

Interim statement as at 30 September 2018

- Brederode Corner building (7,000 m², Brussels centre) entirely let
 - EPRA earnings of €2.84 per share, in line with the outlook
 - Net result of €2.79 per share
 - Net asset value of €58.56 per share
 - Stability in fair value of the portfolio over the third quarter (+0.15% excluding the amount of investments and divestment)
 - Interim dividend of €2.59 gross per share, payable in December
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The real-estate indicators of Befimmo are identified with a footnote at their first mention in this press release. The definitions of those indicators are published in Befimmo’s Half-Yearly Financial Report 2018 on page 60:

http://www.befimmo.be/sites/default/files/imce/publications/befimmo_half-yearly_financial_report_embargo_19.07.2018_17u40-v2.pdf

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

1. Property portfolio as at 30 September 2018

Key figures of the property portfolio

	30.09.2018	30.06.2018	31.12.2017
Fair value of portfolio (in € million)	2 643.3	2 630.0	2 494.4
Gross initial yield on properties available for lease ^(a)	5.91%	5.92%	6.19%
Gross potential yield on properties available for lease ^(a)	6.23%	6.25%	6.52%
“Spot” occupancy rate of properties available for lease ^(a)	94.32%	94.05%	94.44%
Weighted average duration of current leases up to next break ^(a)	7.00 years ^(b)	7.11 years	7.31 years
Weighted average duration of current leases up to final expiry ^(a)	7.60 years	7.72 years	7.88 years
Reversion rate of properties available for lease ^(a)	-11.22% ^(c)	-11.15%	-10.78%
EPRA Vacancy Rate ^(d)	4.94%	5.61%	5.43%
EPRA Net Initial Yield (NIY)	5.60%	5.58%	5.82%
EPRA Topped-up NIY	5.77%	5.74%	5.97%

^(a) This is a real-estate indicator. For more information, please consult page 60 of the Half-Yearly Financial Report 2018.

^(b) Excluding the WTC 2, of which the lease expires at the end of the year 2018, the weighted average duration of leases up to next break would be 7.78 years as at 30 September 2018.

^(c) Excluding the WTC 2, of which the lease expires at the end of the year 2018, the reversion would be -5.83% as at 30 September 2018.

^(d) Corresponding to the availability rate of properties available for lease.

Ongoing projects

Over the first three quarters of the fiscal year, Befimmo invested €38.9 million in its portfolio. The main renovation and construction projects are listed in the table below. For more information on these projects, please consult pages 6 and 7 of the Half-Yearly Financial Report 2018, which is available on the Befimmo website (www.befimmo.be).

	Rental space	Location	Start of the works	Completion	Type	BREEAM certification	Investment realised in 2018 (in € million)	Total investment realised until 30 September 2018	Total investment (in € million)
Committed ongoing projects							15.5		
Brederode Corner	7 000 m ²	Brussels CBD, Centre	Q1 2018	Q1 2020	Renovation	Excellent	2.3	3.3	20
Eupen - Rathausplatz	7 200 m ²	Eupen, Wallonia	Phase 1: Q1 2017 Phase 2: Q4 2018	Phase 1: Q3 2018 Phase 2: Q4 2019	Renovation and construction	-	3.6	10.7	14
Quatuor	60 000 m ²	Brussels CBD, North	2018	2020	Demolition Noord Building and construction Quatuor	Excellent/ Outstanding	9.6	17.2	157
Ongoing projects to be committed							9.7		
Paradis Express	35 000 m ²	Liège, Wallonia	2019	2021	Construction	Excellent	0.7	4.2	82 ^(a)
ZIN	110 000 m ²	Brussels CBD, North	2020	2023	Demolition and construction	Outstanding	8.0	12.0	- ^(b)
WTC IV	53 500 m ²	Brussels CBD, North	Implementation of the permit	According to commercialisation	Implementation of the permit	Outstanding	1.0	19.1	140
Other works (coworking included)							13.7		
Total							38.9		

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

^(b) Befimmo applied for a permit for the ZIN project in the first half of 2018, and is currently finalizing the project. The cost of construction of the project will be published later.

Brederode Corner building entirely let

During this third quarter, Befimmo signed a 6/9-year lease with McKinsey & Company for the take-up of the entire Brederode Corner building, located in the heart of Brussels.

The Brederode Corner (7,000 m²) is currently undergoing a major renovation, due for completion in early 2020. The lease will start on completion of the work. The building was rated "Excellent" in the design phase BREEAM certification.

In the words of Benoît De Blicq, CEO of Befimmo, "This transaction confirms Befimmo's ability to create value by redeveloping its properties on the expiry of the lease. The quality of the building and its location are the key factors for this transaction. This pre-let 2 years before the end of the works illustrates the quality of the offering in Befimmo's portfolio, in a market with a lack of new quality buildings (Grade A)".

Change in fair values¹ of the property portfolio

Offices	Change over the quarter ^(a) (in %)	Proportion of portfolio ^(b) (30.09.2018) (in %)	Fair value (30.09.2018) (in € million)	Fair value (30.06.2018) (in € million)	Fair value (31.12.2017) (in € million)
Brussels CBD and similar ^(c)	-0.31%	54.7%	1 444.6	1 448.8	1 327.7
Brussels decentralised	1.42%	3.1%	81.2	79.3	87.0
Brussels periphery	-0.53%	4.4%	115.3	112.8	137.8
Flanders	0.32%	18.1%	477.3	476.3	487.7
Wallonia	0.09%	7.7%	203.1	202.9	195.8
Luxembourg city	5.14%	4.5%	119.7	113.8	109.9
<i>Properties available for lease</i>	<i>0.14%</i>	<i>92.4%</i>	<i>2 441.2</i>	<i>2 433.9</i>	<i>2 345.9</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>0.27%</i>	<i>7.7%</i>	<i>202.1</i>	<i>196.1</i>	<i>148.5</i>
Investment properties	0.15%	100.0%	2 643.3	2 630.0	2 494.4
Total	0.15%	100.0%	2 643.3	2 630.0	2 494.4

^(a) The change over the quarter is the change in fair value between 1 July 2018 and 30 September 2018 (excluding the amount of investments and divestment).

^(b) The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 30 September 2018.

^(c) Including the Brussels airport zone, in which the Gateway building is situated.

As at 30 September 2018, the fair value of Befimmo's consolidated portfolio was €2,643.3 million, as against €2,494.4 million as at 31 December 2017.

This change in value incorporates:

- the renovation or redevelopment works (investments) carried out in the portfolio;
- the investments and divestment made (among other things the integration in the portfolio of the Arts 56 building);
- the changes in fair value booked to the income statement (IAS 40).

Accordingly, the value of the portfolio (excluding the amount investments and divestment) is stable over the third quarter of the fiscal year (change of +0.15% or, €4.1 million).

¹ These values are established in application of the IAS 40 standard which requires investment properties to be booked at "fair value". The fair value of a building is its investment value, including registration fees and other transaction costs (also known as "deed-in-hands value") as calculated by an independent expert, minus a standard allowance of 10% (Flanders) or 12.5% (Wallonia and Brussels) for buildings with an investment value of less than €2.5 million, and 2.5% for buildings with an investment value of more than €2.5 million. This 2.5% allowance represents the average transaction costs actually paid in these transactions and is derived from an analysis by independent experts of a large number of transactions observed on the market. This accounting treatment is detailed in the press release issued by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association of 10 November 2016. This rule is also applied for determining the fair value of property located in the Grand Duchy of Luxembourg.

Change of real-estate expert

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 Mr Rod P. Scrivener (National Director - JLL), Mr Rob Vaes (National Director - JLL) and Mr Christophe Ackermans (Head of Valuation - Cushman & Wakefield, company under Dutch Law, acting through its Belgian branch Wissinger & Associés SA).

Due to a change within the JLL team, the mandate previously exercised by Mr Rob Vaes, was given to Mr Christophe Ackermans (Partner, Head of Valuation Belgium of Cushman & Wakefield) as from 1 October 2018. Mr Ackermans will carry out his first valuation as at 31 December 2018. His mission will end at the end of the ongoing mandate, on 31 December 2020.

Occupancy rate, weighted average duration of leases and signed lease agreements

The spot occupancy rate of the properties available for lease is equal to 94.32% as at 30 September 2018 (compared with 94.44% as at 31 December 2017).

The weighted average duration of the leases until their next maturity is 7.00² years as at 30 September 2018, compared with 7.31 years as at 31 December 2017. The weighted average duration of current leases until their final expiry date was 7.60 years as at 30 September 2018.

After the first nine months of the fiscal year, Befimmo signed new leases and lease renewals for a floor area of 43,297 m², compared with an area of 58,091 m² in the first nine months of 2017. Note that the figures of the fiscal year 2017 take account of two major operations (i) the agreement signed with Beobank for the take-up of a tower of 22,000 m² in the Quatuor project (60,000 m²), located in the Brussels North area, and (ii) the award of a public works development contract to provide a new courthouse (approx. 7,200 m²) in Eupen.

The strong rental activity during the first 9 months of the financial year is a clear sign of Befimmo's dynamism and the quality of its portfolio.

Overall rental yield

	Properties available for lease		Investment properties ^(a)	
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Gross initial yield	5.91%	5.92%	5.48%	5.50%
Gross potential yield	6.23%	6.25%		

^(a) Taking into account the properties that are being constructed or developed for own account in order to be leased.

2 Excluding the WTC 2, of which the lease expires at the end of the year 2018, the weighted average duration of leases up to next break would be 7.78 years as at 30 September 2018.

2. Financial report

Financial key figures

	30.09.2018	30.06.2018	31.12.2017
Shareholders' equity (in € million)	1 497.83	1 465.24	1 448.50
Net asset value (in € per share)	58.56	57.28	56.63
EPRA NAV ^(a) (in € per share)	58.82	57.71	57.03
EPRA NNAV ^(a) (in € per share)	58.24	56.89	56.35
EPRA Like-for-Like Net Rental Growth ^(b) (in %)	3.45%	2.81%	2.82%
Average (annualised) financing cost ^(c) (in %)	1.96%	1.97%	2.08%
Weighted average duration of debts (in years)	4.56	4.76	4.73
Debt ratio according to the Royal Decree (in %)	42.85%	44.31%	41.62%
Loan-to-value ^(d) (in %)	41.19%	42.16%	39.61%
	30.09.2018 (9 months)	30.09.2017 (9 months)	
<i>Number of shares issued</i>	25 579 214	25 579 214	
<i>Average number of shares during the period</i>	25 579 214	25 579 214	
Net result (in € per share)	2.79	4.56	
EPRA earnings (in € per share)	2.84	2.85	
Return on shareholders' equity ^(e) (in % per share)	3.55	4.72	
Return on shareholders' equity ^(e) (in %)	6.34%	8.69%	

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

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

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

^(d) 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.

^(e) Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

Net asset value as at 30 September 2018

As at 30 September 2018, Befimmo's total net asset value was €1,497.8 million.

The net asset value is therefore €58.56 per share, compared with €56.63 per share as at 31 December 2017.

Changes in the net asset value

	(in € million)	(in € per share)	Number of shares issued
Net asset value as at 31 December 2017	1 448.5	56.63	25 579 214
Payment of final dividend of the 2017 fiscal year (distributed in May 2018)	- 22.0		
Result of the period	71.3		
Other elements of comprehensive income - actuarial gains and losses on pension obligations	0.0		
Net asset value as at 30 September 2018	1 497.8	58.56	25 579 214
	30.09.2018	31.12.2017	
EPRA NAV (in € per share)	58.82	57.03	
EPRA NNAV (in € per share)	58.24	56.35	

The calculation methods of the EPRA NAV and NNAV are detailed in Appendix 3 to this press release.

Trend of results

(in € thousand)	30.09.2018	30.09.2017
Net rental result	107 187	107 004
<i>Net rental result excluding spreading</i>	106 876	105 787
<i>Spreading of gratuities/concessions</i>	310	1 216
Net property charges ^(a)	-8 618	-8 227
Property operating result	98 568	98 777
Corporate overheads	-9 718	-8 559
Other operating income & charges	- 310	-1 208
Operating result before result on portfolio	88 540	89 010
Operating margin^(a)	82.6%	83.2%
Gains or losses on disposals of investment properties	343	22 058
Net property result^(a)	88 882	111 067
Financial result (excl. changes in fair value of financial assets and liabilities) ^(a)	-15 049	-15 157
Corporate taxes	- 851	- 911
Net result before changes in fair value of investment properties and financial assets and liabilities^(a)	72 983	94 999
Changes in fair value of investment properties	-3 973	17 120
Changes in fair value of financial assets and liabilities	2 283	4 531
Changes in fair value of investment properties & financial assets and liabilities	-1 689	21 652
Net result	71 293	116 650
EPRA earnings	72 640	72 941
Net result (in € per share)	2.79	4.56
EPRA earnings (in € per share)	2.84	2.85

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

Analysis

The condensed consolidated income statement includes the data published as at 30 September 2018. The analysis of the results is based on a comparison with the data as at 30 September 2017.

The **Net rental income** is in line with last year. The impacts of the end of the Flemish Community lease in the Noord Building, Starwood in the Brederode Corner building and the sale of the leasehold of the Brederode complex are offset by the addition to the portfolio of the Arts 56 building, new rentals and indexing. The like-for-like net rental result³ is up 2.85% on the same period last year.

Net property charges were up from €8.2 million to €8.6 million. This increase is the result of various non-recurring items and project costs.

Overheads amounted to €9.7 million compared with €8.6 million in 2017. This change is due mainly to the expansion of the team and IT, and the cost of legal and tax advice.

The **Operating result before the portfolio result** is relatively stable at €88.5 million at the end of September (-0.5%).

The **Result on the sale of investment properties** (€0.3 million) includes the disposal, in the third quarter, of the Harelbeke building (in the Fedimmo portfolio). As at 30 September 2017, the result on the sale of investment

³ This is an Alternative Performance Measure. For more information, please see Appendix 2 to this press release.

properties of €22.1 million was due mainly to the capital gain realised on the granting of a 99-year leasehold on the Brederode complex.

The **Financial result** (excluding changes in the fair value of financial assets and liabilities) was stable at €15.0 million. The impact of the increase in borrowings by almost 10% is offset by the lower average cost of financing and interest falling due related to development projects.

As at 30 September 2018, the **Net result** was €71.3 million as against €116.7 million as at 30 September 2017. The change in fair value of the investment properties (excluding the amount of acquisitions, divestment and investments) amounted to -€4.0 million, down 0.2% in value. The change in the fair value of the financial assets and liabilities was €2.3 million, as against €4.5 million one year earlier.

EPRA earnings stood at €72.6 million at 30 September 2018, stable (-0.4%) in relation to the third quarter of 2017. As the number of shares was constant over both periods, **EPRA earnings per share** were also stable at €2.84 as against €2.85 for the same period last year.

The **Net result per share** was €2.79.

Financial structure and hedging policy

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

Financing and hedging arranged during the quarter

The Company has acquired a payer IRS for a notional of €50 million and a duration of 10 years. It also implemented a new bank line for an amount of €40 million after closing of the quarter.

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

As at 30 September 2018, Befimmo's financial structure had the following main characteristics:

- confirmed credit facilities for a total sum of €1,375.8 million (67.9% of which were bank loans), €1,089.9 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 42.85%⁴ (compared with 41.62% as at 31 December 2017);
- a LTV ratio of 41.19%⁵ (compared with 39.61% as at 31 December 2017);
- a weighted average duration of debt of 4.56 years (compared with 4.73 years as at 31 December 2017);
- 79.9% of total borrowings at fixed rates (including IRS);
- an average (annualized) financing cost (including hedging margin and costs) of 1.96% over the first 9 months of the fiscal year, compared with 2.08% for the 2017 fiscal year.

⁴ The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

⁵ Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio].

3. Befimmo share

Share key figures

	30.09.2018	30.06.2018	31.12.2017
Closing price (in €)	49.15	52.80	53.55
Asset value (en € par action)	58.56	57.28	56.63
Discount compared to the asset value	-16.06%	-7.82%	-5.44%
Return on share price ^(a)	-1.51%	8.28%	6.98%

^(a) Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment.

4. Dividend forecast

All other things being equal, the Board of Directors confirms the dividend forecast of €3.45 gross per share for the current fiscal year. The Company confirms, after three quarters of the fiscal year, the distribution of an interim dividend which amounts to €2.59 gross per share, payable in December.

In April 2019, the agenda of the Ordinary Meeting of Shareholders at which the accounts for the 2018 fiscal year are to be approved will include a proposal, subject to the Meeting's approval, for a decision to pay out a final dividend (currently estimated at €0.86 gross per share) for the 2018 fiscal year.

5. Forthcoming publications

Payment of the interim ^(a) 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 14 February 2019 ^(b)
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 ^(c) 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

^(a) Subject to a decision of the Board of Directors.

^(b) Publication after closing of the stock exchange.

^(c) Subject to a decision of Ordinary General Meeting.

6. Other Befimmo news

Quatuor : a building site interacting with its environment through art



As part of its project to build the Quatuor building, Befimmo offers a “carte blanche” project to four artists from various disciplines to create an art installation on the hoarding of its building site Quatuor in the heart of Brussels.

The hoarding will be in place for two years and - at more than 120 metres in length - is a rare opportunity to open a positive dialogue with the neighborhood through art projects.

Since the beginning of the month October, the first artist, Arnaud Kool, a painter and illustrator from Brussels, has begun a graffiti work of art. Evolving and immersive, the work of artist Arnaud Kool is an invitation to exchange and pass on stories.

Arnaud Kool will be there every day, taking the pulse of the neighbourhood, listening to the hearts of the inhabitants and passers-by, and offering his daydreams in images. His work is a bright and vivid vision of the city of today and tomorrow. The project represents the integration of a building site and a future building in the city, through faces and landscapes dreamed up in an abstract and colourful universe.

Arnaud Kool's work will be exhibited for 4 to 6 months, after which another artist will take over the space.



Befimmo rewarded for its Annual Financial Report 2017

Befimmo received a Gold Award Financial Reporting and a Gold Award Sustainability Reporting for its Annual Financial Report 2017. These awards are presented each year by EPRA, the European Public Real-Estate Association.

Befimmo obtains the GRESB⁶ GREEN STAR

In terms of non-financial reporting, Befimmo received the excellent score of 81/100 at the 2018 GRESB evaluation (Global Real Estate Sustainability Benchmark) and has thus received the “Green Star” medal for the fifth time.

Silversquare obtains two awards



Our partner Silversquare, Belgian pioneer in coworking, obtained two awards during the « Belgian Workspace Association Awards »: the « Best Interior Design » (for our new coworking centre Silversquare @Befimmo Triomphe) and the « Best Community and Animation » (for the Silversquare Louise centre).

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 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 added value for its users, Befimmo also creates value for its shareholders. At 30 September 2018, the fair value of its portfolio was €2.6 billion.



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7. Appendix 1

Consolidated income statement (in € thousand)

	30.09.18	30.09.17
I. (+) Rental income	107 428	107 436
III. (+/-) Charges linked to letting	- 241	- 432
NET RENTAL RESULT	107 187	107 004
IV. (+) Recovery of property charges	7 947	4 255
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	28 056	27 940
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-26 735	-26 113
VIII. (+/-) Other revenue and charges for letting	661	1 588
PROPERTY RESULT	117 116	114 673
IX. (-) Technical costs	-8 660	-7 153
X. (-) Commercial costs	- 815	- 634
XI. (-) Charges and taxes on unlet properties	-2 247	-2 807
XII. (-) Property management costs	-2 125	-2 228
XIII. (-) Other property charges	-4 701	-3 073
(+/-) Property charges	-18 547	-15 895
PROPERTY OPERATING RESULT	98 568	98 777
XIV. (-) Corporate overheads	-9 718	-8 559
XV. (+/-) Other operating income and charges	- 310	-1 208
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	88 540	89 010
XVI. (+/-) Gains and losses on disposals of investment properties	343	22 058
XVIII. (+/-) Changes in fair value of investment properties	-3 973	17 120
OPERATING RESULT	84 910	128 188
XX. (+) Financial income	694	404
XXI. (-) Net interest charges	-13 944	-13 466
XXII. (-) Other financial charges	-1 800	-2 096
XXIII. (+/-) Changes in fair value of financial assets and liabilities	2 283	4 531
(+/-) Financial result	-12 766	-10 626
PRE-TAX RESULT	72 144	117 562
XXV. (-) Corporation tax	- 851	- 911
(+/-) Taxes	- 851	- 911
NET RESULT	71 293	116 650
BASIC NET RESULT AND DILUTED (in € per share)	2.79	4.56
Other comprehensive income - actuarial gains and losses - pension liabilities		
TOTAL COMPREHENSIVE INCOME	71 293	116 650

Consolidated balance sheet (in € thousand)

ASSETS	30.09.2018	31.12.2017
I. Non-current assets	2 679 481	2 532 477
A. Goodwill	14 217	14 281
C. Investment properties	2 643 279	2 494 360
D. Other property, plant and equipment	2 549	2 436
E. Non-current financial assets	17 656	19 498
F. Finance lease receivables	1 781	1 902
II. Current assets	40 952	26 651
A. Properties held for sale	-	-
B. Current financial assets	10 283	1 874
C. Finance lease receivables	139	136
D. Trade receivables	23 823	21 067
E. Tax receivables and other current assets	1 708	1 688
F. Cash and cash equivalents	1 084	254
G. Deferred charges and accrued income	3 914	1 632
TOTAL ASSETS	2 720 433	2 559 128
SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2018	31.12.2017
TOTAL SHAREHOLDERS' EQUITY	1 497 829	1 448 504
I. Equity attributable to shareholders of the parent company	1 497 829	1 448 504
A. Capital	357 871	357 871
B. Share premium account	792 641	792 641
C. Reserves	276 023	228 172
D. Net result for the fiscal year	71 293	69 820
LIABILITIES	1 222 604	1 110 624
I. Non-current liabilities	555 961	505 008
A. Provisions	2 154	3 673
B. Non-current financial debts	539 260	484 255
a. Credit institution	168 744	153 553
c. Other	370 515	330 702
<i>EUPP</i>	290 570	165 966
<i>USPP</i>	76 461	161 916
<i>Guarantees received</i>	3 485	2 820
C. Other non-current financial liabilities	14 547	17 080
II. Current liabilities	666 643	605 616
A. Provisions	4 874	5 592
B. Current financial debts	568 491	517 832
a. Credit institution	27 720	47 332
c. Other	540 771	470 500
<i>EUPP</i>	-	15 000
<i>USPP</i>	89 271	-
<i>Commercial papers</i>	451 500	455 500
C. Other current financial liabilities	1 655	5
D. Trade debts and other current debts	44 802	52 359
E. Other current liabilities	2 083	2 491
F. Accrued charges and deferred income	44 739	27 337
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 720 433	2 559 128

8. Appendix 2

Glossary of the “Alternative Performance Measures”

Alternative Performance Measure	Definition	Use
Net property charges	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.
Other operating income and charges (excluding goodwill impairment)	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.
Operating margin	‘Operating result before result on portfolio’ divided by ‘Net rental result’.	Used to assess the Company’s operating performance.
Net property result	‘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.
Financial result (excluding changes in fair value of financial assets and liabilities and close-out costs)	‘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.
Net result before changes in fair value of investment properties and financial assets and liabilities	‘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.
“Like-for-Like” net rental result	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.
Loan-to-value (“LTV”)	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.
Average (annualised) financing cost	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.
Return on shareholders’ equity (in € per share)	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.
Return on shareholders’ equity (in %)	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 €)	30/09/2018	30/09/2017
Interest paid	16 256	15 845
Annualised interest paid (A)	21 675	21 127
Annualised nominal financial debts (B)	1 103 069	1 006 843
Average (annualised) financing cost (A/B)	1.96%	2.10%

Loan-to-value

(in thousand €)	30/09/2018	31/12/2017
Nominal financial debts (A)	1 089 869	988 393
II. F. Cash and cash equivalents (B)	1 084	254
I. C. Investment properties (D)	2 643 279	2 494 360
II. A. Assets held for sale (E)	-	-
Fair value of portfolio at the closing date (C = D+E)	2 643 279	2 494 360
Loan-to-value (A-B)/C	41.19%	39.61%

Net rental result in “Like-for-Like”

(in thousand €)	30/09/2018	30/09/2017
Net rental result (A)	107 187	107 004
Net rental result linked to changes in perimeter (B)	3 919	1 260
Net rental result on properties not available for lease (C)	858	6 173
Net rental result in « Like-for-Like » (A-B-C)	102 410	99 571

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

(in thousand €)	30/09/2018	30/09/2017
Net result (A)	71 293	116 650
XVIII. Changes in fair value of investment properties (B)	-3 973	17 120
XXIII. Changes in fair value of financial assets and liabilities (C)	2 283	4 531
Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)	72 983	94 999

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

(in thousand €)	30/09/2018	30/09/2017
Financial result (A)	-12 766	-10 626
XXIII. Changes in fair value of financial assets and liabilities (B)	2 283	4 531
Net losses realised on financial assets and liabilities: close-out costs (C)	-	-
Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs) (A-B-C)	-15 049	-15 157

Net property result

(in thousand €)	30/09/2018	30/09/2017
Operating result before result on portfolio	88 540	89 010
XVI. Gains or losses on disposals of investment properties	343	22 058
Net property result	88 882	111 067

Operating margin

(in thousand €)	30/09/2018	30/09/2017
Operating result before result on portfolio (A)	88 540	89 010
Net rental result (B)	107 187	107 004
Operating margin (A/B)	82.6%	83.2%

Other operating income and charges (excluding goodwill impairment)

(in thousand €)	30/09/2018	30/09/2017
XV. Other operating income and charges (A)	- 310	-1 208
Goodwill impairment (B)	-	-
Other operating income and charges (excluding goodwill impairment) (A-B)	- 310	-1 208

Net property charges

(in thousand €)	30/09/2018	30/09/2017
IV. Recovery of property charges	7 947	4 255
V. Recovery of rental charges and taxes normally paid by tenants on let properties	28 056	27 940
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	-26 735	-26 113
VIII. Other revenue and charges for letting	661	1 588
IX. Technical costs	-8 660	-7 153
X. Commercial costs	- 815	- 634
XI. Charges and taxes on unlet properties	-2 247	-2 807
XII. Property management costs	-2 125	-2 228
XIII. Other property charges	-4 701	-3 073
Net property charges	-8 618	-8 227

9. Appendix 3

Tables of the EPRA indicators⁷

EPRA earnings

(in € thousand)	30.09.2018	30.09.2017
Net result IFRS	71 293	116 650
Net result IFRS (in € per share)	2.79	4.56
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	3 973	- 17 120
II. Result on disposals of investment properties	- 343	- 22 058
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 2 283	- 4 531
EPRA earnings	72 640	72 941
EPRA earnings (in € per share)	2.84	2.85

EPRA NAV & NNAV

(in € thousand)	30.09.2018	31.12.2017
Net asset value	1 497 829	1 448 504
Net asset value (in € per share)	58.56	56.63
To include:		
II. Revaluation at fair value of finance lease credit	108	127
To exclude:		
IV. Fair value of financial instruments	6 617	10 143
EPRA NAV	1 504 553	1 458 774
EPRA NAV (in € per share)	58,82	57,03
To include:		
I. Fair value of financial instruments	- 6 617	- 10 143
II. Revaluations at fair value of fixed-rate loans	- 8 097	- 7 216
EPRA NNAV	1 489 839	1 441 415
EPRA NNAV (in € per share)	58.24	56.35

EPRA Vacancy rate

(in € thousand)	30.09.2018	31.12.2017
Estimated rental value (ERV) on vacant space (A)	6 929	7 680
Estimated rental value (ERV) (VLE) (B)	140 172	141 561
EPRA Vacancy rate of properties available for lease (A)/(B)	4.94%	5.43%

⁷ The definitions of the EPRA indicators are published in the Annual Financial Report 2017 on page 67. Source: EPRA Best Practices (www.epra.com).

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

(€ thousand)	30.09.2018	31.12.2017
Investment properties and properties held for sale	2 643 279	2 494 360
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 202 082	- 148 482
Properties held for sale	-	-
Properties available for lease	2 441 197	2 345 878
To include:		
Allowance for estimated purchasers' cost	61 428	59 382
Investment value of properties available for lease (B)	2 502 625	2 405 260
Annualised cash passing rental income	144 697	145 644
Property charges ^(a)	- 4 649	- 5 567
Annualised net rents (A)	140 048	140 077
To include:		
- Notional rent expiration of rent free periods or other lease incentives	3 411	2 362
- Future rent on signed contracts	1 022	1 266
Topped-up annualised net rents (C)	144 481	143 706
(in %)		
EPRA Net Initial Yield (A/B)	5.60%	5,82%
EPRA Topped-up Net Initial Yield (C/B)	5.77%	5,97%

^(a) 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

(in € thousand)	30.09.2018	30.09.2017
Net administrative and operating expenses in the income statement	-18 578	-17 210
III. (+/-) Rental charges	- 241	- 432
Net property charges	-8 618	-8 227
XIV. (-) Corporate overheads	-9 718	-8 559
XV. (+/-) Other operating income and charges	- 310	-1 208
Exclude:		
i. Impact of the spreading of gratuities	310	1 216
EPRA costs (including direct vacancy costs) (A)	-18 578	-17 210
XI. (-) Charges and taxes on unlet properties	-2 247	-2 807
EPRA costs (excluding direct vacancy costs) (B)	-16 331	-14 403
I. (+) Rental income	107 428	107 436
Gross rental income (C)	107 428	107 436
EPRA cost ratio (including direct vacancy costs) (A/C)	17.29%	16.02%
EPRA cost ratio (excluding direct vacancy costs) (B/C)	15.20%	13.41%

^(a) This is an alternative performance measure.

EPRA Like-for-Like net rental growth

Segment	30.09.2018						30.09.2017						Evolution
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ^(a)	Total net rental income ^(b)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ^(a)	Total net rental income ^(b)	
(in € thousand)													
Brussels CBD and similar	58 770	3 668	3	-	1 648	64 089	56 958	-	654	-	5 606	63 217	3.18%
Brussels decentralised	2 632	-	-	-	-	2 632	2 375	-	-	-	-	2 375	10.81%
Brussels periphery	5 056	-	-	-	-	5 056	4 999	-	-	-	-	4 999	1.13%
Wallonia	6 993	-	0	-	- 8	6 985	7 083	-	10	-	11	7 104	-1.26%
Flanders	21 673	-	191	-	- 11	21 854	21 009	-	214	-	- 11	21 213	3.16%
Luxembourg city	3 854	-	-	-	-	3 854	3 253	-	-	-	-	3 253	18.49%
Total	98 978	3 668	195	-	1 629	104 469	95 677	-	878	-	5 606	102 161	3.45%
Reconciliation to the consolidated IFRS income statement													
Net rental income related to:													
- Properties booked as financial leases (IAS 17)						- 10						- 8	
- Non recurring element: restitution of reserve funds						602						1 489	
Other property charges						- 6 492						- 4 865	
Property operating result in the consolidated IFRS income statement						98 568						98 777	

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

^(b) 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.

