



Limited Liability Company

INTERIM STATEMENT AS AT 30.09.2013

After the first nine months of the 2013 fiscal year:

- **Growth of portfolio in fair value (+10%)**
- **Loan-to-value reduced by 2.2%**
- **EPRA earnings of €3.35 per share, as against €3.30 per share as at 30 September 2012**
- **Net result of €3.26 per share, as against €1.67 per share as at 30 September 2012**
- **2013 interim dividend of €2.59 gross per share confirmed, payable in December in cash and, as the case may be, in shares¹**

The Board of Directors met on 12 November 2013 to prepare the consolidated quarterly financial statements as at 30 September 2013.

The third quarter of the year was marked by the completion of two property transactions reported in the first half, namely the contribution in kind by AXA Belgium of the AMCA building and the incorporation of the Blue Tower building into the Befimmo portfolio. These operations led to an increase in equity of around 15% and in the value of the portfolio by some 10%, while significantly reducing the LTV ratio² (excluding these operations, the LTV ratio would have been 45.8% as at 30 September 2013 compared with the real figure of 43.6%) and marginally increasing the Company's EPRA earnings per share.

¹ Subject to a decision by the Board of Directors.

² Loan to value (LTV): (nominal financial debts – cash) / fair value of portfolio.

1. KEY EVENTS OF THE QUARTER

1.1. Merger by absorption of Blue Tower Louise SA

The Extraordinary General Meeting of shareholders held on 6 September 2013 approved the merger by absorption of Blue Tower Louise SA by Befimmo.

As a reminder, Blue Tower Louise SA, former owner of the Blue Tower building³ (28,500 m²) located in the heart of the Louise district of Brussels, was owned by Befimmo (25%) and its subsidiary Fedimmo (75%).

As a result of the merger⁴, 528,615 new Befimmo shares were issued at a price of €55.36 as consideration for Fedimmo contributing its stake in the absorbed company.

1.2. Capital increase after the contribution in kind of the AMCA building by AXA Belgium

As announced, following the contribution in kind of the AMCA building⁵ (58,000 m²), located in Antwerp, by AXA Belgium, on 10 July 2013 Befimmo increased its equity within the limits of the authorised capital by €110 million, by creating 2,037,037 new shares at the price of €54. These shares were admitted to trading on NYSE Euronext Brussels on 12 July 2013.

AXA Belgium thus acquired a 9.4% shareholding in the Company. It has undertaken not to sell the new shares for six months from the date the contribution was made.

1.3. Signing of an agreement to sell the Triomphe III building

As announced previously⁶, on 9 July 2013, Befimmo signed an agreement to sell its Triomphe III building⁷ situated on Avenue Arnaud Fraiteur 25 in 1050 Ixelles, for a price consistent with its fair value. The deed for the sale of the building is due to be signed in the fourth quarter of 2013.

³ For more information, please consult the press releases published on 18 April 2013 on Befimmo's website (<http://www.befimmo.be>).

⁴ For more details, please consult Befimmo's Half-Yearly Financial Report 2013 and the various documents relating to the Extraordinary General Meeting published on the website (www.befimmo.be).

⁵ For more information, please see the press releases of 18 June 2013 and 10 July 2013 published on Befimmo's website (<http://www.befimmo.be>).

⁶ For more details, please consult Befimmo's Half-Yearly Financial Report 2013, published on the website (www.befimmo.be).

⁷ The figures for the portfolio presented in this press release take account of the Triomphe III building. On 30 June 2013, the building was moved into the "Properties held for sale" category.

1.4. Major renovation and building projects

Befimmo invests in its portfolio to maintain a high quality standard and thereby ensure the highest possible occupancy rate. Among other things, the renovation works in the Brederode I building (overall budget of some €26 million) and the Triomphe I building (overall budget of some €11 million) are in progress and will be completed on schedule, in late March 2014.

The construction of the Paradis Tower in Liège continues, and it has so far attained over half of its size. Befimmo serenely awaits the opinion of the Council of State on the two appeals lodged against the permit⁸.

Furthermore, in consultation with the City of Liège and the Walloon Minister of Environment, Spatial Planning and Mobility, Fedimmo continued preparing a call for projects⁹ for a real-estate project (about 35,000 m² of office and residential space) on the remaining parcel it owns. This project offers new perspectives for Fedimmo to develop its land in the years to come.

2. PROPERTY PORTFOLIO

2.1. Change in fair values¹⁰ of the property portfolio

The fair value of Befimmo's consolidated portfolio was €2,173.5 million as at 30 September 2013, compared with a fair value of €2,044.5 million as at 30 June 2013 and €1,968.6 million as the fiscal year opened (+10.41%).

The change in fair value over the first 9 months of the 2013 fiscal year includes the investments in renovation works carried out in the portfolio during the period, the entry into the property portfolio of the Blue Tower and AMCA buildings, the sale of the Mons I building, and the changes in value registered in the income statement.

Excluding the amount of acquisitions, investments and disinvestments, the value of the portfolio declined slightly by €7.5 million (-0.34%) over the first three quarters, -€0.2 million (-0.01%) of which in the third quarter.

This slight decline is significantly lower than the previously published outlook¹¹, reflecting a better performance of property values over the past 3 quarters in relation to forecasts based on the changes in value expected by the real-estate experts in December 2012.

⁸ For more details, please see Befimmo's Annual Financial Report 2012, published on Befimmo's website (www.befimmo.be).

⁹ For more information, please consult the website at: www.liege-appel-a-projets.be.

¹⁰ These values are determined in accordance with standard IAS 40 which requires investment property to be booked at "fair value". Fair value is obtained by deducting the average costs for transactions established by independent real-estate experts from the "investment value". 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. The Befimmo portfolio comprises mainly investment property and one property held for sale.

¹¹ See pages 65-69 of the Annual Financial Report 2012.

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

Offices	Changes over the quarter (in %)	Proportion of portfolio (in %)	Fair value as at 30.09.2013 (€ million)	Fair value as at 30.06.2013 (€ million)	Fair value as at 31.12.2012 (€ million)
Brussels centre (CBD)	-0.23%	54.78%	1 190.6	1 192.2	1 144.8
Brussels decentralised	-0.22%	3.38%	73.4	73.4	101.2
Brussels periphery	-0.34%	6.99%	151.9	150.6	147.0
Wallonia	-0.73%	3.49%	75.9	76.5	78.3
Flanders	0.23%	21.49%	467.1	356.0	356.8
Luxembourg city	-0.10%	3.81%	82.8	82.8	81.8
<i>Properties available for lease</i>	-0.15%	93.93%	2 041.6	1 931.3	1 909.9
<i>Properties that are being constructed or developed for own account in order to be leased</i>	2.30%	5.76%	125.3	106.5	50.8
Investment properties	-0.01%	99.69%	2 166.9	2 037.8	1 960.7
Properties held for sale	-0.05%	0.31%	6.6	6.6	7.9
Total	-0.01%	100.00%	2 173.5	2 044.5	1 968.6

- The **change over the quarter** is the change in fair values (excluding the amount of acquisitions, investments and disinvestments) between 1 July 2013 and 30 September 2013.
- The **proportion of the portfolio** is calculated on the basis of the fair value of the portfolio as at 30 September 2013.

2.2. Occupancy rate and weighted average duration of leases

As at 30 September 2013, the occupancy rate¹² of the properties available for lease¹³ was 95.10%, as against 94.82% as at 30 June 2013 and 95.87% as at 31 December 2012.

The occupancy rate of all the investment properties¹⁴ as at 30 September 2013 was 93.95%, as compared with 93.62% at 30 June 2013 and 95.87% as the fiscal year opened.

As at 30 September 2013, the weighted average duration of leases stood at 9.14 years, compared with 8.97 years at 30 June 2013 and 9.32 years at 31 December 2012.

During the third quarter of the 2013 fiscal year, Befimmo signed new leases and lease renewals for space measuring some 2,000 m².

¹² Occupancy rate: current rent (including space already let but where the lease has yet to begin) / (current rent (including space already let but where the lease has yet to begin) + estimated rental value for vacant space).

¹³ Investment properties excluding properties that are being constructed or developed for own account in order to be leased.

¹⁴ This includes properties that are being constructed or developed for own account in order to be leased.

2.3. Overall rental yield

	Properties available for lease		Investment properties ^(c)	
	30.09.2013	30.06.2013	30.09.2013	30.06.2013
Initial yield ^(a)	6.74%	6.77%	6.47%	6.55%
Potential yield ^(b)	7.09%	7.14%	6.89%	7.00%

(a) The **initial yield** corresponds to the overall rental yield on current rents.

(b) The **potential yield** corresponds to the overall rental yield on current rents plus the estimated rental value of vacant premises.

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

3. NET ASSET VALUE AS AT 30 SEPTEMBER 2013

As at 30 September 2013, Befimmo's total net asset value was €1,187.6¹⁵ million.

The net asset value is €56.13 per share.

	€ thousand	€ per share	Change in number of shares outstanding
Net asset value as at 31 December 2012	998 239	54.10	18 452 987
Sale of own shares	32 437		+667 722
Final dividend for the year ending 31 December 2012 (distributed in May 2013)	-16 444		
Capital increase ¹⁶	139 117		+2 565 652
Own shareholding	-29 265		-528 615
Result as at 30 September 2013	63 556		
Net asset value as at 30 September 2013	1 187 639	56.13	21 157 746
EPRA NAV¹⁷ in € per share as at 30 September 2013		56.29	21 157 746
EPRA NNAV¹⁷ in € per share as at 30 September 2013		55.41	21 157 746

¹⁵ Audit of the accounts: The quarterly accounts are not audited. The half-yearly accounts are subject to a limited review, while the annual accounts are audited.

¹⁶ Befimmo increased its capital following the contribution in kind of the AMCA building by AXA Belgium and the merger with Blue Tower Louise SA.

¹⁷ Details of the methods of calculating the EPRA NAV and NNAV are given on page 54 of Befimmo's Annual Financial Report 2012 (www.befimmo.be).

4. TREND OF RESULTS

	30.09.2013 9 months	30.09.2012 9 months Restated ¹⁸
Net rental result ¹⁹ (€ million)	102.7	96.7
Property operating result (€ million)	95.0	89.1
EPRA earnings (€ million) [group share]	65.2	57.8
Number of outstanding shares	21 686 361	18 175 440
Number of shares in circulation	21 157 746	17 517 721
Average number of shares in circulation over the period	19 481 681	17 528 940
Net result (€/share) [group share]	3.26	1.67
Current net result (€/share)	3.36	3.30
EPRA earnings (€/share) [group share]	3.35	3.30

The **net rental income** and **property operating result** are up year-on-year. This increase is due to the receipt of compensation for early termination of leases (net positive impact of €3.4 million) and the change in the floor area (net positive impact of €3.1 million). Other changes (arrivals of new tenants, departures of tenants, indexing, etc.) cancel one another out overall.

The increase in **EPRA earnings** of €7.4 million or 12.9%, compared with the first 9 months of the 2012 fiscal year, was due mainly to the combined impact of the rise in the property operating result and the fact that Befimmo is entitled to 100% of the results of Fedimmo²⁰.

Meanwhile, **EPRA earnings** per share rose by 1.5% year-on-year as the average number of shares outstanding during the period has increased by 11% as a result of the various capital increases.

¹⁸ When integrating the property management business, the Company reviewed the breakdown of the income statement. As a result, from fiscal year 2013, operating costs (staff, projects, etc.) directly related to property, previously booked under "Corporate overheads" now come under the item "Property charges". This reclassification has an impact only on the operating income of the buildings and has no impact on net result.

¹⁹ Net rental result as presented in the layout of the IFRS Income statement in the Royal Decree of 21 June 2006 on accounting, annual accounts and consolidated accounts of public real-estate SicaFs, and amending the Royal Decree of 10 April 1995 on real-estate SicaFs, *Belgian Official Gazette*, 29 June 2006.

²⁰ Following the acquisition in October 2012 of the 10% of Fedimmo's shares that Befimmo did not already own.

The **net result** per share has almost doubled. Apart from the growth in EPRA earnings, this development is mainly due to positive changes in the fair value of the financial assets and liabilities (+€5.8 million, while they were negative last year, at -€7 million), as well as significantly lower negative changes in the fair value of the investment properties than last year (-€7.5 million as against -€20.9 million).

5. FINANCIAL STRUCTURE AND HEDGING POLICY

In July 2013, Befimmo continued to diversify its sources of finance by making an institutional private placement of debt in Belgium for an amount of €18 million and a weighted average duration of 5.8 years.

In addition, as part of its hedging policy, since 1 July 2013, Befimmo has acquired several CAP with a total notional value of €75 million and with maturities ranging from 3 to 5 years. It also extended an existing IRS in its portfolio (€30 million until 2022).

As at 30 September 2013 the debt ratio stood at 45.9% (compared with 49.3% as the fiscal year opened) and the LTV ratio²¹ at 43.6% (as against to 47.8% as the fiscal year opened).

6. SHARE PRICE AND YIELDS

As at 30 September 2013, the Befimmo share closed at €51.23, thus being listed at a discount of 8.73% in relation to its net asset value.

The return on equity for the past 12 months amounts to 4.17%²² while the return on the share price is 20.43%²².

²¹ Loan to value (LTV): (nominal financial debts – cash)/fair value of portfolio.

The definition of the LTV ratio has been revised and refined, basing the numerator on the nominal financial debts, rather than its carrying amount, in order to prevent the calculation being influenced by changes in the fair value of a debt that will be repaid at maturity at nominal value. Based on the definition applied previously, the LTV ratio at the end of September 2013 was 43.4%.

²² This is the Internal Rate of Return (IRR), calculated over the 12 previous months (from 30 September 2012 to 30 September 2013), taking account of the interim dividend of €2.59 per share (gross) awarded in December 2012, for shareholders opting for the dividend in shares.

7. DIVIDEND CALENDAR FOR THE 2013 FISCAL YEAR

Three quarters into the fiscal year, the Company confirms the 2013 interim dividend of €2.59 gross per share, payable in December in cash and, as the case may be, in shares²³.

In April 2014, the agenda of the Ordinary General Meeting of shareholders, at which the accounts for the 2013 fiscal year are to be approved, will, in that case, include a proposal for a decision to pay out a final dividend (currently estimated at €0.86 gross per share) for the 2013 fiscal year.

The total dividend for the 2013 fiscal year should then be €3.45²⁴ gross per share.

Wednesday 27 November 2013	Detachment of coupon (Ex date)
Friday 29 November 2013	Record date
From Thursday 19 December 2013	Payment of the interim dividend in cash and/or shares
Friday 20 December 2013	Listing of the new shares on NYSE Euronext Brussels
From 7 May 2014	Payment of final dividend

²³ Subject to a decision by the Board of Directors.

²⁴ As announced in the Annual Financial Report 2012.

BEFIMMO IS REWARDED FOR ITS ANNUAL FINANCIAL REPORT 2012

Befimmo received a **Gold Award Financial Reporting** and a **Silver Award Sustainability Reporting** for its Annual Financial Report 2012.

These awards are presented each year by **EPRA**, the European Public Real-Estate Association. Befimmo's Annual Financial Report was selected from more than 80 annual reports of European listed real-estate companies.

Moreover, Befimmo's Annual Financial Report 2012 was ranked second in **ABAF's** "Best Annual Report" category. This contest is held each year by the Belgian Association of Financial Analysts.

Befimmo is a pure-player investor specialising in high-quality office buildings located in town and city centres in Belgium and the Grand Duchy of Luxembourg. Its portfolio currently consists of around one hundred office buildings, with a total space of more than 850,000 m², a large part of which (>65%) is let long-term to public institutions.

As at 30 September 2013 the fair value of the portfolio was assessed at €2,173.5 million. The Company strives to enhance its current portfolio while seizing any investment opportunity that can create value for its shareholders.

Listed on NYSE Euronext Brussels since its creation and a member of the BEL 20 index since March 2009, Befimmo pursues an informed strategy of optimising its results over the long term. Befimmo endeavours to incorporate the challenges of sustainable development into its strategic thinking, and models its day-to-day activities on the principles of corporate social responsibility.

Further information:

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