baeyaert as an independent Director. Her definitive appointment will be proposed at the Ordinary General Meeting on 24 April 2018.

Mrs Anne-Marie Baeyaert (1961) began her career in 1981 at Best & Osterrieth, Antwerp, as Customer Service Representative (1981-1985). She continued her career at Katoen Natie Group, first as General Manager, Transport Division (1985-1995), then as General Manager Noordkasteel (1995-1998), and later as Managing Director Bulkterminals (1998-2001), and finally as Country Administrative & Finance Director in Brazil (2001-2005). From 2005 to 2013, Mrs Baeyaert was Business Unit Manager, Port Operations & Repair for the Katoen Natie group. Since 2013, Mrs Baeyaert has been Managing Owner of Resigrass. Mrs Anne-Marie Baeyaert holds a bachelor's degree in maritime sciences (BIBH Antwerp - 1981) and a post-graduate degree in finance and management (Vlerick Business School - 2000).

## 6. Befimmo share

### Key figures

	31.12.2017	31.12.2016
Number of shares issued	25 579 214	25 579 214
Average number of shares during the period	25 579 214	23 692 223
Highest share price (in €)	55.74	61.20
Lowest share price (in €)	50.31	48.60
Closing share price (in €)	53.55	53.36
Number of shares traded <sup>(a)</sup>	15 277 286	16 916 343
Average daily turnover <sup>(a)</sup>	59 911	65 822
Free float velocity <sup>(a)</sup>	78.66%	87.10%
Distribution ratio (in relation to the EPRA earnings)	92%	94%
Gross dividend <sup>(b)</sup> (in € per share)	3.45	3.45
Gross yield <sup>(c)</sup>	6.44%	6.47%
Return on share price <sup>(d)</sup>	6.98%	3.88%

<sup>(a)</sup> Source: Kempen & Co. Based on trading on all platforms.

<sup>(b)</sup> Subject to a withholding tax of 30% as from January 2017 (coming from 27%).

<sup>(c)</sup> Gross dividend divided by the closing share price.

<sup>(d)</sup> Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, and if applicable the participation in the capital increase.

## Evolution of the share price

The Befimmo share closed on 31 December 2017 at €53.55, as against €53.36 one year previously. Assuming the reinvestment of the dividend distributed in 2017, it offered an annual return on share price of 6.98%. Over the 22 years since its listing, the share has offered a total annualised return of 7.30%<sup>23</sup>.

As at 31 December 2017, the Befimmo share was trading with a discount of 5.44%. Befimmo's market capitalisation stood at €1,369,766,910.

Based on transactions recorded on all market platforms, the Befimmo share offers stable liquidity, with an average daily volume of around 59,911 shares, which corresponds to a free-float velocity of the order of 78.66% over the year.

# 7. Dividend for the 2017 fiscal year

## Distribution of the interim dividend

As announced in October 2017, Befimmo paid out an interim dividend for the 2017 fiscal year as from 21 December 2017.

This interim dividend amounted to €2.59 gross<sup>24</sup> per share and was paid out in cash upon presentation of coupon No 34.

## Final dividend for the 2017 fiscal year

The agenda of the Ordinary General Meeting of shareholders to be held on 24 April 2018, at which the accounts for the 2017 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.86 gross<sup>24</sup> per share.

This final dividend will supplement the interim dividend, bringing the total dividend for the fiscal year to €3.45 gross per share.

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<sup>23</sup> Assuming the reinvestment of the gross dividend (source: KBC Securities).

<sup>24</sup> Based on a 30% withholding tax.

## 8. Key dates for 2018

Online publication of the Annual Financial Report 2017	Friday 23 March 2018
Ordinary General Meeting of the fiscal year closing as at 31 December 2017	Tuesday 24 April 2018
Payment of the final <sup>(a)</sup> dividend of the 2017 fiscal year on presentation of coupon No 35	
- <i>Ex-date</i>	Wednesday 2 May 2018
- <i>Record date</i>	Thursday 3 May 2018
- <i>Payment date</i>	from Friday 4 May 2018
Interim statement as at 31 March 2018	Wednesday 9 May 2018 <sup>(b)</sup>
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2018	Thursday 19 July 2018 <sup>(b)</sup>
Interim statement as at 30 September 2018	Thursday 25 October 2018 <sup>(b)</sup>
Payment of the interim <sup>(c)</sup> dividend of the 2018 fiscal year on presentation of coupon No 36	
- <i>Ex-date</i>	Tuesday 18 December 2018
- <i>Record date</i>	Wednesday 19 December 2018
- <i>Payment date</i>	from Thursday 20 December 2018
Publication of the annual results as at 31 December 2018	Thursday 7 February 2019 <sup>(b)</sup>
Online publication of the Annual Financial Report 2018	Friday 29 March 2019
Ordinary General Meeting of the fiscal year closing as at 31 December 2018	Tuesday 30 April 2019
Payment of the final <sup>(a)</sup> dividend of the 2018 fiscal year on presentation of coupon No 37	
- <i>Ex-date</i>	Wednesday 8 May 2019
- <i>Record date</i>	Thursday 9 May 2019
- <i>Payment date</i>	from Friday 10 May 2019

<sup>(a)</sup> Subject to a decision of Ordinary General Meeting

<sup>(b)</sup> Publication after closing of the stock exchange.

<sup>(c)</sup> Subject to a decision of the Board of Directors.

## 9. Outlook and dividend forecast<sup>25</sup>

*The Auditor has confirmed that its revision of the EPRA earnings budgeted for the years 2018, 2019 and 2020 has been completed as to the substance and has not revealed any material correction to be made to the information included in this press release.*

The financial outlook for the next three fiscal years, prepared in accordance with IFRS standards and presented in consolidated form, is based on information available at the closure of the annual accounts (principally existing agreements) and on Befimmo's assumptions and assessments of certain risks.

### EPRA earnings outlook

The forecasts assume a stable floor area of the property assets and equity perimeter. However, the assumption is made that, each year, the shareholders exercise the option of taking the dividend in new shares at the rate of 30% of the interim dividend net of withholding tax proposed in December<sup>26</sup>. The forecasts also take account of disposals of non-strategic properties. They do not take account of external growth.

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25 **Disclaimer** This outlook may not be interpreted as a commitment on the part of Befimmo. Whether or not these forecasts will actually be achieved depends on a number of factors beyond Befimmo's control, such as developments on the real-estate and financial markets. Given the present context of economic uncertainty, the assumptions used may be highly volatile in the future. The assumptions and risk assessments seemed reasonable at the time they were made but, since it is impossible to predict future events, they may or may not prove to be correct. Accordingly, Befimmo's actual results, financial situation, performance or achievements, or the market trend, may differ substantially from these forecasts. Given these uncertainties, shareholders should not give undue credence to these forecasts. Moreover, these forecasts are valid only at the time of writing of this press release. Befimmo does not undertake to update the forecasts, for example to reflect a change in the assumptions on which they are based, except of course as required by law, notably the law of 2 August 2002 on the surveillance of the financial sector and financial services, and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

26 The amount of the interim dividend used in the outlook (covering three quarters) is assumed to be constant at €2.59 gross per share.

## Assumptions

The following external and internal assumptions were made when preparing the outlook:

	Réalisé	Hypothèses		
	2017	2018	2019	2020
<b>External assumptions on which the Company cannot exert any influence</b>				
Evolution of the health index (annual average)	1.85%	1.17%	1.50%	1.50%
Average of Euribor 1- and 3-month interest rates	-0.35%	-0.34%	-0.13%	0.38%
<b>Internal assumptions on which the Company can at least exert a partial influence</b>				
Impact of the health index on rents (on an annual basis)	2.00%	1.25%	1.50%	1.50%
Perception ratio of rents <sup>(a)</sup>	93.19%	89.36%	84.02%	83.60%
Average financing cost (including margin and hedging costs)	2.08%	2.19%	2.09%	2.19%
<b>Total number of shares at the end of the fiscal year</b>	<b>25 579 214</b>	<b>25 843 827</b>	<b>26 111 176</b>	<b>26 381 292</b>

<sup>(a)</sup> The rent collection rate is calculated by dividing all rents actually received during the fiscal year by all rents that would have been received during that period had not only the let space but also the vacant space been let throughout the period at the estimated rental value (ERV).

- The indexing rates applied to rents are based on forecast changes in the health index established by the Planning Office (Bureau du Plan) (five-year plan published in July 2017 and update of the short-term outlook in September 2017).
- The interest rates are the average of the forecast Euribor 1 and 3-month rates established by a major Belgian financial institution and market rates (“forward” rates) over the next three fiscal years. These forecasts were made in mid-January 2018.
- Assumptions about rent collection rates are made on the basis of an individual assessment of each lease. This is the ratio of the net income realised (2017) or budgeted (2018 onwards) to potential income.
- The average (annualised) financing cost covers all financial charges, including the theoretical linear amortisation of premiums paid for the purchase of hedging instruments.

## Real-estate assumptions

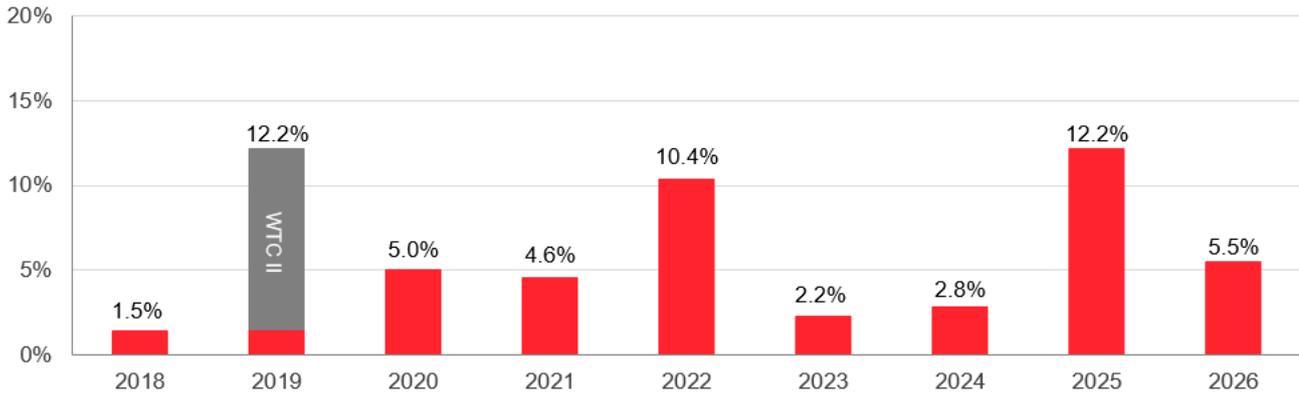
In addition to the general market trends, Befimmo has incorporated into its forecasts the actual characteristics of its buildings, mainly in terms of the rental situation of the portfolio (notably the residual duration of the leases), potential reversion of the rents and the obsolescence of the buildings (technical and environmental performance, etc.).

## Expiry of leases

The graph hereafter illustrates the full-year impact (as %) of the lease expiries (first possible break on current leases as at 31 December 2017). This impact is calculated on the basis of the annual current rent as at 31 December 2017. Each percentage corresponds to the sum of the annual rent for the leases that have an intermediate or final expiry date falling during the year<sup>27</sup>.

<sup>27</sup> The rents of leases expiring in December are included in the year following their expiry.

## Expiry of leases (first possible break) – Full-year impact (in %)²⁸



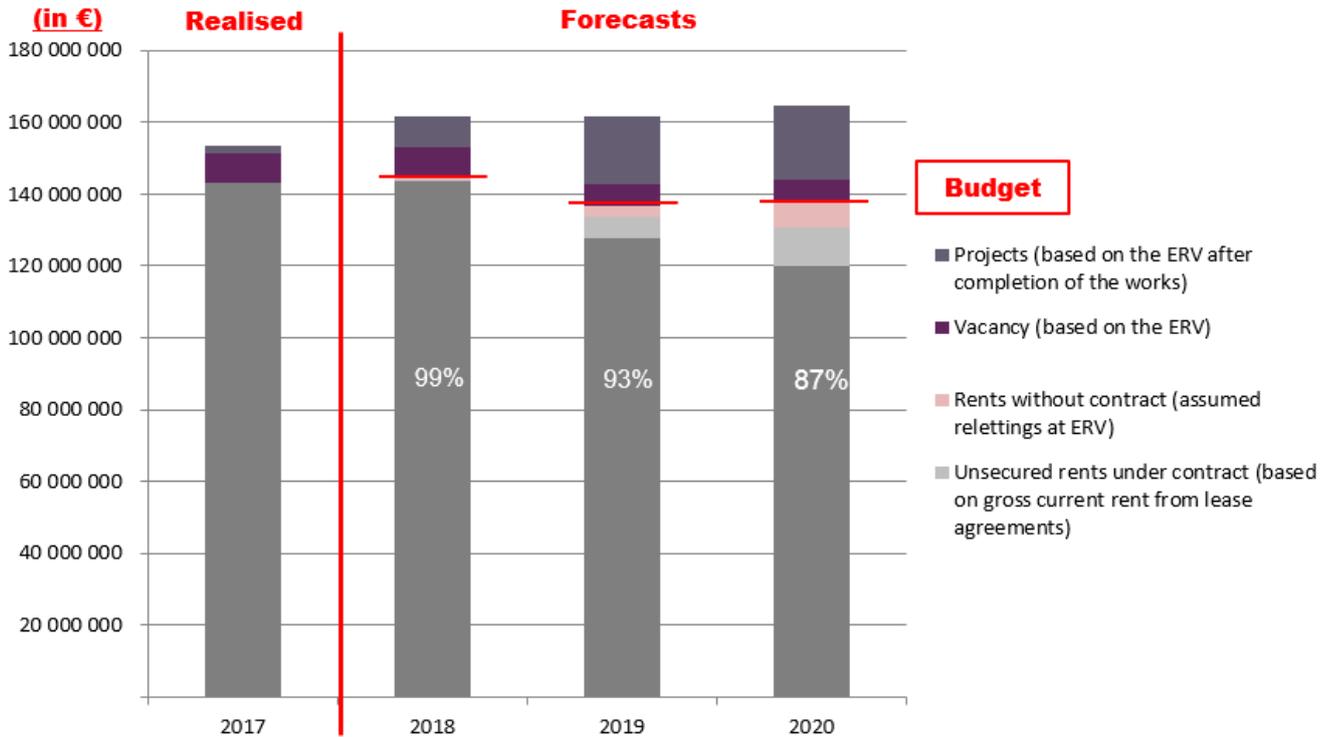
## Income guaranteed under contract

The chart below illustrates the risks on income taken into account in the outlook. Rents potentially at risk (with an expiry over the next three years) have been included in the EPRA earnings outlook, based on an estimated probability of the tenant departing.

For example, for the 2018 fiscal year, this graph shows that the budgeted income is 99% guaranteed under contracts. In the same year, 1% of budgeted income is therefore under unsecured contracts (owing to an expiry) and/or based on reletting assumptions.

## Income guaranteed under contract

### Rental income



28 This graph doesn't take into account the lease in the Noord Building, currently being demolished (preceding the construction of the Quatuor).

## Work planned and estimated over the next three years

	Rental space	Location	Type	Forecasts (in € million)		
				2018	2019	2020
Brederode Corner	6 500 m <sup>2</sup>	Brussels CBD, Centre	Renovation	12.4	6.2	-
Eupen - Rathausplatz	7 200 m <sup>2</sup>	Eupen, Wallonia	Renovation and construction	4.2	2.5	-
Ikaros Business Park	4 750 m <sup>2</sup>	Brussels, periphery	Renovation	8.1	-	-
Quatuor	60 000 m <sup>2</sup>	Brussels CBD, North	Demolition Noord Building and construction Quatuor	21.7	43.5	51.7
Paradis Express	35 000 m <sup>2</sup>	Liège, Wallonia	Construction	17.1	40.0	20.7 <sup>(a)</sup>
"Future ex-WTC 1 & 2"	110 000 m <sup>2</sup>	Brussels CBD, North	Demolition and construction	10.2	17.4	40.4
WTC 4	53 500 m <sup>2</sup>	Brussels CBD, North	Implementation of the permit According to commercialisation	3.3	5.4	-
<i>Other investments (coworking included)</i>				22.7	16.2	11.8
<b>Total</b>				<b>100.8</b>	<b>131.2</b>	<b>124.7</b>

<sup>(a)</sup> "All-in" construction cost of the project (including other functions than offices).

## EPRA earnings forecast

(in € thousand)	Realised 2017	2018	Forecasts 2019	2020
Rental income	143 161	144 714	136 751	137 992
Charges linked to letting	- 729	- 770	- 489	- 492
<b>Net rental result</b>	<b>142 431</b>	<b>143 943</b>	<b>136 262</b>	<b>137 500</b>
Net property charges	-11 932	-12 700	-13 016	-13 926
<b>Property operating result</b>	<b>130 499</b>	<b>131 243</b>	<b>123 245</b>	<b>123 574</b>
Corporate overheads	-12 199	-12 891	-13 199	-13 736
Other operating income and charges (excl. goodwill impairment) <sup>(a)</sup>	-1 252	-1 903	-2 101	-2 787
<b>Operating result before result on portfolio</b>	<b>117 048</b>	<b>116 450</b>	<b>107 946</b>	<b>107 051</b>
Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs)	-19 750	-22 137	-22 264	-24 278
Corporate taxes	-1 642	-1 281	-1 301	-1 320
<b>EPRA earnings</b>	<b>95 657</b>	<b>93 031</b>	<b>84 381</b>	<b>81 453</b>
<b>EPRA earnings (in € per share)</b>	<b>3.74</b>	<b>3.64</b>	<b>3.26</b>	<b>3.12</b>
<i>Average number of shares</i>	<i>25 579 214</i>	<i>25 590 782</i>	<i>25 855 514</i>	<i>26 122 985</i>

<sup>(a)</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

## Dividend forecast for the 2018 fiscal year

The assumptions used for making forecasts indicate that, at constant perimeter, EPRA earnings of about €3.64 per share should be achieved in the 2018 fiscal year.

All other things being equal and based on these forecasts, Befimmo foresees a gross dividend of €3.45<sup>29</sup> per share for the 2018 fiscal year. It may again be paid via an interim dividend of €2.59 gross per share in December 2018 and a final dividend of €0.86 gross per share in May 2019. Based on a share price of €53.55 and based on the net asset value of €56.63 as at 31 December 2017, this dividend would give a gross yield of 6.44% on share price and 6.09% on net asset value.

The dividend in subsequent years will depend on the economic climate, the investment opportunities that the Company takes, and its degree of success in implementing projects, while continuing to benefit from a stable income, thanks to the defensive nature of its property assets.

## 10. A new identity

Today Befimmo officially reveals its new identity. Discover our new website [here](#).



## 11. Publication of the Message of the Chairman and the CEO

*« Our new logo, with a window open to the outside world, reflects the interaction between the Befimmo team and the world in which we operate. This is the highly motivating reality of our Company. »*



Consult, as of today on our website (<http://www.befimmo.be/en/message-chairman-and-ceo>), the « Message of the Chairman and the CEO » in which Mr. Devos and Mr. De Blicq review the 2017 fiscal year and give their point of view on the upcoming years.

Befimmo, a Regulated Real-Estate Investment Trust (BE-REIT), listed on Euronext Brussels, is a real-estate operator specialising in office buildings, meeting centres and coworking spaces. Those Befimmo Environments are located in Brussels, the main Belgian cities and the Grand Duchy of Luxembourg.

As a company that is human, a corporate citizen, and responsible, Befimmo offers its occupants contemporary office spaces and related services in buildings that are sustainable in terms of architecture, location and respect for the environment.

By creating such added value for its users, Befimmo also creates value for its shareholders. At 31 December 2017, the fair value of its portfolio was €2.5 billion.



## Contact :



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# 12. Appendix 1

## Consolidated income statement (in € thousand)

	31.12.17	31.12.16
I. (+) Rental income	143 161	137 752
III. (+/-) Charges linked to letting	- 729	- 715
<b>NET RENTAL RESULT</b>	<b>142 431</b>	<b>137 037</b>
IV. (+) Recovery of property charges	6 364	5 727
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	30 122	29 932
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-28 166	-28 421
VIII. (+/-) Other revenue and charges for letting	1 661	253
<b>PROPERTY RESULT</b>	<b>152 412</b>	<b>144 529</b>
IX. (-) Technical costs	-10 758	-8 526
X. (-) Commercial costs	-1 055	-1 558
XI. (-) Charges and taxes on unlet properties	-2 270	-4 049
XII. (-) Property management costs	-2 728	-2 592
XIII. (-) Other property charges	-5 101	-5 024
<b>(+/-) Property charges</b>	<b>-21 912</b>	<b>-21 749</b>
<b>PROPERTY OPERATING RESULT</b>	<b>130 499</b>	<b>122 780</b>
XIV. (-) Corporate overheads	-12 199	-10 447
XV. (+/-) Other operating income and charges	-1 252	- 596
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>117 048</b>	<b>111 738</b>
XVI. (+/-) Gains and losses on disposals of investment properties	21 798	1 154
XVIII. (+/-) Changes in fair value of investment properties	13 429	21 121
<b>OPERATING RESULT</b>	<b>152 275</b>	<b>134 013</b>
XX. (+) Financial income	622	1 608
XXI. (-) Net interest charges	-17 625	-20 759
XXII. (-) Other financial charges	-2 747	-2 980
XXIII. (+/-) Changes in fair value of financial assets and liabilities	5 186	-19 112
<b>(+/-) Financial result</b>	<b>-14 564</b>	<b>-41 243</b>
<b>PRE-TAX RESULT</b>	<b>137 711</b>	<b>92 770</b>
XXV. (-) Corporation tax	-1 642	-2 364
<b>(+/-) Taxes</b>	<b>-1 642</b>	<b>-2 364</b>
<b>NET RESULT</b>	<b>136 070</b>	<b>90 406</b>
<b>BASIC NET RESULT AND DILUTED (€/share)</b>	<b>5.32</b>	<b>3.82</b>
Other comprehensive income - actuarial gains and losses - non-recyclable	357	- 153
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>136 427</b>	<b>90 253</b>

## Consolidated balance sheet (in € thousand)

<b>ASSETS</b>	<b>31.12.17</b>	<b>31.12.16</b>
<b>I. Non-current assets</b>	<b>2 532 477</b>	<b>2 573 948</b>
A. Goodwill	14 281	14 494
C. Investment properties	2 494 360	2 511 658
D. Other property, plant and equipment	2 436	2 465
E. Non-current financial assets	19 498	43 801
F. Finance lease receivables	1 902	1 530
<b>II. Current assets</b>	<b>26 651</b>	<b>39 104</b>
A. Properties held for sale	-	-
B. Current financial assets	1 874	2 911
C. Finance lease receivables	136	133
D. Trade receivables	21 067	19 995
E. Tax receivables and other current assets	1 688	11 568
F. Cash and cash equivalents	254	153
G. Deferred charges and accrued income	1 632	4 344
<b>TOTAL ASSETS</b>	<b>2 559 128</b>	<b>2 613 052</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31.12.17</b>	<b>31.12.16</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 448 504</b>	<b>1 401 349</b>
<b>I. Equity attributable to shareholders of the parent company</b>	<b>1 448 504</b>	<b>1 401 349</b>
A. Capital	357 871	357 871
B. Share premium account	792 641	792 641
C. Reserves	228 172	219 134
D. Net result for the fiscal year	69 820	31 702
<b>LIABILITIES</b>	<b>1 110 624</b>	<b>1 211 703</b>
<b>I. Non-current liabilities</b>	<b>505 008</b>	<b>564 325</b>
A. Provisions	3 673	257
B. Non-current financial debts	484 255	538 747
a. Credit institution	153 553	242 093
c. Other	330 702	296 654
<i>EUPP</i>	165 966	111 092
<i>USPP</i>	161 916	183 206
<i>Guarantees received</i>	2 820	2 356
C. Other non-current financial liabilities	17 080	25 321
<b>II. Current liabilities</b>	<b>605 616</b>	<b>647 378</b>
A. Provisions	5 592	3 831
B. Current financial debts	517 832	559 239
a. Credit institution	47 332	72 261
c. Other	470 500	486 978
<i>Bond issues</i>	-	161 978
<i>EUPP</i>	15 000	-
<i>Commercial papers</i>	455 500	325 000
C. Other current financial liabilities	5	15
D. Trade debts and other current debts	52 359	44 774
E. Other current liabilities	2 491	5 588
F. Accrued charges and deferred income	27 337	33 932
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2 559 128</b>	<b>2 613 052</b>

# 13. Appendix 2

## Glossary of the “Alternative Performance Measures”

Alternative Performance Measure	Definition	Use
<b>Net property charges</b>	The sum of various property charges, net of amounts recoverable from tenants (corresponds to the sum of headings IV to XIII of the consolidated statement of total comprehensive income).	Gives an overview of all net property charges.
<b>Other operating income and charges (excluding goodwill impairment)</b>	Heading XV ‘Other operating income and charges’ minus any goodwill impairment.	Used to compare forecasts and actual figures in heading XV ‘Other operating income and charges’. Any goodwill impairment is not budgeted.
<b>Operating margin</b>	‘Operating result before result on portfolio’ divided by ‘Net rental result’.	Used to assess the Company’s operating performance.
<b>Net property result</b>	‘Operating result before result on portfolio’ plus heading XVI ‘Gains and losses on disposals of investment properties’.	Used to identify the operating profit before changes in the fair value of investment property.
<b>Financial result (excluding changes in fair value of financial assets and liabilities and close-out costs)</b>	‘Financial result’ minus heading XXIII ‘Changes in fair value of financial assets and liabilities’ and any gains or losses realised on financial assets and liabilities (i.e. close-out costs).	Used to compare forecasts and actual figures in the financial results.
<b>Net result before changes in fair value of investment properties and financial assets and liabilities</b>	‘Net result’ minus heading XVIII ‘Changes in fair value of investment property’ and heading XXIII ‘Changes in fair value of financial assets and liabilities’.	Used to identify the net result before changes in the fair value of investment property and of the financial assets and liabilities.
<b>“Like-for-Like” net rental result</b>	Net rental result of properties available for lease at constant perimeter for two consecutive periods. The ‘Like-for-Like’ scope is calculated on the basis of the EPRA definition.	Used to measure the change in rental income of properties available for lease at constant floor area for two consecutive periods.
<b>Loan-to-value (“LTV”)</b>	Nominal financial debt minus balance sheet heading II.F. ‘Cash and cash equivalents’, divided by the sum of balance sheet headings I.C. ‘Investment property’ and II.A. ‘Properties held for sale’. Nominal financial debts are the accounting financial debts excluding IFRS adjustments, in other words excluding the reassessment at fair value of financial assets and liabilities and the smoothing of debt issuance costs.	This is the debt ratio calculated on the basis of the fair value of the property portfolio.
<b>Average (annualised) financing cost</b>	Annualised interest paid over the reporting period, including the credit margin, the cost of the hedging instruments and liquidity cost, divided by the average nominal financial debt over the period concerned.	Used to measure the average cost of the Company’s financial debt.
<b>Return on shareholders’ equity (in € per share)</b>	The return obtained by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and the participation in operations to strengthen the Company’s capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in €/share) of a shareholder’s investment on the basis of the value of shareholders’ equity.
<b>Return on shareholders’ equity (in %)</b>	The internal rate of return earned by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and the participation in operations to strengthen the Company’s capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in %) of a shareholder’s investment on the basis of the value of shareholders’ equity.

## Reconciliation tables of the “Alternative Performance Measures”

### Average (annualised) financing cost

(in thousand €)	31-12-17	31-12-16
Interest paid	20 661	24 212
Annualised interest paid (A)	20 661	24 212
Annualised nominal financial debts (B)	993 650	1 072 370
<b>Average (annualised) financing cost (A/B)</b>	<b>2.08%</b>	<b>2.26%</b>

### Loan-to-value

(in thousand €)	31-12-17	31-12-16
Nominal financial debts (A)	988 393	1 063 413
II. F. Cash and cash equivalents (B)	254	153
I. C. Investment properties (D)	2 494 360	2 511 658
II. A. Assets held for sale (E)	-	-
<b>Fair value of portfolio at the closing date (C = D+E)</b>	<b>2 494 360</b>	<b>2 511 658</b>
<b>Loan-to-value (A-B)/C</b>	<b>39.61%</b>	<b>42.33%</b>

### Net rental result in “Like-for-Like”

(in thousand €)	31-12-17	31-12-16
Net rental result (A)	142 431	137 037
Net rental result linked to change in perimeter (B)	8 010	3 530
Net rental result on properties not available for lease (C)	1 008	2 155
<b>Net rental result in « Like-for-Like » (A-B-C)</b>	<b>133 414</b>	<b>131 352</b>

### Net result before changes in fair value of investment properties and financial assets and liabilities

(in thousand €)	31-12-17	31-12-16
Net result (A)	136 070	90 406
XVIII. Changes in fair value of investment properties (B)	13 429	21 121
XXIII. Changes in fair value of financial assets and liabilities (C)	5 186	-19 112
<b>Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)</b>	<b>117 455</b>	<b>88 397</b>

### Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs)

(in thousand €)	31-12-17	31-12-16
Financial result (A)	-14 564	-41 243
XXIII. Changes in fair value of financial assets and liabilities (B)	5 186	-19 112
Net losses realised on financial assets and liabilities: close-out costs (C)	-	-
<b>Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs) (A-B-C)</b>	<b>-19 750</b>	<b>-22 131</b>

## Net property result

(in thousand €)	31-12-17	31-12-16
Operating result before result on portfolio	117 048	111 738
XVI. Gains or losses on disposals of investment properties	21 798	1 154
<b>Net property result</b>	<b>138 846</b>	<b>112 892</b>

## Operating margin

(in thousand €)	31-12-17	31-12-16
Operating result before result on portfolio (A)	117 048	111 738
Net rental result (B)	142 431	137 037
<b>Operating margin (A/B)</b>	<b>82.2%</b>	<b>81.5%</b>

## Other operating income and charges (excluding goodwill impairment)

(in thousand €)	31-12-17	31-12-16
XV. Other operating income and charges (A)	-1 252	- 596
Goodwill impairment (B)	-	-
<b>Other operating income and charges (excluding goodwill impairment) (A-B)</b>	<b>-1 252</b>	<b>- 596</b>

## Net property charges

(in thousand €)	31-12-17	31-12-16
IV. Recovery of property charges	6 364	5 727
V. Recovery of rental charges and taxes normally paid by tenants on let properties	30 122	29 932
VI. Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-	-
VII. Rental charges and taxes normally paid by tenants on let properties	-28 166	-28 421
VIII. Other revenue and charges for letting	1 661	253
IX. Technical costs	-10 758	-8 526
X. Commercial costs	-1 055	-1 558
XI. Charges and taxes on unlet properties	-2 270	-4 049
XII. Property management costs	-2 728	-2 592
XIII. Other property charges	-5 101	-5 024
<b>Net property charges</b>	<b>-11 932</b>	<b>-14 257</b>

# 14. Appendix 3

## Tables of the EPRA indicators<sup>30</sup>

The Auditor has confirmed that its control of the EPRA indicators has been substantially completed and has not revealed any material correction to be made to the financial information included in this press release.

### EPRA earnings

(€ thousand)	31.12.2017	31.12.2016
<b>Net result IFRS</b>	<b>136 070</b>	<b>90 406</b>
<b>Adjustments to calculate EPRA earnings</b>	<b>- 40 413</b>	<b>- 3 163</b>
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 13 429	- 21 121
II. Gains and losses on disposals of investment properties	- 21 798	- 1 154
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 5 186	19 112
<b>EPRA earnings</b>	<b>95 657</b>	<b>87 243</b>
<b>EPRA earnings (in € per share)</b>	<b>3.74</b>	<b>3.68</b>

### EPRA NAV & NNNAV

(in € thousand)	31.12.2017	31.12.2016
<b>Net Asset Value</b>	<b>1 448 504</b>	<b>1 401 349</b>
<b>Net Asset Value (in € per share)</b>	<b>56.63</b>	<b>54.78</b>
To include:		
II. Revaluation at fair value of finance lease credit	127	184
To exclude:		
IV. Fair value of financial instruments	10 143	17 753
<b>EPRA NAV</b>	<b>1 458 774</b>	<b>1 419 287</b>
<b>EPRA NAV (in € per share)</b>	<b>57.03</b>	<b>55.49</b>
To include:		
I. Fair value of financial instruments	- 10 143	- 17 753
II. Revaluations at fair value of fixed-rate loans	- 7 216	- 12 621
<b>EPRA NNNAV</b>	<b>1 441 415</b>	<b>1 388 912</b>
<b>EPRA NNNAV (in € per share)</b>	<b>56.35</b>	<b>54.30</b>

### EPRA Vacancy rate

(in € thousand)	31.12.2017	31.12.2016
Estimated rental value (ERV) on vacant space (A)	7 680	8 372
Estimated rental value (ERV) (VLE) (B)	141 561	146 673
<b>EPRA Vacancy rate of properties available for lease (A)/(B)</b>	<b>5.43%</b>	<b>5.71%</b>

<sup>30</sup> The definitions of the EPRA indicators are published in the Annual Financial Report 2016 on page 57. Source: EPRA Best Practices ([www.epra.com](http://www.epra.com)).

## EPRA Net Initial Yield (NIY) & Topped-up (NIY)

(€ thousand)	31.12.2017	31.12.2016
Investment properties and properties held for sale	2 494 360	2 511 658
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 148 482	- 66 327
Properties held for sale	-	-
Properties available for lease	2 345 878	2 445 330
To include:		
Allowance for estimated purchasers' cost	59 382	61 997
<b>Investment value of properties available for lease (B)</b>	<b>2 405 260</b>	<b>2 507 327</b>
Annualised cash passing rental income	145 644	148 028
To exclude:		
Property charges <sup>(a)</sup>	- 5 567	- 6 402
<b>Annualised net rents (A)</b>	<b>140 077</b>	<b>141 626</b>
To include:		
- Notional rent expiration of rent free periods or other lease incentives	2 362	1 764
- Future rent on signed contracts	1 266	2 410
<b>Topped-up annualised net rents (C)</b>	<b>143 706</b>	<b>145 801</b>
<b>(in %)</b>		
<b>EPRA Net Initial Yield (A/B)</b>	<b>5.82%</b>	<b>5.65%</b>
<b>EPRA Topped-up Net Initial Yield (C/B)</b>	<b>5.97%</b>	<b>5.81%</b>

<sup>(a)</sup> The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

## EPRA cost ratio<sup>31</sup>

(in € thousand)	31.12.2017	31.12.2016
<b>Net administrative and operating expenses in the income statement</b>	<b>-24 852</b>	<b>-25 419</b>
III. (+/-) Rental charges	- 729	- 715
Net property charges	-11 932	-14 257
XIV. (-) Corporate overheads	-12 199	-10 447
XV. (+/-) Other operating income and charges	-1 252	- 596
Exclude:		
i. Impact of the spreading of gratuities	1 260	595
ii. Negative goodwill/goodwill impairment	-	-
<b>EPRA costs (including direct vacancy costs) (A)</b>	<b>-24 852</b>	<b>-25 419</b>
XI. (-) Charges and taxes on unlet properties	2 270	4 049
<b>EPRA costs (excluding direct vacancy costs) (B)</b>	<b>-22 583</b>	<b>-21 370</b>
I. (+) Rental income	143 161	137 752
<b>Gross rental income (C)</b>	<b>143 161</b>	<b>137 752</b>
<b>EPRA Cost ratio (including direct vacancy costs)<sup>(a)</sup> (A/C)</b>	<b>17.36%</b>	<b>18.45%</b>
<b>EPRA Cost ratio (excluding direct vacancy costs)<sup>(a)</sup> (B/C)</b>	<b>15.77%</b>	<b>15.51%</b>

<sup>(a)</sup> This is an Alternative Performance Measure.

31 For more information, please refer to "Analysis of the net result" on page 16 of this press release.

## EPRA like-for-like net rental growth

Segment  (in € thousand)	31.12.2017						31.12.2016						Evolution
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>(a)</sup>	Total net rental income <sup>(b)</sup>	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>(a)</sup>	Total net rental income <sup>(b)</sup>	Properties owned throughout 2 consecutive years
Brussels CBD and similar	75 328	7 077	716		600	83 721	72 892	285	2 771		1 794	77 743	3.34%
Brussels decentralised	3 538					3 538	3 333		80			3 413	6.14%
Brussels periphery	6 247					6 247	7 112					7 112	-12.17%
Wallonia	9 918		18		10	9 947	9 138		- 29		234	9 343	8.54%
Flanders	28 255		34		- 23	28 266	28 229		83		16	28 329	0.09%
Luxembourg city	4 367					4 367	3 452					3 452	26.50%
<b>Total</b>	<b>127 652</b>	<b>7 077</b>	<b>768</b>	<b>-</b>	<b>588</b>	<b>136 085</b>	<b>124 156</b>	<b>285</b>	<b>2 905</b>	<b>-</b>	<b>2 044</b>	<b>129 391</b>	<b>2.82%</b>
<b>Reconciliation to the consolidated IFRS income statement</b>													
<b>Net rental income related to:</b>													
- Properties booked as financial leases (IAS 17)						- 10						- 2	
- Non recurring element: restitution of reserve funds						1 489						-	
<b>Other property charges</b>						<b>- 7 065</b>						<b>- 6 608</b>	
<b>Property operating result in the consolidated IFRS income statement</b>						<b>130 499</b>						<b>122 780</b>	

<sup>(a)</sup> These are properties that are being constructed or developed for own account in order to be leased.

<sup>(b)</sup> The total "Net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Property operating result" of the consolidated IFRS accounts.

# 15. Appendix 4

## Glossary of the real-estate indicators

- **Gross current rent from lease agreements:** The annualised total of the rents of current leases at the balance sheet date, not taking account of current gratuities or rents under leases commencing after the balance sheet date concerned.
- **Potential rent:** The gross current rent from lease agreements as defined above, plus the estimated rental value of unoccupied space at the balance sheet date.
- **Gross current yield on properties available for lease:** The ratio between the gross current rent from lease agreements and the "deed-in-hands" value of properties available for lease.
- **Gross potential yield on properties available for lease:** The ratio between the potential rent and the "deed-in-hands" value of properties available for lease.
- **Current gross yield on investment properties:** The ratio between the gross current rent from lease agreements and the "deed-in-hands" value of investment properties.
- **Spot occupancy rate of properties available for lease:** The ratio between the estimated rental value of space occupied at the balance sheet date and the total estimated rental value of properties available for lease.
- **Weighted average duration of current leases until their next break:** The ratio of (i) the sum of the gross current rents from lease agreements for each lease of properties available for lease multiplied by their respective remaining duration from the balance sheet date to their next break and (ii) the total gross current rent from lease agreements of properties available for lease.
- **Weighted average duration of current leases until final expiry:** The ratio of (i) the sum of the gross current rents from lease agreements for each lease of properties available for lease multiplied by their respective remaining duration from the balance sheet date to their final expiry date and (ii) the total gross current rent from lease agreements of properties available for lease.
- **Reversion of properties available for lease:** The potential for revising the rents of the portfolio of properties available for lease in relation to the estimated rental value of the portfolio, expressed as a percentage and calculated using the following formula:  $1 - \frac{\text{potential rent of properties available for lease}}{\text{total estimated rental value of properties available for lease}}$ .