

Annual Financial Report 2014
Continuous delivery



Continuous delivery

DELIVERY OF BUILDINGS

Befimmo proactively manages its portfolio paying particular attention to the expectations of its tenants. By investing in quality buildings it aims to create value in the long term.

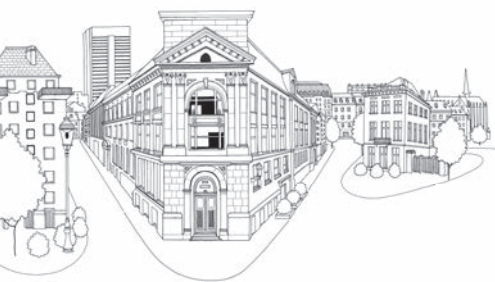
DELIVERY OF STORIES

Befimmo is positioning itself as a responsible company and landlord, anticipating economic, social and environmental trends, while innovating to create value for all of its stakeholders.

DELIVERY OF RESULTS

Befimmo's results are relatively predictable owing to its long-term cash flows. Accordingly, the Company prepares three-year forecasts and seeks to deliver solid results.

→ p160 Brederode 13



→ p86 Meir



→ p54 Blue Tower

923,614 m²

Total surface of portfolio

€2.3 billion

Fair value of portfolio

Annual Financial Report on the financial statements as at 31 December 2014 and the consolidated financial statements as at 31 December 2014 presented at the Ordinary General Meeting of Shareholders of 28 April 2015 and adopted by the Board of Directors on 27 February 2015. This Annual Financial Report has been prepared in accordance with the Royal Decree of 13 July 2014.

Any reference to the portfolio, assets, figures or activities of Befimmo should be understood on a consolidated basis, to include those of its subsidiaries, except where clear from the context or expressly stated otherwise. For the past few years, Befimmo has been standardising its financial reporting and its reporting on Social Responsibility – with a view to improving the quality and comparability of the information – adopting EPRA reporting guidelines and GRI G4 guidelines.

The following explanatory icons are used in this Report:



This icon refers to further information in a specific chapter or page in this Report.



This icon refers to further information on the Befimmo website.



This icon refers to the glossary in the appendix to this Report on page 220.



This icon refers to the GRI G4 guidelines¹.

The index to the GRI content is published on the website of the Company (www.befimmo.be).

1. www.globalreporting.org

Profile

Befimmo is A PUBLIC B-REIT incorporated under Belgian law. It is bound by the law of 12 May 2014, and the Royal Decree of 13 July 2014 on B-REITs.

Befimmo has a pure player strategy, specialising in offering quality office buildings located in Brussels, other Belgian cities and the Grand Duchy of Luxembourg. Its portfolio is worth some €2.3 billion and comprises around a hundred office buildings with space totalling over 920,000 m².

→ “Property portfolio”

Befimmo has a high-quality property portfolio with an occupancy rate of about 94%. To enhance its properties and maintain this high quality over the long term, Befimmo implements an annual investment programme that improves the quality and technical performances, particularly the energy performances.

Income from these buildings is recurring and relatively predictable; two thirds comes from public institutions with a high rating, under leases with an average remaining duration of around 10 years.

Befimmo is pursuing its goal of carrying out in a responsible, transparent and sustainable manner the various tasks that make up its core business of real-estate operator: commercialisation, property management, renovation and construction for own account, investments and disinvestments. Befimmo endeavours to incorporate the challenges of sustainable development into its strategic thinking and models its day-to-day activities on the principles of Social Responsibility.

Befimmo is listed on Euronext Brussels and has been included in the BEL 20 index since March 2009. As at 31 December 2014, its market capitalisation is €1.4 billion. Befimmo intends to offer its shareholders a dividend at a yield in line with its risk profile.

94%
Occupancy rate

€1.4 billion
Market capitalization

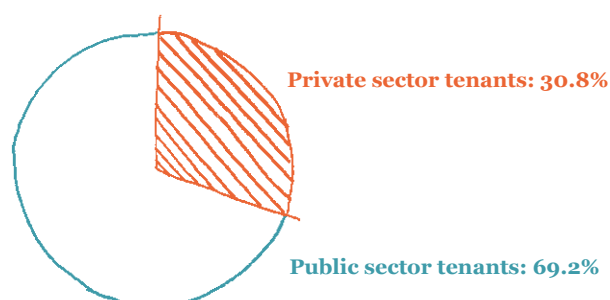


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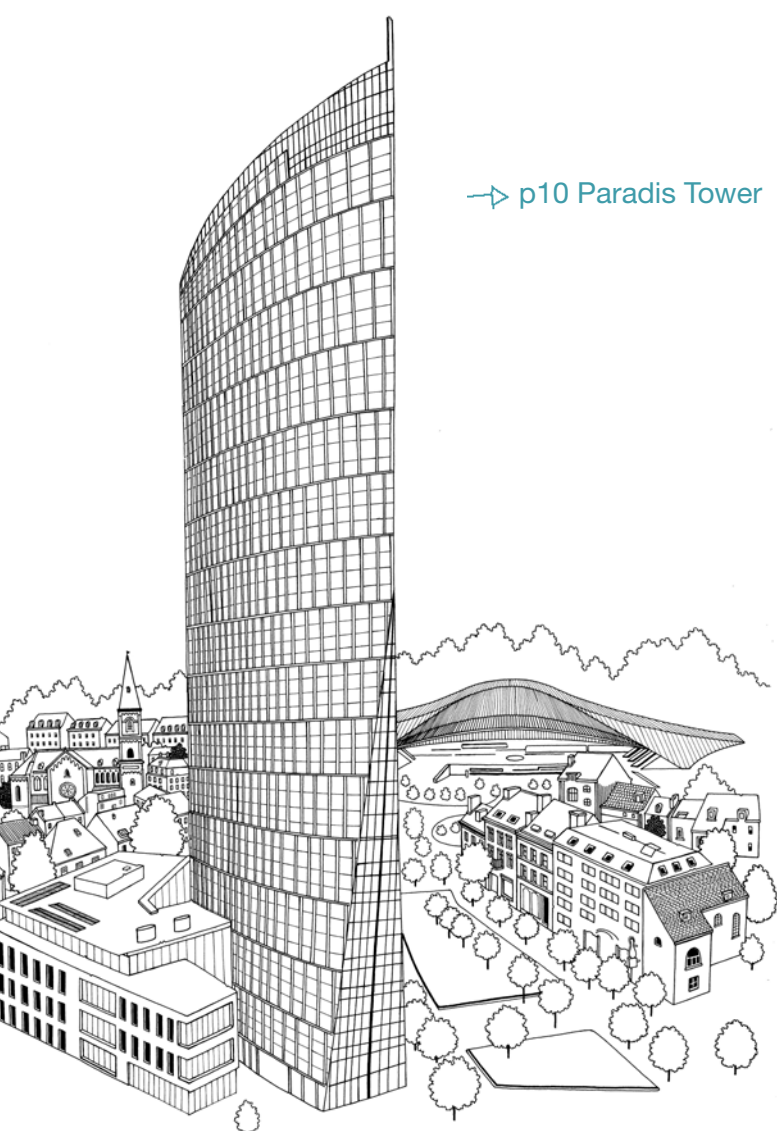
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Risk factors

This chapter covers the identified risks that could affect the Company, including a description of the measures it has taken TO ANTICIPATE AND LIMIT THE POTENTIAL IMPACT of those risks. Note that these measures cannot necessarily eliminate the potential impact of all risks identified, nor any residual risk that therefore has to be borne by the Company and, indirectly, by its shareholders. The current economic and financial situation may accentuate certain risks to Befimmo's business.

This list of risks is based on information known at the time of writing of this Report, though other risks, which may be unknown, improbable or unlikely to have an adverse effect on the Company, its business or its financial situation, may of course exist. The list of risks in this chapter is not exhaustive.



La Plaine

Main market-related risks

Risk of segmental and geographical concentration

Description of risk

Befimmo's portfolio is not very diversified in terms of segment and geography. It is composed of office buildings located mainly in Brussels and its Economic Hinterland (accounted for 67%¹ of the portfolio as at 31 December 2014).

→ “Property portfolio”

Potential impact

Owing to the concentration of its portfolio by segment and geographically, the Company is sensitive to developments in the Brussels office property market.

Mitigation and control measures

Befimmo's investment strategy is focused on quality office buildings located in areas where scarcity generates value, such as the Central Business Districts in Belgium and the Grand Duchy of Luxembourg, which in principle means that the buildings are more attractive and hence occupancy rates are higher. This makes Befimmo less sensitive to any deterioration of the market.

Risks related to rental vacancy

Description of risks

The office property market is currently characterised by higher supply than demand.

The Company is exposed to the risks of its tenants leaving, and renegotiating their leases. The risks include: lost and/or reduced income, risk of negative reversion on rents, risk of pressure on renewal conditions and to grant periods of gratuities, risk of decline in fair value, etc. Befimmo is also exposed to the impact of its tenants' policy to optimise their needs for office space.

Potential impact

The realisation of this risk could lead to a decline in occupancy rates and a reduction in the operating result of the portfolio. On an annual basis, a 1% fluctuation in the occupancy rate of the Company's portfolio would have an impact of some €1.23 million on the property operating result.

The direct costs related to rental vacancy, namely charges and taxes on unlet properties, were -€3.59 million at 31 December 2014, or about 2.57% of total rental income.

Mitigation and control measures

To mitigate these risks, the Company invests in quality buildings and actively manages its relationship with its customers to maintain their satisfaction at a high level. The incorporation of the property management business gives the Company direct control over this important activity for its day-to-day relationship with its tenants.

The constancy of Befimmo's cash flow depends mainly on its rental income being secured over the long term. The Company therefore strives to ensure that a large proportion of its portfolio is let on long-term leases and/or to multiple tenants, which helps to spread the rental risks.

Since December 2006 (with the acquisition of Fedimmo), the average duration of Befimmo leases has remained around 9 years.

Risks associated with tenants

Description of risks

The Company is exposed to the risks related to the financial default of its tenants.

Potential impact

The financial default of tenants can lead to a loss of rental income, an increase in property charges for the Company where rental charges cannot be recovered and the appearance of unexpected rental vacancies. The Company is exposed to the risk of agreeing a new lease on less favourable terms.

Mitigation and control measures

To limit the risk of default, the Company makes a prior analysis of the financial health of its prospective customers. Moreover, in line with standard market practice, private-sector tenants are required to provide a rental guarantee. Public-sector tenants (the Belgian Federal State, Flemish Region and European institutions), which account for a substantial proportion of the Company's portfolio (69.2%² as at 31 December 2014), do not generally give rental guarantees, however. Moreover, a permanent monitoring procedure of the outstanding receivables is applied.

1. Calculated on the basis of fair value.

2. Calculated on the basis of the current rent.

Main risks related to the property portfolio G4-2

Risk related to the fair value of the properties

Description of risk

The Company is exposed to the risk of a decline in the fair value of its portfolio as valued by independent experts.

The Company is also exposed to the risk of the real-estate experts over-valuing or under-valuing its properties in relation to market reality. This risk is accentuated in the market segments in which the limited number of transactions gives the experts few points of comparison, which is now particularly true for the decentralised areas and periphery of Brussels (10.6%¹ of the portfolio), and more generally in the Belgian provincial towns.

Potential impact

A decline in the fair value of the portfolio has an impact on the Company's net result, equity, debt and LTV ratio.

Based on the data as at 31 December 2014, a 1% decrease in the value of the property assets would have an impact of around -€23 million on the net result, entailing a change of around -€1.03 in the net asset value per share and around +0.46% in the debt ratio² and around +0.45% in the LTV ratio.

Mitigation and control measures

The extent of the risks related to a decline in the fair value of the properties is mitigated by Befimmo's investment policy which is to invest in quality office buildings in good locations, offering stable income over the long term: such buildings historically have a less volatile fair value.

The regulations provide for the rotation of the independent experts. Befimmo regularly informs its experts, organising meetings and visits to buildings, among other things.

Risk related to inadequate insurance cover

Description of risk

The Company is exposed to the risk of major losses in its buildings.

Potential impact

A loss in a property entails the costs of repairing the damage. A major loss where its premises can no longer be occupied may lead to the termination of a lease, which could reduce the portfolio's operating income and diminish the fair value of the portfolio.

Mitigation and control measures

In order to mitigate this risk, the buildings in Befimmo's consolidated portfolio are covered by a number of insurance policies (fire, storm, water damage, etc.) covering loss of rent during a limited period, in principle for the time needed for reconstruction, for a total value (new reconstruction value, excluding the value of the land) of €2,123.6 million as at 31 December 2014.

→ "Property report"

Risk of deterioration of buildings

Description of risk

The Company is exposed to the risk of deterioration of its buildings through wear and tear, and the risk of obsolescence associated with the growing (legislative and societal) demands, mainly in terms of sustainable development (energy performance, etc.).

Potential impact

The obsolescence and deterioration of a building increases the risk of rental vacancy and requires investments to bring the building into compliance with regulatory requirements and tenants' expectations.

Mitigation and control measures

Befimmo ensures that its property is maintained in a good state of repair and is kept at a high level in terms of energy, technical and other performance criteria by making an inventory of preventive and corrective maintenance work to be carried out, and establishing a works programme. Befimmo is also keen to have most of its buildings covered by "total guarantee"³ maintenance contracts.

1. Calculated on the basis of fair value as at 31 December 2014.

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

3. A maintenance contract with a total guarantee facility covers all preventive and corrective maintenance activities to be carried out over the duration of the contract and sets a price cap which protects the owner against major unforeseen expenses.

As at 31 December 2014, 70% of the consolidated portfolio was covered by such a “total guarantee” contract.

True to one of the key principles of sustainable development, “reduction at source”⁴ of the environmental impact, Befimmo is closely monitoring the development of existing legislation, anticipating forthcoming legislation and analysing the sector studies in order to incorporate new management technologies and tools into its renovation projects as quickly as possible.

Risk related to the execution of works

Description of risk

When carrying out major works on the buildings in its portfolio, the Company is exposed to the risks of delays, overshooting the budget, environmental damage and organisational problems. It is also exposed to the risk of default and non-compliance with specifications by its building contractors.

Potential impact

Problems encountered during the execution of the work may adversely affect the Company’s results owing to a loss of rental income and/or higher charges, and may also have an adverse impact on its reputation.

Mitigation and control measures

Detailed monitoring of technical, budgetary and planning aspects has been introduced to manage the risks associated with such works. Furthermore, the contracts with building contractors generally provide for a number of measures to limit these risks (price ceilings, delay penalties, etc.). Befimmo also regularly assesses its main suppliers and service providers, and in particular checks that its co-contractors have no unpaid social contributions or taxes.

Regarding environmental issues, specific measures – complying with and in some cases exceeding the requirements of the regulations in force – are incorporated into the specifications and contracts applying to successful tenderers. Compliance with these environmental measures is monitored while the works are in progress (notably by external environmental coordinators, ISO 14001 procedures, site audits, BREEAM assessors, etc.).

Environmental risk

Description of risk

When managing its portfolio, the Company is exposed to environmental risks especially in terms of soil, water, air (high CO₂ emissions) and also noise pollution.

Potential impact

In view of its real-estate activity in the broad sense, the realisation of such risks could sustain damage to the environment and Befimmo could also incur significant costs and suffer damage to its reputation.

Mitigation and control measures

Befimmo adopts a responsible approach under which it has, for many years, aimed to take the necessary measures to reduce the environmental impact of the activities it controls and directly influences, such as its renovation and/or building projects, site checks, and compliance with the environmental permits for the operational portfolio.

Furthermore, the implementation of its Environmental Management System (EMS), which is ISO 14001 compliant, allows it better to anticipate environmental risks at both strategic level (acquisitions, major renovations, etc.) and operational level (building maintenance, use of buildings, etc.).

Risks related to mergers, demergers or acquisitions

Description of risk

Many of the buildings in the Befimmo real-estate portfolio were acquired in companies, which were then absorbed into or merged with Befimmo. Therefore, it cannot be precluded that the value of certain assets may have been over-estimated or that hidden liabilities have been transferred to the Company during such operations.

Potential impact

The realisation of the need to revalue certain assets or record certain liabilities could entail a financial loss to the Company.

Mitigation and control measures

The Company takes the usual precautions in operations of this type, mainly by carrying out due-diligence exercises on properties contributed and on absorbed or merged companies, that may involve obtaining guarantees.

4. In other words, being proactive where possible, at the design stage of a project, rather than reacting, through corrective measures on an existing building.

Main economic and financial risks

Risk of inflation and deflation

Description of risk

Befimmo leases contain clauses indexing rents in relation to the evolution in the health index. The Company is therefore exposed to a risk of deflation on its income. Befimmo is also exposed to the risk that the costs it has to bear are indexed on a basis that changes faster than the health index.

Potential impact

The annual impact of the adjustment of rents can be estimated at €1.4 million on an annual basis (excluding protection) per percentage point change in the health index.

Mitigation and control measures

Regarding the risk of deflation, 89.33%¹ of the leases in Befimmo's consolidated portfolio are hedged, in line with standard practice, against the effect of any negative indexing (notably 45.25% provide for a minimum equal to the base rent and 44.08% contain a clause that sets a minimum of the last rent paid). The remaining 10.67% of the leases do not provide for any minimum rent.

In relationships with building contractors, Befimmo strives to limit this risk through contractual clauses.

Risk related to changes in interest rates

→ “Financial structure”

Description of risk

Financial charges are the main item in the Company's expenditure account. They are influenced by changes in interest rates on the financial markets.

Potential impact

Rising interest rates increase financial charges and decrease the net result and EPRA earnings.

Mitigation and control measures

The Company has implemented a policy of hedging its interest-rate risk, consisting of financing part of its borrowings at fixed rates and arranging IRS financial instruments or CAP options on a part of its borrowings at floating rates.

On the basis of total borrowings as at 31 December 2014, part of the debt (€605.56 million or 58.6% of the total) is financed at fixed rates (conventional fixed rates or rates fixed by IRS). The remaining borrowings, of €427.77 million, are at floating rates, part of them protected against rises by means of options instruments (CAP/COLLAR²).

Without hedging, based on the borrowings situation and the Euribor rates at 31 December 2014 (both assumed to be constant over a 12-month period), the impact of a 0.25% rise in market rates would raise financial charges by an estimated €1.236 million (annualised). Conversely, a 0.25% decline in market rates would reduce financial charges by an estimated €1.064 million (annualised).

Based on the hedging arranged, the borrowings situation and the Euribor rates at 31 December 2014 (all assumed to be constant over a 12-month period), the impact of a 0.25% rise in market rates would raise financial charges by an estimated €1.026 million (annualised). Conversely, a 0.25% decline in market rates would reduce financial charges by an estimated €0.854 million (annualised).

Risk related to changing credit margins

Description of risk

The Company's financing cost also depends on the credit margins charged by the banks and on the financial markets. These financing margins are regularly evaluated in the light of the global economic climate, but also of the regulations, especially in the banking sector (known as the “Basel III” requirements).

Potential impact

An increase in credit margins raises financial charges and therefore adversely affects EPRA earnings and the net result.

Mitigation and control measures

To limit this risk, the Company spreads the maturities of its financing over time and diversifies its sources of financing. It also seeks to use tools that enable it to optimise the level of margins paid (e.g. a short-term commercial paper programme associated with long-term back-up lines or assignments of receivables from future leases).

→ “Financial structure”

1. Based on the current rent at 31 December 2014.

2. Buying a COLLAR places a ceiling on the rise in interest rates (CAP), but also involves an undertaking to pay a minimum rate (FLOOR).

Currency risk

Description of risk

Befimmo invests solely in the euro zone and has no plans to take exchange risks in its property investments, earnings and financing.

Nevertheless, in May 2012 it arranged a bond private placement in the United States (US Private Placement (USPP)) denominated in US Dollar and in Pound Sterling.

Potential impact

Carrying out financing transactions in foreign currencies exposes the Company to the impact of an adverse change in the exchange rate of the Euro against those currencies.

Mitigation and control measures

When the Company obtains finance outside the euro area, as it did in May 2012, it immediately hedges the entire currency transaction and conversion risk by acquiring Cross-Currency Swaps, which can fully offset fluctuations in the exchange rate on the Company's repayments of interest and capital.

Risk of a change in fair value of financial assets and liabilities carried at fair value

Description of risk

A change in the forecast movements of interest rates could alter the value of the financial assets and liabilities carried at fair value.

Potential impact

Had the Euro, US Dollar and Pound Sterling interest rate curves been 0.5% lower than the reference rate curves at 31 December 2014, the change in fair value of the financial assets and liabilities would have been -€14.905 million. In the opposite case, the change would have been +€15.670 million.

Changes in the Euro-US Dollar and Euro-Pound Sterling exchange rates can also have a significant impact on the fair value of the USPP financing, which is denominated in US Dollar and Pound Sterling.

Mitigation and control measures

The change in the accounting fair value of the USPP debt is mostly offset, however, by a change in the opposite direction of the Cross-Currency Swaps, hedging instruments arranged at the same time as the financing.

The impact of the change in fair value of the financial assets and liabilities can be partially mitigated by a combination of hedging instruments (options and swaps). At 31 December 2014, the net fair value of all the hedging instruments was -€8.24 million.

Risk related to a change in the Company's rating

Description of risk

The Company's financing cost is influenced amongst other things by Standard & Poor's rating.

The rating is determined on the basis of an assessment of the Company's business risk and financial risk profiles.

Potential impact

Any downgrade of the rating would make it harder to obtain new financing, and if the rating were reduced from BBB to BBB-, would generate an additional financing cost estimated at €0.62 million, based on the debt structure as at 31 December 2014. Such a downgrade could also have an adverse impact on the Company's image with investors.

Mitigation and control measures

The Company regularly reviews the criteria (ratios) used to determine its rating and analyses the potential impact of its decisions on its rating, and the forecasted changes in these ratios.

Financial liquidity risk

Description of risk

Befimmo is exposed to a liquidity risk related to the renewal of its financing coming to maturity or for any additional funding needed to meet its commitments. The Company could also be exposed to this risk if its financing agreements were terminated.

Potential impact

The Company could be obliged to arrange new additional financing at a higher cost or sell some assets under less than ideal conditions.

Mitigation and control measures

To mitigate this risk, the Company diversifies its financing sources. At 31 December 2014, the ratio of debt provided by financing from 7 banking institutions was 56.2%. The remainder is provided by various bond issues (two retail bonds, a private bond placement in the United States (USPP) and two private bond placements in Europe).

At 31 December 2014, the Company had confirmed unused lines of €209.3 million including cash but excluding a short-term credit line for an amount of €50 million. The Company aims to cover this risk by keeping a defined amount in unused lines at all times.

In addition, article 24 of the Royal Decree of 13 July 2014 requires B-REITs to devise a financial plan for the FSMA if the consolidated debt ratio exceeds 50%. As at 31 December 2014, Befimmo's debt ratio was 47.48%.

Risk related to counterparty banks

Description of risk

Arranging financing or a hedging instrument with a financial institution creates a counterparty risk of that institution defaulting.

Potential impact

The Company could find itself in a situation where it is unable to access the financing arranged or the cash flows to which it is entitled through hedging instruments.

Mitigation and control measures

Befimmo therefore takes care to diversify its banking relationships. As at 31 December 2014, the Company had a business relationship with several banks:

- > the bank credit lines granted to Befimmo amounted to €697 million at 31 December 2014. The banks, in alphabetical order, providing this finance are BayernLB, BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC and RBS;
- > the counterparty banks for the hedging instruments are Belfius, BNP Paribas Fortis, ING, KBC and RBS.

Since Befimmo's financial model is based on structural borrowing, the amount of cash deposited with financial institutions is structurally very limited. It was €0.1 million as at 31 December 2014 compared with €1.52 million at 31 December 2013.

Risk related to obligations contained in financing agreements

Description of risk

The Company is exposed to the risk of its financing agreements being cancelled, renegotiated or terminated early should it fail to abide by the covenants it made when signing these agreements, notably regarding certain financial ratios. Furthermore, some financing agreements provide for payment of a penalty if they are terminated prematurely.

When the Company carries out a financing transaction on a foreign market, it is subject to laws and counterparties with which it is less familiar.

Potential impact

Any challenge to a financing agreement would expose the Company to having to arrange additional financing at a potentially higher cost or sell certain assets under less than ideal conditions.

Mitigation and control measures

The Company negotiates covenants with counterparties at levels consistent with its estimated forecasts of changes in those indicators, and regularly analyses any changes in those forecasts.

Main risks related to regulation G4-2

Risk of legal proceedings

Description of risk

The Company is a party to legal proceedings and may be involved in others in future.

Potential impact

At the time of writing, Befimmo is involved in a number of legal proceedings which, on the whole (according to the information available to the Company at the date of this Report), are unlikely to have a major impact on Befimmo, as the potential losses are highly unlikely to materialise and/or are of insignificant amounts.

Mitigation and control measures

The Company has a legal team with the skills needed to analyse its contractual commitments in its various areas of business and ensure strict compliance with the regulations. It also regularly calls upon external consultants.

Regulations

Description of risk

The Company is exposed to changes in the law and increasingly numerous and complex regulations, and of possible changes in their interpretation or application by the authorities or the courts, notably fiscal regulations (e.g. provisions and circulars relating to withholding tax, notional interest or anti-abuse provisions) or environmental and urban development regulations.

Potential impact

Changes in and non-compliance with regulations expose the Company to risks of liability, civil, criminal or administrative convictions, and the risk of not obtaining or the non-renewal of permits. This could adversely affect the Company's business, its results, profitability, financial situation and/or outlook.

Mitigation and control measures

The Company has a legal team with the necessary skills to ensure strict compliance with regulations in force and proactively anticipate changes in the law (regulatory monitoring). It also regularly calls upon external consultants.

B-REIT status

Description of risk

Should the Company lose approval for its B-REIT status (SIR/GVV), it would no longer qualify for the transparent tax regime applicable to B-REITs. The Company is also exposed to the risk of future adverse changes to that regime.

Potential impact

Loss of approval is also generally regarded as grounds for early repayment by acceleration of payment of financing taken out by the Company. Any future adverse changes in the B-REIT regime could also lead to a decline in results or net asset value, increase the debt ratio (e.g. by applying new accounting rules), reduce the maximum debt ratio, or affect the extent to which a B-REIT must distribute dividends to shareholders.

Mitigation and control measures

The Company has a legal team that ensures strict compliance with regulations in force and proactively anticipates changes in the law (regulatory monitoring). It also calls upon external consultants.

Tax regime

As a B-REIT (SIR/GVV), the Company enjoys a specific tax regime. The legislator intended the B-REIT to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying certain advantages. In particular, B-REITs pay a reduced rate of corporation tax as long as at least 80% of the results are distributed. B-REITs¹ are exempt from corporation tax on the results (rental income and capital gains realised minus operating costs and financial charges).

The exit tax is calculated taking account of the provisions of circular Ci.RH.423/567.729 of 23 December 2004, the interpretation or practical application of which is liable to change. The real value of a property, as referred to in the circular, is calculated after deduction of registration fees or VAT. This real value differs from (and so may be less than) the fair value of the property as set out in the B-REIT's IFRS balance sheet. Any change to this circular could potentially entail an increase in the basis on which the exit tax is calculated. Befimmo complies in all respects with the regulations in force, and the provisions of the above-mentioned circular, for the calculation of exit taxes it owes in connection with the transactions on which the tax is due.

Main operational risks G4-2

Operational risk G4-58

Description of risk

Risk of loss or loss of earnings resulting from inadequate or failed internal processes, people and systems or from external events (fraud, natural disasters, human error, failure of information systems, etc.).

Business continuity is defined as the set of measures in the event of a crisis, to ensure continuity of operations and essential services, possibly in degraded mode, and a planned resumption of business. It covers both functional and IT aspects.

Potential impact

Loss or theft of sensitive data, financial loss through fraud, interruption of business in the event of a failure of systems or processes.

Mitigation and control measures

The Board of Directors has drafted a Corporate Governance Charter and a Code of Ethics. Befimmo's Code of Ethics requires ethical values to be observed in relations with its customers, team, partners and shareholders. These documents are brought to the attention of the members of the team, posted on the Company's intranet and can also be viewed on the Company's website. Furthermore, a disaster recovery plan has been devised.

Depending on the type of data, back-ups are organised by a variety of techniques (redundant infrastructure, daily back-ups online and on tape). Measures are taken to manage access to the Company's data. Outsourced IT support is provided by two partners under a service level agreement (SLA).

Risk related to team members

Description of risk

The Company is exposed to a certain risk of organisational problems if certain key members of staff were to leave.

Potential impact

A loss of key skills in the Company could lead to a delay in achieving some of its objectives.

Mitigation and control measures

Befimmo pays special attention to the well-being of its employees. Pay is in line with market rates and substantially higher than the relevant minimum scales.

Befimmo also attaches great importance to managing the skills of its team members. Befimmo has introduced a procedure for monitoring the induction of new employees (mentoring system, etc.). Proactive monitoring of early retirements is organised to ensure that as much know-how as possible is passed on.

¹. But not their subsidiaries, which are no institutional B-REITs.

Paradis Tower

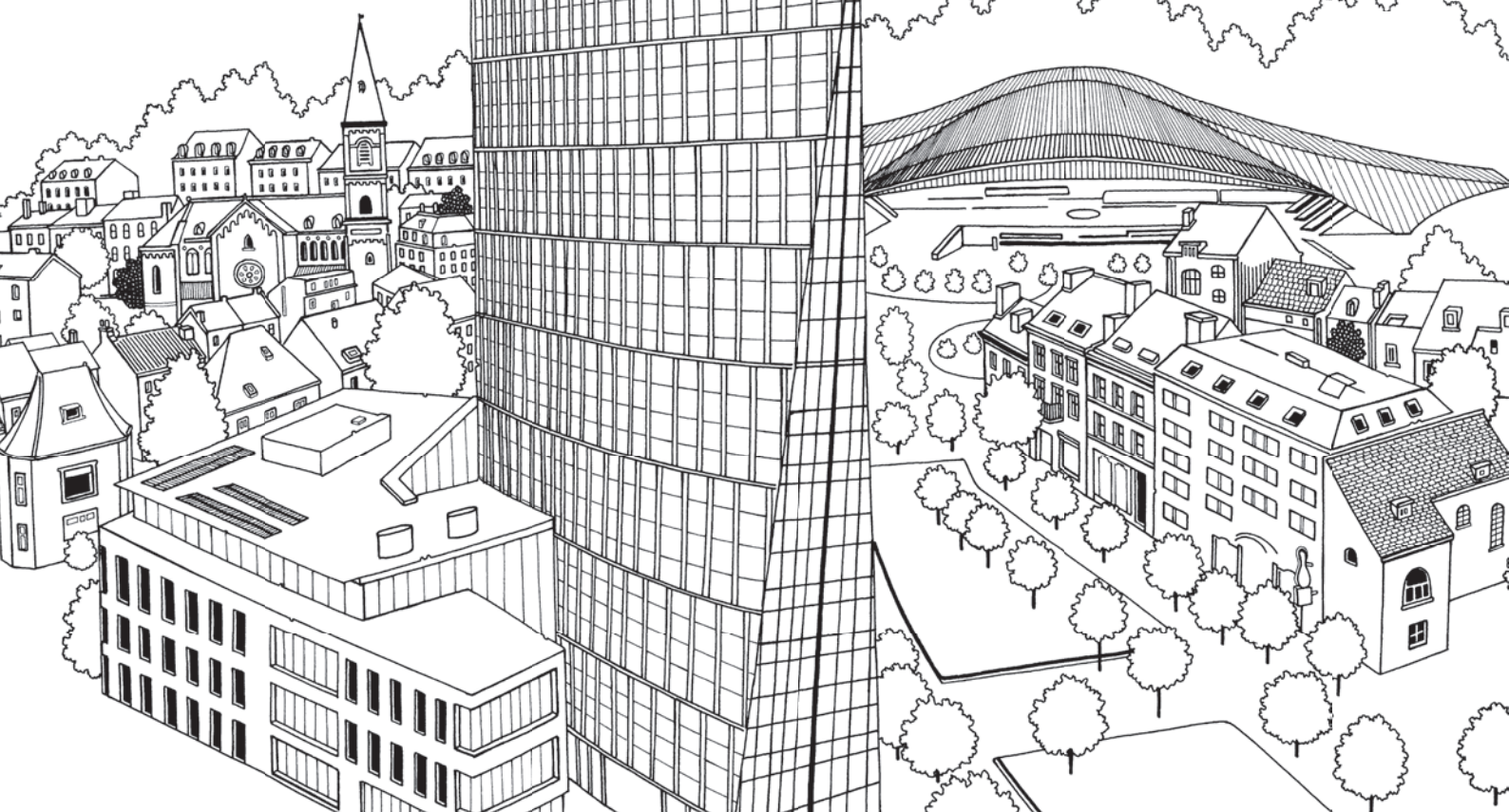
A new landmark in Liège



An ideal location

Flexible and modular spaces

The latest environmental techniques





Liège

 **27.5 years**
Duration of lease

 **40,040**
square metres

 **325**
parking spaces and
54 bicycle spaces

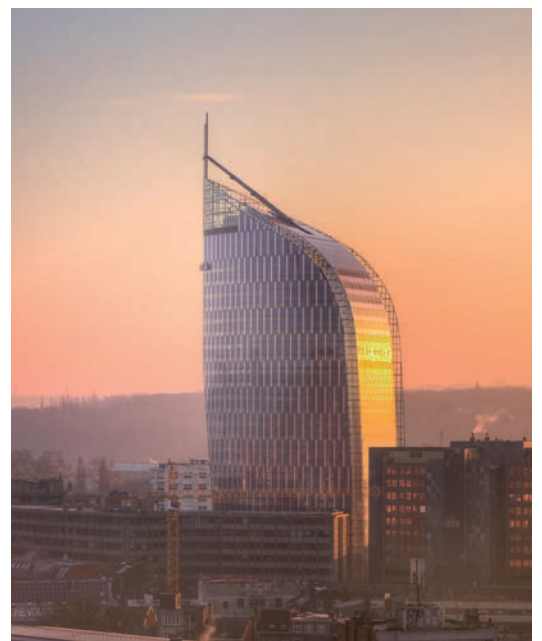
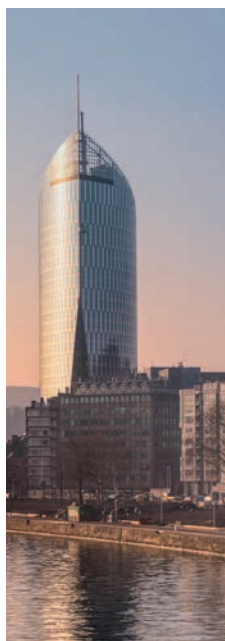
 **1,268**
employees

K: 37 - E: 60

K 45: standard for the Walloon Region
E 80: standard for the Walloon Region

Location	Rue de Fragnée 2 4000 Liège
Architects	Jaspers - Eyers Architects with Bureau d'Architecture Greisch
Area	40,040 m ²
Storeys	28
Investment	€95 million
Annual rent	± €6 million
Tenant	Buildings Agency

THE PARADIS TOWER WAS RATED "EXCELLENT"
IN THE BREEAM DESIGN PHASE



Letter to the shareholders

G4-1



Dear Shareholders,

With a return of over 26% on the Befimmo share price, final dividend in May and interim dividend in December included, you certainly had a very good year 2014, as did most investors in the stock markets.

We are particularly pleased with that, though there is no cause for complacency.

The economic climate in Europe in general and in Belgium in particular, with no growth or inflation, is still bleak at best. Yields recorded in 2014 on the equity markets seem to rely more on the absence of alternatives in terms of investments that can generate decent returns than on the health of the economy. Since early 2015, despite the World Bank trimming back its economic forecasts, the rise in the stock markets even seems to be gathering pace, influenced by the recent decision of the European Central Bank to make massive new injections of liquidity into the financial markets.

In this particular, and perhaps even unprecedented climate, Befimmo is keeping on course with determination, focusing on its core business while taking full advantage of its operational assets and keeping a watchful eye on the volatile financial markets over which it obviously has no influence.

The quality of the portfolio is its main competitive advantage: this is where Befimmo differs from many other real-estate investment trusts (REITs). While we obviously always have the greatest respect for our rental customers, the true cornerstones of our business since they generate the income that we distribute as dividends to you, the “property” is nevertheless what generates the value: because it is attractive, because when a lease expires, it attracts the interest of new occupiers, because it is located near major public transport hubs, because it has the flexibility to meet the occupiers’ organisational criteria, because it is competitive in terms of rental and operating costs, and energy performance.



Over the coming years, Befimmo intends to exploit this competitive advantage in the context of its major projects, which enjoy the major advantage of exceptional locations. The most important of these, in Brussels, include the possible demolition/reconstruction of the Noord Building as a brand-new complex that we have named the “Quatuor”; and the major renovation of Tower II of the World Trade Center, not forgetting of course, the possible building of Tower IV of the WTC. Each of these projects will be implemented on its own merits, depending on the opportunities that we take or create.

Furthermore, the Brussels market, which benefits from the public institutions as a structural component, with considerable identified demand, should be offering potential in the same time frame as our projects. The relevant public tenders are under way or in preparation. This is the paradox of the Brussels rental market: it has a large over-supply; while the major “corporates” (private companies) have little appetite for expansion in the current economic climate, at the same time there is a significant lack of quality space that is easily accessible and suitable for the European institutions and Belgian federal and regional authorities. Befimmo is preparing to seize these opportunities.

"THE QUALITY OF THE PORTFOLIO IS ITS MAIN COMPETITIVE ADVANTAGE."

In December 2014 we completed the construction of the Finance Centre (Paradis Tower) in Liège, allowing the 27.5-year lease to begin. This is an exemplary operation for Befimmo, demonstrating the Company's ability to generate real-estate value from its own portfolio thanks to the professionalism of its multi-disciplinary teams, which have the capability to meet any challenges that may arise when implementing such large projects.

Having these proven skills in house is fundamental not only for the further development of the Company's site in Liège between the Finance Tower and the railway station, but also more generally for the major renovation and reconstruction projects in the North area of Brussels.

Befimmo also handed over the Brederode 13 building to the Linklaters law firm, where a new 15-year fixed-term lease commenced.

"THE BRUSSELS MARKET SHOULD BE OFFERING POTENTIAL IN THE SAME TIME FRAME AS OUR PROJECTS."

"AXA HAS CONTRIBUTED A BUILDING ALLOWING US TO STRENGTHEN OUR CAPITAL WHILE IMPROVING EPRA EARNINGS PER SHARE."

We were hoping that the Triomphe building would soon receive its first tenants after the major renovation that was completed in the course of the second half of the fiscal year. Unfortunately, this has yet to happen. This again demonstrates the near lethargy in the "corporates" rental market. The building is arousing interest among potential tenants, but the decision-making processes are slow in the current economic climate.

Despite these great achievements, we are not neglecting our primary task of retaining our rental customers by keeping them fully satisfied with their buildings. Having fully integrated our Social Responsibility policy, we will forge ahead with our substantial programme of investments to improve the energy performance of our buildings.

In terms of new investment and growth, 2014 was a very difficult year compared with 2013. This is not the fault of the investment market which, conversely, was very strong in 2014 with over €2 billion invested in the office segment alone in Belgium. The explanation lies rather in the fierce competition with investors willing to accept ever lower property yields, especially those who, on account of their business, naturally have significant financial resources available to invest, which is not the case for Befimmo. Unsurprisingly, direct real-estate investments are subject to the same pressures on yields as the stock markets.

This year, AXA Belgium, a major Befimmo shareholder, has once again expressed its confidence in Befimmo by contributing a building, albeit of modest size, but perfectly fitting our strategy and allowing us to strengthen our capital somewhat while improving EPRA earnings per share.

At the Extraordinary General Meeting in October 2014, by an overwhelming majority of 99.93%, you wisely approved the change in our status. So we are now no longer a "Sicafi" but rather a public "Belgian/Real-Estate Investment Trust" or B-REIT (SIR/GVV). Leaving aside the terminology, this was a fundamental change enabling us to continue our activity as a REIT within a legal framework that sits well with the operational reality of our business. This successful outcome is the result of crucial team work by the various Sicafis that have since become B-REITs under the leadership of a small group of them, that naturally includes Befimmo. Another positive aspect of this change of status is that B-REITs now form a group, able to put forward the viewpoint of an entire sector to our authorities.

As for the obtained results, events in 2014 unfolded in line with our forecasts.

As expected, cash flow (EPRA earnings) for 2014 was €3.90 per share.

Meanwhile the net result per share was €3.19. It suffered the full impact of IAS 39 changes in value related to the continuing fall in interest rates. The negative differential with respect to fiscal year 2013 was of the order of €1.5 per share and was not fully offset by the positive differential of the IAS 40 property values of around €1 per share.

Since the difference between the net result and EPRA earnings is in fact unrealised, as expected, on 28 April 2015 we will be proposing to the General Meeting a final dividend of €0.86 per share. As forecast, with the interim dividend of €2.59 paid out in December 2014, the dividend for the year will be €3.45 per share.

3.45 €/share

Dividend for the 2014 fiscal year

26%

**Return on share price
during the year 2014**



In view of the challenges of 2018 and the subsequent years, we are working to ensure that 2015 will also be an invigorating year for Befimmo, in terms of both EPRA earnings and its balance sheet ratios.

Finally, let us acknowledge the work over the past 8 years on our Board of Directors of Mr André Sougné¹, who left at the end of the 2014 Ordinary General Meeting. Our sincere thanks go to him.

Rest assured, dear Shareholders, that we are fully determined to rise to the challenges ahead and are confident of profitable growth in Befimmo, even in this difficult economic climate.

Thank you again for your continued confidence.

Brussels, 27 February 2015.

Benoît De Blicq²

Alain Devos²

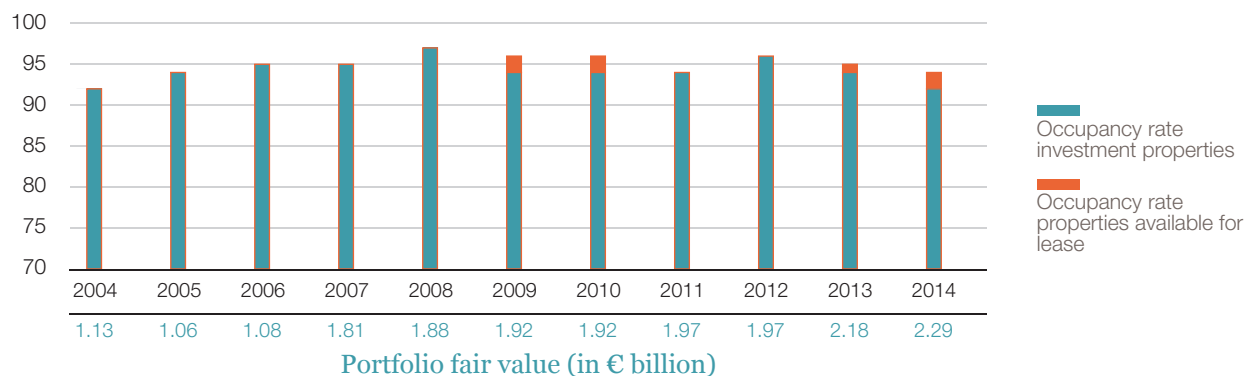
"HAVING FULLY INTEGRATED
OUR SOCIAL RESPONSIBILITY
POLICY, WE WILL FORGE
AHEAD WITH OUR
SUBSTANTIAL PROGRAMME OF
INVESTMENTS TO IMPROVE
THE ENERGY PERFORMANCE OF
OUR BUILDINGS."

1. As permanent representative of Arcade SPRL, Director.

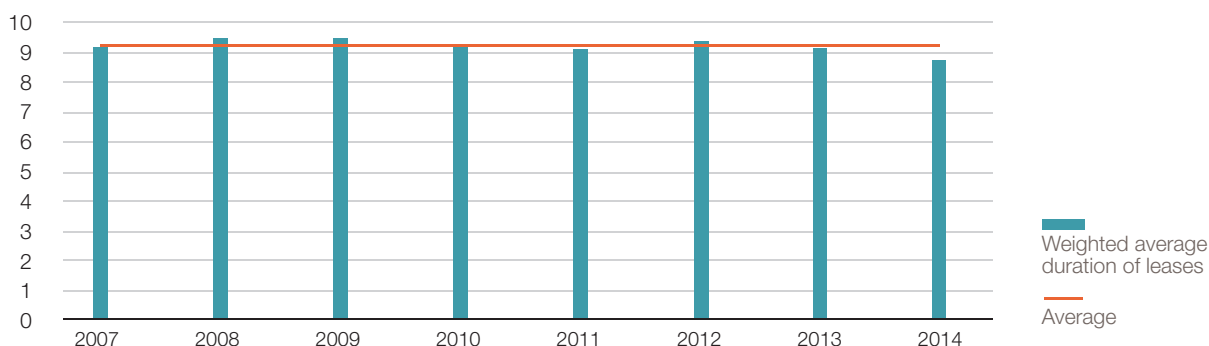
2. As permanent representatives of BDB Management SPRLu and Alain Devos SPRL respectively, and Managing Director and Chairman of the Board of Directors respectively of Befimmo.

Key figures

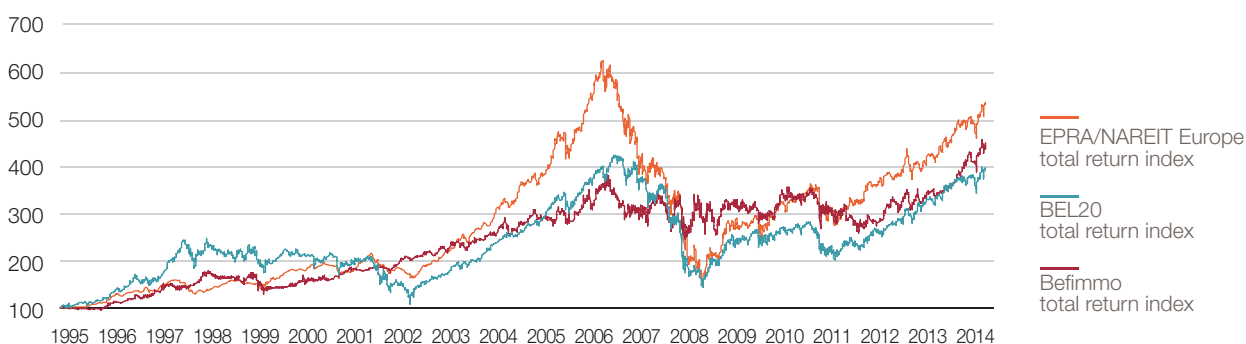
Trend of the occupancy rate over a 10-year period (in %)



Trend of the weighted average duration of leases since the acquisition of Fedimmo (in years)



Performance of Befimmo's total return index in relation to the total return index of the BEL 20 and EPRA/NAREIT Europe indexes



Financial key figures	31.12.2014	31.12.2013	31.12.2012
Net asset value (in € per share)	54.00	54.13	54.10
Net result (in € per share)	3.19	3.97	0.44
Net current result (in € per share)	3.93	4.24	4.25
Shareholders' equity (in € million)	1 195.45	1 165.61	998.24
Return on shareholders' equity ¹ (in € per share)	3.11	3.72	1.03
Return on shareholders' equity ¹ (in %)	5.82	6.95	1.82
Debt ratio ² (in %)	47.48	46.56	49.31
Loan-to-value ³ (in %)	45.21	45.01	47.75

EPRA key figures	31.12.2014	31.12.2013	31.12.2012
EPRA earnings (in € per share)	3.90	4.22	4.24
EPRA NAV (in € per share)	54.38	54.35	54.18
EPRA NNNNAV (in € per share)	52.80	53.37	53.36
EPRA Net Initial Yield (NIY) (in %)	5.89	6.47	6.35
EPRA Topped-up NIY (in %)	5.95	6.76	6.53
EPRA Vacancy rate (in %)	6.50	5.25	4.62
EPRA Like-for-like net rental growth ⁴ (in %)	-2.83	3.66	2.61
EPRA cost ratio (including direct vacancy costs) (in %)	19.69	17.24	16.83
EPRA cost ratio (excluding direct vacancy costs) (in %)	17.12	14.68	14.66

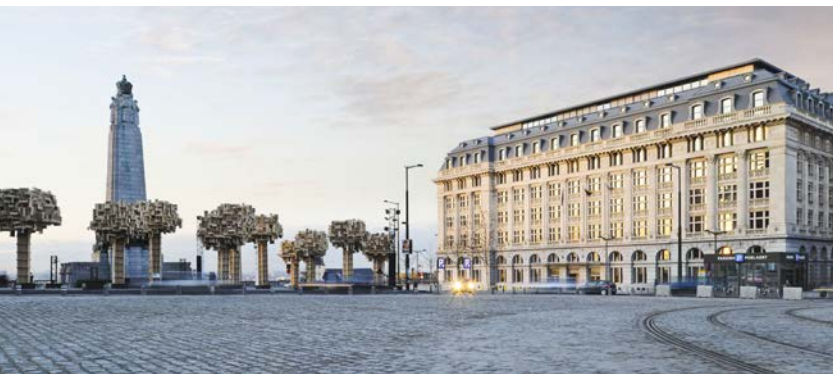
Key figures on Befimmo's share	31.12.2014	31.12.2013	31.12.2012
Closing share price (in €)	60.21	50.45	48.83
Gross dividend (in € per share)	3.45	3.45	3.45
Gross yield ⁵ (in %)	5.73	6.84	7.07
Return on share price ¹ (in %)	26.47	10.70	4.84
Number of shares issued	22 673 609	22 062 701	19 120 709
Number of shares not held by the group	22 138 280	21 534 086	18 452 987

Key figures on Social Responsibility⁶	31.12.2014	31.12.2013	31.12.2012
Gas Normalised direct energy consumption (kWh/m ²)	70.2	74.1	78.8
Electricity Indirect energy consumption			
- Consumption common areas (kWh/m ²)	40.0	42.6	42.7
- Consumption private areas (kWh/m ²)	50.2	59.0	65.7
Water Consumption (m ³ /m ²)	0.28	0.28	0.26
CO ₂ Direct and indirect energy emissions (kg CO ₂ e/m ²)	13.3	18.9	24.7

"Glossary"

1. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment and the participation in the optional dividend.
2. The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
3. As from the 2013 fiscal year, Befimmo applied a new definition of the LTV ratio: [(nominal financial debts – cash)/fair value of portfolio]. The ratio as at 31 December 2012 is published according to this new definition. Based on the old definition, the ratio would have amounted to 48.03%.
4. Trend of the net rental income minus property charges at constant perimeter, calculated on the basis of the "EPRA Best Practices Recommendations".
5. Gross dividend/closing share price.
6. It is Befimmo's portfolio excluding Fedimmo.

History of Befimmo



Poelaert

1995

- > Foundation of Befimmo and listing on the stock market

1998

- > Takeover of WTC SA and Noord Building SA

2003

- > Acquisition of the **Poelaert** building

2007

- > Capital increase of €261.2 million

2009

- > Inclusion in BEL 20 index
- > Capital increase of €166.6 million
- > First communication as per Global Reporting Initiative (GRI)



1997

- > Takeover of Prifast group

2001

- > Takeover of Sicafi CIBIX SCA

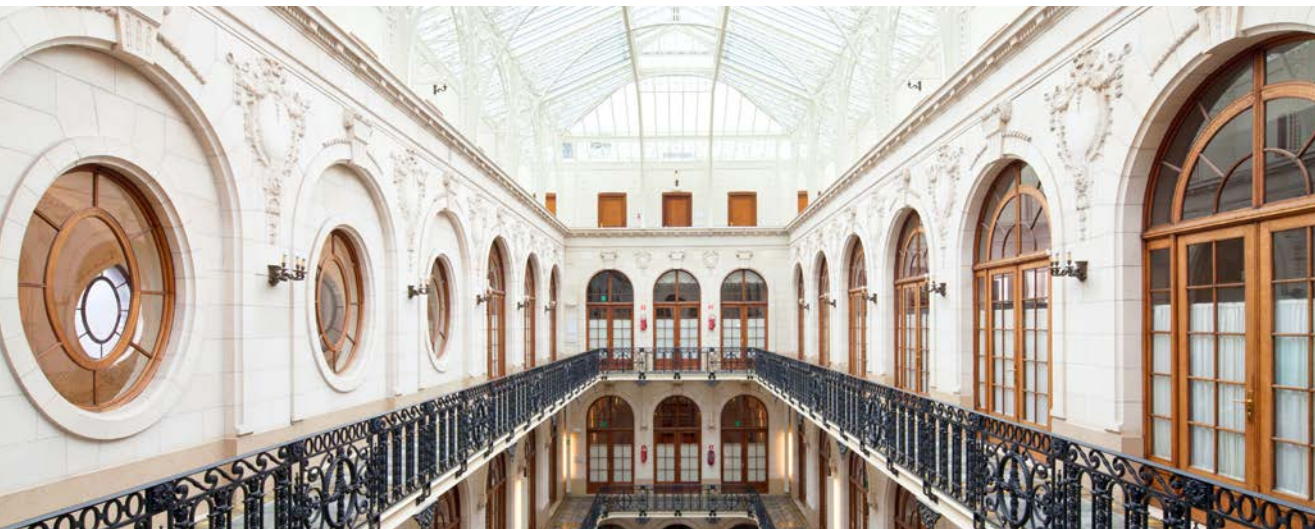
2006

- > Acquisition of 90% shareholding in Fedimmo

2008

- > Acquisition of the registered offices of Fortis Banque in Antwerp (**Meir**) and in Leuven (Vital)
- > Prize-winner in the "Exemplary Buildings 2007" competition for the Empress Court project

Meir





Science-Montoyer

2010

- > Prize-winner in the “Exemplary Buildings 2009” competition for the **Science-Montoyer** project
- > Start of the telemonitoring installation for energy consumption in the buildings of the portfolio
- > First BREEAM Design certification
- > Set-up of an Environmental Management System (EMS) (ISO 14001 certified)

2012

- > Transformation of Befimmo SCA in a Limited-Liability Company
- > First BREEAM Post-Construction and In-Use certification
- > Prize-winner in the “Exemplary Buildings 2012” competition for the **WTC IV** project

2013

- > Integration of property management business
- > Acquisition and merger of Blue Tower Louise SA and private placement of 637,371 shares
- > Contribution in kind of the **AMCA** building by AXA Belgium SA and issue of 2,037,037 shares
- > “EPRA Financial Reporting Gold Award” and “EPRA Sustainability Reporting Silver Award” prizes for the Annual Financial Report 2012
- > ISO 14001 recertification of the Environmental Management System (EMS)
- > Completion of Befimmo’s materiality matrix to continue improving the positioning as a responsible company and owner
- > First communication according to the new GRI-G4 guidelines

2011

- > Purchase of the shares of Ringcenter SA (Pavilion)
- > Bond issue for an amount of €162 million
- > Bond issue for an amount of €110 million
- > “2011 BREEAM Award Category Europe Offices” prize for the Froissart project
- > First EPB certification (Energy Performance of Buildings)

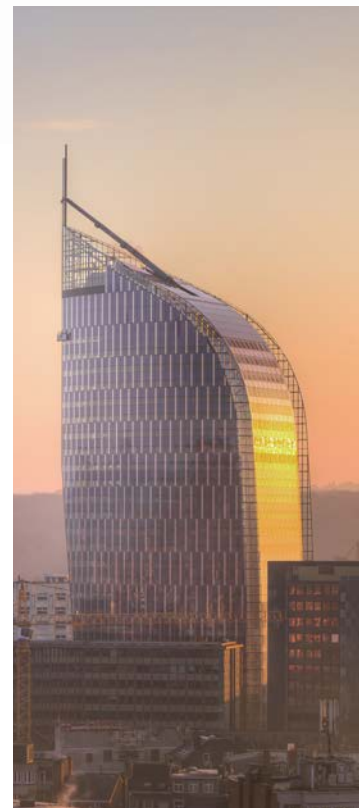
2014

- > Status change from Sicafi to public B-REIT (Société Immobilière Réglementée/Gereguleteerde Vastgoedvennootschap)
- > Handover of the **Paradis Tower** in Liège, start of the 27.5-year lease with the Buildings Agency
- > Contribution in kind of the building Rue aux Choux 35 by AXA Belgium SA and issue of 186,853 shares
- > Award for the best Belgian sustainability report, awarded by the “Institut des Réviseurs d’Entreprises” (Institute of Registered Auditors – IRE)
- > “EPRA Financial Reporting Gold Award” and “EPRA Sustainability Reporting Bronze Award” prizes for the Annual Financial Report 2013

AMCA



WTC IV project



Paradis Tower

Identity and strategy

G4-2

G4-4

G4-6

G4-8

Befimmo is a professional PROPERTY OPERATOR, specialising in providing quality offices in Brussels, other Belgian cities, and the Grand Duchy of Luxembourg.

Pavilion



Our vision

Striving for **EXCELLENCE**, positioning itself as a responsible company and landlord, anticipating economic, social and environmental trends, while innovating to create value for all its stakeholders.

- > Being a **responsible landlord**, proactively managing its **high-quality office portfolio**, innovating to best meet the needs of its **rental customers** by anticipating changes in the world of work.
- > Being a **responsible company**, beyond its own activities, endeavouring to raise awareness and inspire all its stakeholders to achieve its qualitative and quantitative targets.
- > Being a **responsible employer**, concerned about the well-being of its **team** while respecting and developing the three core values of the Company: Professionalism, Commitment and Team spirit.
- > Pursuing profitable growth based on sound foundations, while creating long-term value for its **shareholders**.

Our values

G4-56

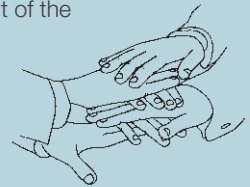
Professionalism

The strict discipline applied when doing business.



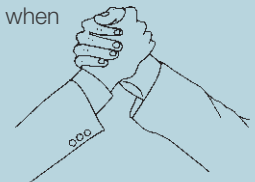
Engagement

The high level of involvement of the team in the Company and its business, its sense of responsibility and its strong ties to the Company.



Team spirit

The cooperation between the various members of the team when carrying out their business, giving one another mutual support when needed.



Central Gate



Schuman 11



Guimard



Our strategy

I. Real-estate strategy

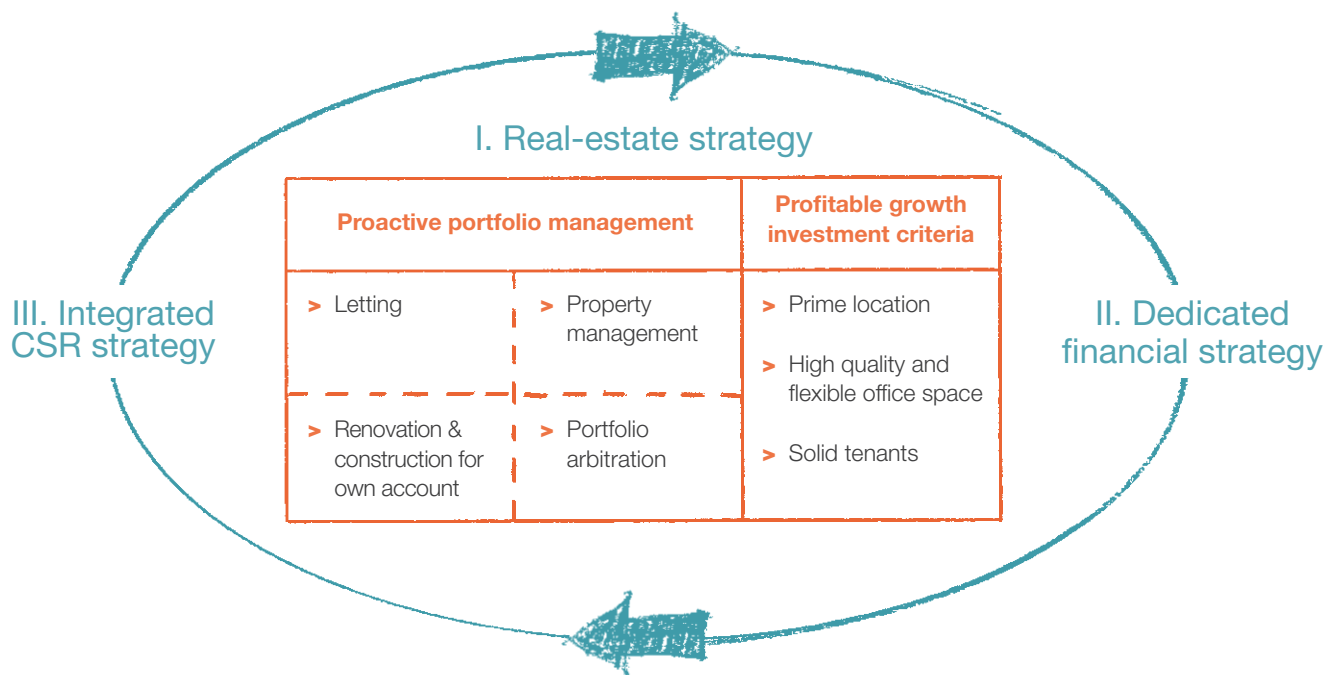
1. Proactive portfolio management

Befimmo proactively manages its relationship with its rental customers. The **commercial** team builds a relationship of trust with rental customers and strives to maintain a high occupancy rate in the portfolio. The portfolio of customers includes top-class tenants, two thirds of whom are public institutions, generally committed to long-term leases, and the remainder are highly diversified Belgian companies and multinationals.

Befimmo's control of the **property management** business enables it to strengthen the relationship with its rental customers, further enhancing their comfort through proximity management.

Befimmo also has a technical team with the skills and expertise to manage the **construction** of new buildings and the **renovation** of existing buildings for its rental customers. The continuous improvement of the portfolio includes proactive environmental measures; between 6% and 8% of the cost of a new building or major renovation goes into sustainable investments.

Befimmo also takes care to dispose of any property in its portfolio that no longer fits its strategy.





Triomphe I and II

2. Profitable growth

The **investment** side of Befimmo's business is driven by the creation of long-term value. In line with its Social Responsibility policy, the Company takes an interest in investment projects in quality office buildings that meet the following **investment criteria**:

- > a location where scarcity generates value;
- > an adequate critical size;
- > well equipped and flexible buildings;
- > an appropriate occupancy by quality tenants;
- > compliant with due-diligence checks (urban development, technical, environmental, legal and tax aspects);
- > potential to create value.

Befimmo may also adopt proactive positions, taking on certain short-term occupancy risks (for example by letting buildings that it owns but which are still under development), and forming appropriate partnerships with real-estate developers or building contractors in order to limit any risks involved in completion (cost, deadlines, quality). Finally, Befimmo may also consider forming partnerships where the scale of certain real-estate transactions would entail a concentration risk or exceed its own investment capacity.

II. Dedicated financial strategy

Befimmo arranges the most appropriate sources of finance needed to pursue its strategy. The Company arranges the necessary finance in due time, seeking an optimisation between cost, duration and diversification of its financing sources. It considers that a Loan-to-value ratio of around 50% is in line with its risk-averse profile in an office market with relatively stable values. In order to protect its result and EPRA earnings against a rapid rise in interest rates above certain thresholds, Befimmo has put in place a hedging policy.

→ “Financial structure”

III. Integrated corporate social responsibility strategy

Befimmo has integrated the principles of **Social Responsibility** into its strategy, and these are reflected in the environmental, economic or social aspects of its day-to-day operations. Since 2008, it has gradually moved from a qualitative environmental policy to a genuine Social Responsibility policy with quantifiable and measurable objectives.

In late 2013, Befimmo initiated a process of recurring dialogue with all its stakeholders (tenants, investors, public sector, Directors, employees, etc.) with a view to continuously improving its position as a **responsible company and landlord**. Befimmo seeks to strike a balance between the expectations of its stakeholders and the challenges it regularly faces. Accordingly, it has identified and prioritised environmental, economic and social challenges grouped into four major themes: the **environment**, the **team**, the **tenants** and **governance**. For each of these challenges, Befimmo undertakes to act on important initiatives both in its own interests and for the society in which it operates. The response to these challenges takes the form of specific measures, long-term objectives described in detail in the Social Responsibility programme prepared in cooperation with the management and the team.

→ “Social Responsibility”

Key events of the 2014 fiscal year

G4-13

Change of status to a B-REIT (SIR/GVV)

After the law of 12 May 2014 and the Royal Decree of 13 July 2014 on B-REITs entered into force, Befimmo made a proposal to its shareholders to change its legal status from a Sicafi into a public B-REIT (SIR/GVV).

The Extraordinary General Meeting of 21 October 2014 approved this change of status, with a majority of 99.93% of the shareholders present or represented.

Since 13 November 2014, Befimmo has officially had the status of public B-REIT. Following this change, the Company will continue uninterrupted its activities as a Real-Estate Investment Trust (REIT) within a legal framework that is consonant with the operational reality of the business.

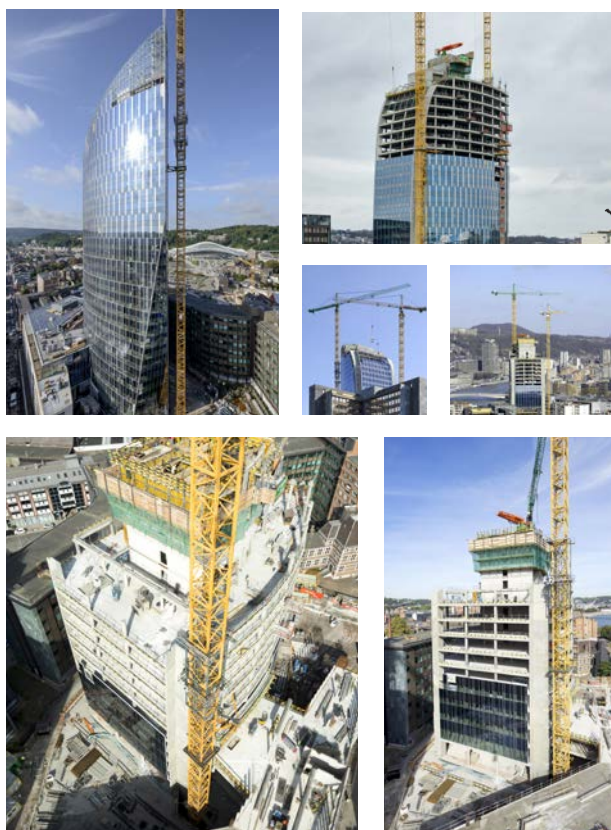
Delivery of the Paradis Tower, start of the 27.5-year lease | Liège

Construction works of the Paradis Tower (40,000 m²) were completed during the last quarter of the fiscal year. On 12 December 2014 the building was handed over to its tenant, the Buildings Agency (Belgian Government) for a fixed term of 27.5 years. The total value of the realised investment for this project is €95 million. The new building meets the highest technical and energy performance standards, will generate a recurring base rental income of some €5.9 million a year, which represents a current gross initial yield of around 6.2%.

Befimmo aims to achieve the BREEAM certification “Excellent” for the Post Construction phase, the same rating as it obtained for the Design phase certification.

Over the years, Befimmo has assembled a professional team able to manage the development of new buildings, in addition to the major comprehensive renovation programmes of the existing buildings. The successful completion of this project bears witness to that.

Paradis Tower



Energy performance:

K value: 37

K: 45 standard for the Walloon Region

E value: 60

E: 80 standard for the Walloon Region

**BREEAM certification “Excellent”
in the Design phase**

BEFIMMO AIMS TO ACHIEVE THE BREEAM
CERTIFICATION “EXCELLENT” FOR THE
POST CONSTRUCTION PHASE

THROUGH THIS TRANSACTION
AXA BELGIUM STRENGTHENED
ITS POSITION AS A BEFIMMO
SHAREHOLDER, CURRENTLY WITH A
10.5% HOLDING

Contribution in kind of the Rue aux Choux 35 building by AXA Belgium | Brussels | CBD | Centre

The Rue aux Choux 35 building (5,300 m²) is let to the Flemish Community and occupied by the Flemish Government for a residual fixed term of 8 years. The annual rent amounts to €1.1 million, generating a gross current yield of some 7.5%.

The contribution of this building by AXA Belgium was consolidated on 25 November 2014 with a capital increase, within the limits of the authorised capital, resulting from the contribution¹ in kind by AXA Belgium of its rights in rem to the leasehold with a conventional value of €15.2 million. This contribution was paid partly in new Befimmo shares (70%) and partly in cash (30%). Befimmo has thus increased its shareholders' equity² by €10.8 million through the issue of 186,853 shares at €57.65. Through this transaction AXA Belgium strengthened its position as a Befimmo shareholder, currently with a 10.5% holding.

This operation will have an accretive effect on EPRA earnings per share (around €0.02 per share over a full year) and a beneficial effect on the LTV ratio³ (-0.15% in absolute terms).



Rue aux Choux 35

Gross current yield
of some

7,5%

1. For more information, please refer to the press releases of 10 September 2014 and 20 November 2014 (www.befimmo.be/en/publications/21).

2. €2.7 million of which in share capital and the remaining €8.1 million as issue premiums.

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

BREEAM "VERY GOOD"
IN THE DESIGN PHASE

€26 million

Investment in the renovation of
the Brederode 13 building

Delivery of the Brederode 13 building for a 15-year take-up | Brussels CBD | Centre

Winning the loyalty of its customers and responding to their needs is at the heart of Befimmo's strategy, as once again demonstrated by the success of the "Brederode 13" transaction.

The new 15-year lease with the Linklaters law firm for a lease-back of the building at rue Brederode No 13 (13,400 m²) which it has now occupied for nearly 30 years, began during the first half of the fiscal year, following a major renovation programme costing some €26 million.

This prestigious listed building has excellent energy performance thanks to many investments, such as the fitting of new windows with high-insulation glazing units, roof insulation and heat exchangers for the ventilation units. In addition, to enhance the sustainability of the project's footprint, installations such as rainwater recovery systems to supply the toilets have been fitted and green roofs have been planted. Befimmo obtained a "Very Good" rating in the BREEAM Design phase certification of the building and is aiming for the same rating in the Post Construction phase certification.



Brederode 13

Triomphe I and II



Ikaros Business Park



Other events of the 2014 fiscal year

Sale of Fedimmo buildings on short leases

During the 2014 fiscal year, Fedimmo sold properties that were no longer strategic in view of the short durations of the leases signed with the Belgian Government. On the expiry of the leases, these buildings would require conversion to other uses that do not tally with the Company's pure player strategy.

- > **Sale of the Pépin 5 building | Namur:** The deed of sale for this building was signed on 16 June 2014 at a price of €2.2 million, generating a capital gain of €0.41 million in relation to the latest fair value determined by an independent real-estate expert.
- > **Sale of the Rennequin-SuaLEM building | Liège:** This building was sold on 8 September 2014 for €1.9 million, generating a capital gain of around €0.25 million in relation to the latest fair value determined by an independent real-estate expert.
- > **Sale of the Pépin 22, Pépin 31 and H. Lemaître buildings | Namur:** The passing of the deeds of sale of these buildings was completed on 23 December 2014. The overall selling price was €2.5 million, in line with the fair values determined by an independent real-estate expert.

Triomphe I | Brussels decentralised

During the second half of the 2014 fiscal year, Befimmo began the major renovation programme of its Triomphe I building (11,300 m²), at a cost of some €11 million. These works are intended to enhance the comfort and performance of the building, notably by renovating the interior finishings and replacing the glazing units by high-performance glazing, creating a new entrance hall and landscaping the areas around the building.

The building received a "Very Good" certification in the BREEAM Post Construction phase.

This building, now available for lease, enjoys excellent visibility alongside Boulevard du Triomphe and is attracting interest from prospective tenants looking for flexible and efficient office space.

Ikaros Business Park - Phase II | Brussels periphery | Zaventem

In the course of the first half of the fiscal year, Befimmo completed the major renovation of buildings 21/23 and 25/27. In 2015, Befimmo will continue the renovation programme in the other phases of the Ikaros Business Park.

The overall budget for the investments in these properties, allowing a "Very Good" rating in the BREEAM certification Design phase, was around €5 million.

Summary of construction, redevelopment and renovation works carried out during the 2014 fiscal year

	Space	Location	Completion	Occupancy	Type	Investment realised in 2014 (in € million)	Total investment (in € million)
Paradis Tower	40 000 m ²	Liège	Fourth quarter of 2014 ¹	100%	Construction	47.0	95
Brederode 13	13 400 m ²	Brussels CBD, centre	Second quarter 2014	100%	Renovation	10.1	26
Triomphe I	11 300 m ²	Brussels, decentralised	Fourth quarter of 2014	0%	Renovation	5.2	11
Ikaros Business Park Phase II	3 100 m ²	Brussels, periphery	Second quarter 2014	70%	Renovation	3.4	5
WTC Tower IV (building permit)	53 500 m ²	Brussels CBD, North	Launched when committed	To be built	Construction	5.1	-
Energy investments	-	-	-	-	-	1.9	-
Other investments	-	-	-	-	-	9.1	-
Total	-	-	-	-	-	81.8	-

Eager to meet the needs of its tenants, keep its properties attractive and at a high level of quality, and to ensure the highest possible occupancy rate in the portfolio, Befimmo continually invests in its buildings (in line with its Social Responsibility strategy) by renovating them, redeveloping them or improving their energy performance.

Over the 2014 fiscal year, Befimmo invested €81.8 million overall in works in its buildings. Depending on the project, between 6% and 8% of their costs were specifically devoted to achieving optimal energy performance. This policy aims at respecting current and anticipated regulations and at meeting tenants', investors' and shareholders' expectations.

Under its multi-annual investment programme to improve the energy performance of its occupied and leased buildings (Befimmo's portfolio excluding Fedimmo), Befimmo invested a total of €1.9 million over the fiscal year.

In addition, expenditure charged to the income statement included €13.6 million for maintenance, repair, refurbishment and initial installation work. Part of this amount (€4.6 million) was charged back to tenants.

€81.8 million

Investment in works in 2014

Quatuor project



Paradis Phase 2 project



WTC IV project



1. The old Paradis building will be demolished in 2015.

Preparation of major five-year projects

Befimmo continues to prepare major projects in its portfolio over the coming five years. The significant demand from public institutions identified in the Brussels real estate market represents a genuine opportunity for creating value that Befimmo will strive to materialise over the coming years.

→ “Brussels office property market”

Brederode 9 and Namur 48 | Brussels CBD | Centre

Following the hand-over of the Brederode 13 building² to its occupant, the Linklaters law firm, the Brederode 9 and Namur 48 buildings, let to Linklaters for the duration of the renovation work on the Brederode 13 building, have been vacated and are to undergo a major renovation costing some €14 million. They will be available to let again in the course of 2016.

The renovation programme will cover all common areas and offices of the two buildings and is aiming for a “Very Good” rating in the BREEAM Post Construction phase certification for the Brederode 9 building.

Liège Paradis | Phase 2 | Call for projects

The call for projects procedure, launched in November 2013 in cooperation with the City of Liège and the Walloon Region, concerns the realisation of a mixed real-estate project (around 35,000 m² of office space and housing) on the plot next to the new Finance Tower and owned by Fedimmo.

Fedimmo is conducting in-depth analysis of four ambitious projects submitted during the 2014 fiscal year and in principle will designate the winner of the competition in the first half of 2015. This project to develop the site will be actually implemented when the occupancy risk is adequately covered.

WTC IV | Brussels CBD | North area

Fedimmo has the administrative permits (planning and environmental permits) needed to build Tower IV of the WTC complex located in the North area of Brussels, a

“passive”³ tower of almost 53,500 m². It is a new building, independent of the other three towers of the complex which creates an individual identity that is especially efficient and sustainable in the broad sense. It was rated “Outstanding” in its BREEAM Design-phase certification.

The “all-in” construction cost of this project is estimated at €150 million.

This project is now available to let off-plan to major tenants, whether public or private. Except for the preparatory work, however, Fedimmo does not intend to commence construction before the occupancy risk is sufficiently covered.

Quatuor | Brussels CBD | North area

Since the current lease expires in the course of 2017, and no later than early 2018, Befimmo is planning a new project, the Quatuor, to replace the Noord Building, while maintaining the possibility of a refurbishment of the existing building. The strategic location of this building near the metro and Brussels-North, one of the busiest railway stations in Belgium, and its visibility alongside the boulevard of the Brussels “inner ring”, is a real opportunity for future occupants, whether public institutions, or private or corporate tenants.

Befimmo applied, during the 2014 fiscal year, for planning and environmental permits for the Quatuor project. In this assumption, the current Noord Building would then be demolished after the expiry of the current lease.

The new complex (60,000 m²) would be made up of four office buildings forming a single architectural unit, designed to ensure maximum flexibility in terms of occupation.

In designing the building, Befimmo aims to achieve an “Excellent” rating in the BREEAM Design phase. The “all-in” construction cost of the project is estimated at €150 million.

WTC II | Brussels CBD | North area

At the end of the current lease Befimmo is planning by 2019, as the case may be, a full renovation of WTC Tower II, located in the heart of Brussels North district opposite the Brussels-North railway station. The Company has already begun the relevant studies.

2. For further information, please see page 26 of this Report.

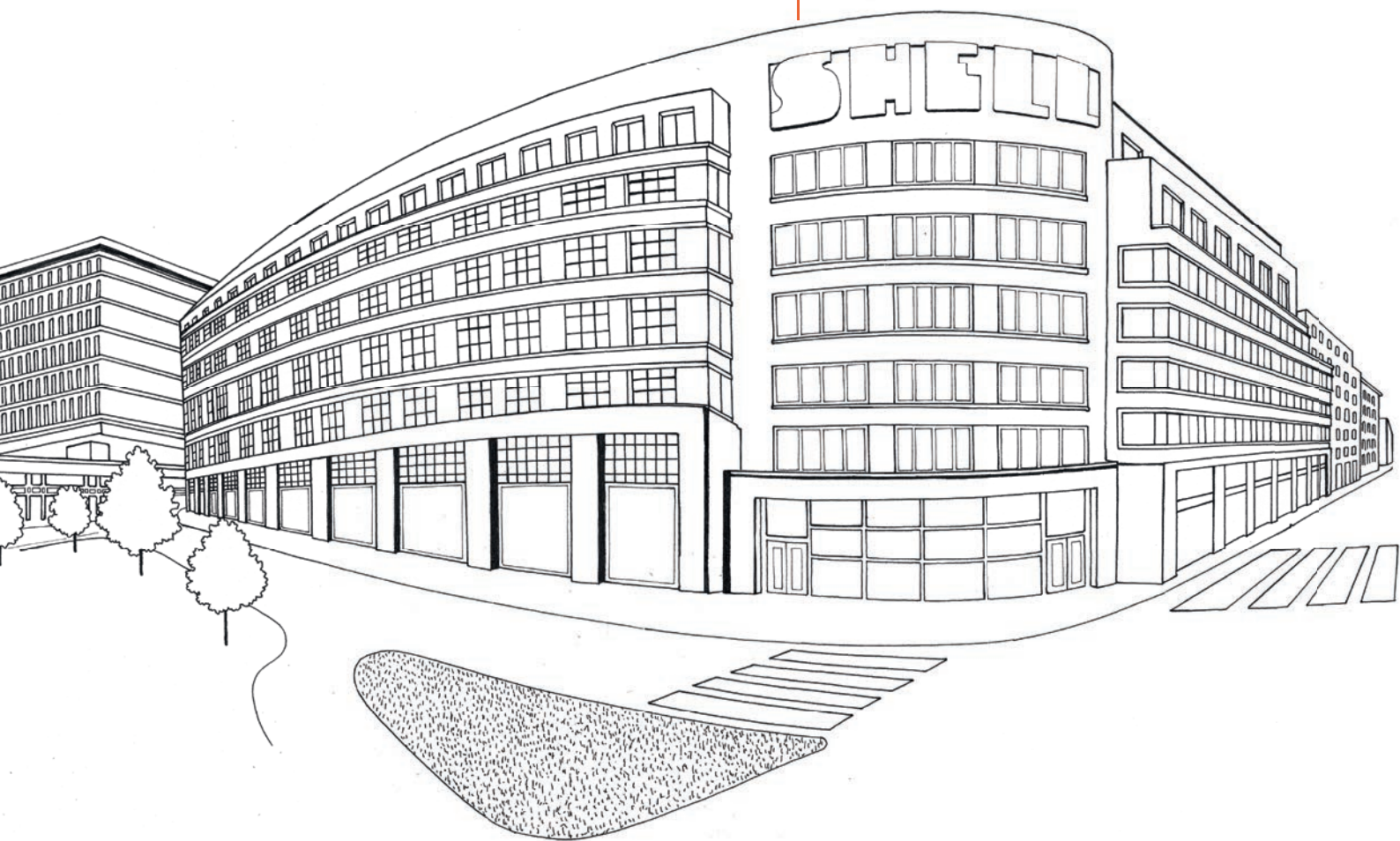
3. As per the Brussels legislation applied in 2015.

Central Gate

In the heart
of Brussels

**An ideal location
close to public
transport**

**Major renovation
in 2012**





32,400

square metres



261

parking spaces and
70 bicycle spaces



±1,200

employees

8

storeys



THE BUILDING HAS A "GOOD" RATING
FOR ITS BREEAM IN-USE CERTIFICATION



Brussels



Location	Rue Ravenstein 50-70 Cantersteen 39-55 1000 Brussels
Architects	Alexis Dumont Marcel van Goethem
Area	32,400 m ²
Duration of lease	3/6/9
Tenant	Multi tenant

Property report

Property portfolio G4-4

Property key figures

94.07%

Occupancy rate of the properties available for lease

6.28%

Gross initial yield of the properties available for lease

€2.3 billion

Fair value of portfolio

-9.69%

Reversion rate

8.64 years

Weighted average duration of leases

Blue Tower



Change in fair values¹ of the property portfolio

Fair value of Befimmo's consolidated portfolio by geographical area

Offices	Change 2014 ² (in %)	Proportion of portfolio ³ (31.12.2014) (in %)	Fair value (31.12.2014) (in € million)	Fair value (31.12.2013) (in € million)
Brussels centre (CBD)	-0.37	54.0	1 233.5	1 187.9
Brussels decentralised	-1.75	4.2	97.1	71.8
Brussels periphery	-8.94	6.3	144.3	152.4
Flanders	3.31	21.1	483.3	469.1
Wallonia	-9.12	7.9	179.8	73.9
Luxembourg city	2.20	3.7	84.6	82.9
Properties available for lease	-0.45	97.3	2 222.6	2 038.1
Properties that are being constructed or developed for own account in order to be leased	9.12	2.7	60.7	146.0
Investment properties	0.41	99.9	2 283.3	2 184.1
Properties held for sale	-	0.1	2.0	-
Total	0.41	100.0	2 285.2	2 184.1

The fair value of Befimmo's consolidated portfolio as at 31 December 2014 was €2,285.2 million, as against €2,184.1 million as at 31 December 2013.

This change in value takes account of:

- > the construction of the Paradis Tower in Liège;
- > the renovation of the Brederode 13 and Triomphe I buildings, and others in Brussels and the Brussels periphery;
- > the addition to the portfolio through the contribution of the leasehold of the Rue aux Choux 35 building;
- > the sales of the Pépin 5, 22, 31 and Henri Lemaître buildings, and the sale of the Sualem-Rennequin building;
- > the changes in fair value recorded in the income state.

Excluding acquisitions, investments and disinvestments, there was an overall rise in the fair value of the portfolio of €9.3 million (0.41%) over the fiscal year.

This increase in value over the 2014 fiscal year was due to the combined effect of:

- > increases in the values of the buildings on long-term leases to public-sector tenants, positively influenced by the relatively low yield levels observed in recent transactions for properties with similar profiles;
- > decreases recorded on the portfolio of buildings on short leases in the Brussels periphery and decentralised areas, and on some buildings due to the approaching expiry dates of their leases.

Furthermore, some specific events, such as the extension of certain leases and the receipt of subsidies for certain works, had a positive impact on the value of the portfolio over the fiscal year.

The buildings that each account for more than 5% of the total fair value of the portfolio are Towers II and III of the WTC, which together represent some ±14%.

Change in fair value by quarter

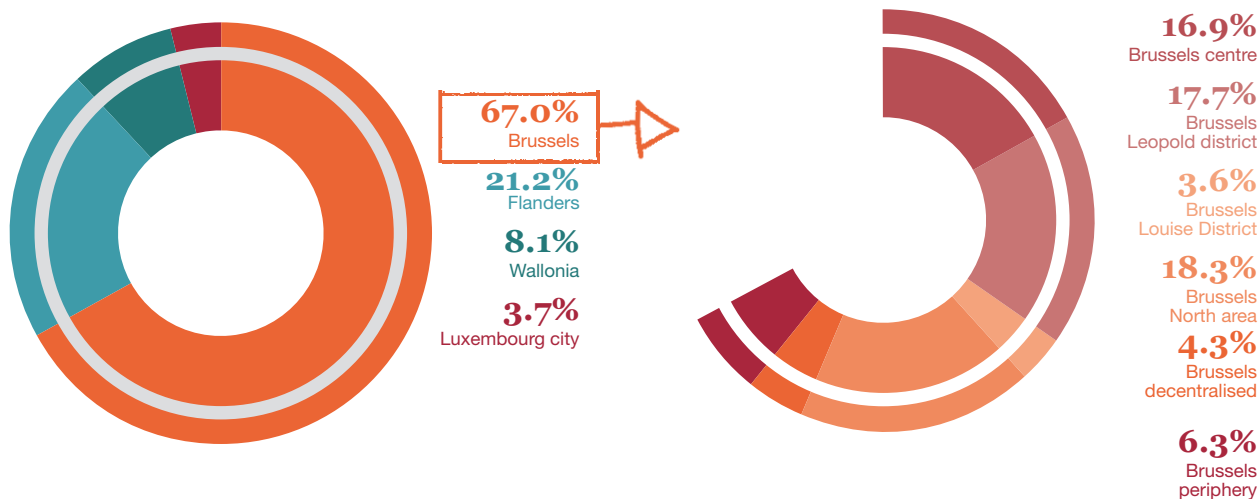
	Q1	Q2	Q3	Q4	Q1-Q4
2013	0.03%	-0.39%	-0.01%	-0.19%	-0.53%
2014	0.30%	0.19%	-0.10%	0.02%	0.41%

1. These values are established in accordance with standard IAS 40 which requires investment property to be booked at "fair value". Fair value is obtained by deducting the average transaction costs 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.

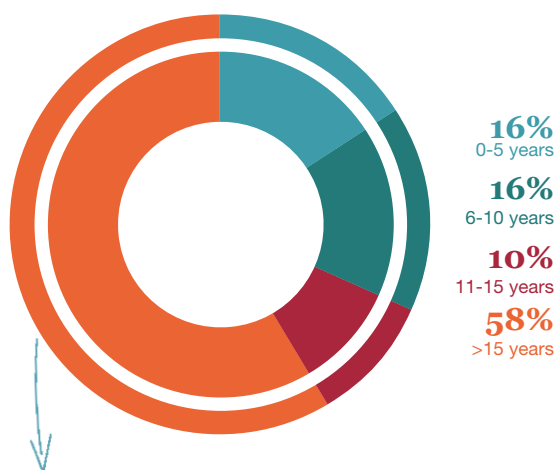
2. The change over the 2014 fiscal year is the change in fair value between 1 January 2014 and 31 December 2014 (excluding the amount of acquisitions, investments and disinvestments).

3. The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2014.

Geographical breakdown¹

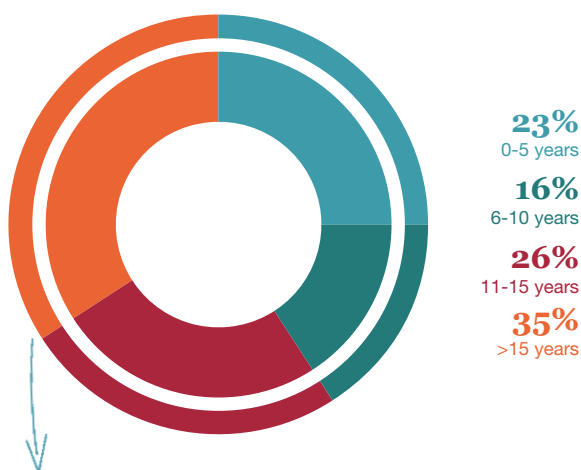


Breakdown of portfolio by age class^{1, 2}



This graph shows the breakdown of the Befimmo portfolio (investment properties excluding land) by age group. The buildings are divided according to their year of construction or, where applicable, to the year in which they last underwent a major renovation, defined as substantial investment work on the building's envelope, structure and/or primary installations. After a major renovation, the building is considered to begin a new life cycle.

Renovation planning of the portfolio³



This graph shows the breakdown of the Befimmo portfolio in accordance with the estimated building renovation programme. The breakdown is based on the estimated period, taking account of the age of the buildings and their rental situation, in which a major renovation is to be carried out. After the renovation, the building is considered to begin a new life cycle. The EPRA earnings outlook published hereafter takes account of the renovation programme.

→ "Outlook and dividend forecast"

1. The proportions are expressed on the basis of the fair value of the investment properties as at 31 December 2014.

2. Publication pursuant to Annex B to the Royal Decree of 13 July 2014.

3. Breakdown based on the m² of the investment properties as at 31 December 2014.

New rentals and lease renewals

As at 31 December 2014, the rental vacancy rate of the Brussels office market⁴ was 10.63%, down from 11.08% as the year opened. There are still substantial differences in rates between the various districts, however: the Central Business District (CBD) has 6.30% of vacant space in the Leopold district and 5.13% in the North area, while the actual city centre (within the Pentagon) enjoys a lower vacancy rate, with only 3.91% of space available. In the Brussels periphery and decentralised areas, the situation remains challenging, with vacancy rates of 24.92% and 14.40% respectively.

In the 2014 fiscal year, Befimmo agreed new leases and renewals in that market for some 24,000 m² of space, comprising 20,000 m² of offices and 4,000 m² of retail, storage and multi-purpose space. This total amount of space is higher than rental space signed during the 2013 fiscal year (15,500 m²) and in line with the 24,000 m² let in 2012.

Of the agreements signed over the year, 39%⁵ relate to new leases (21 transactions), the remaining 17 transactions being renewals of existing leases.

Befimmo is pursuing its objective of securing the loyalty of its rental customers by continuing to focus on satisfying their needs.

In the Befimmo portfolio located in the **Brussels CBD**, the Company completed transactions during the year for space totalling 10,165 m². The most significant transactions include the three new leases in the Froissart building, now fully let. Furthermore, some existing tenants in the portfolio have renewed their leases for several years. These notably include Bain & Company, The Crew, Ogilvy, International Business Wales and Creg.

Befimmo welcomed new tenants to its portfolio in the **Brussels periphery** for a total space of around 7,000 m², notably the new 6/9-year lease with Bacardi-Martini in the Media building. In addition, some existing tenants reaffirmed their confidence in Befimmo by renewing and extending leases covering some 3,300 m² of space, including the Ikea Services Center. The Triomphe I building, on the other hand, has been completely renovated but is still awaiting its first occupants.

Note that the terms of these new leases are in line with the assumptions used to determine the EPRA earnings outlook published in the Annual Financial Report 2013.

Tenants (as at 31.12.2014) G4-8

Public sector	Weighted average duration ⁶ (in years)	Percentage of the current rent (in %)
Federal		51.98%
Flemish Region		7.35%
Belgian public sector	10.37	59.33%
European Commission		6.04%
European Parliament		3.20%
Representations		0.60%
European public sector	10.17	9.83%
Total public sector tenants	10.34	69.16%

Private sector - top 5	Weighted average duration ⁶ (in years)	Percentage of the current rent (in %)
BNP Paribas and affiliated companies		4.51%
Beobank (Crédit Mutuel Nord Europe)		2.04%
BGL BNP Paribas and affiliated companies		1.95%
Linklaters		1.91%
Sheraton		1.39%
Total	7.69	11.82%

Other tenants	Weighted average duration ⁶ (in years)	Percentage of the current rent (in %)
± 220 tenants	3.05	19.02%
Total of portfolio	8.64	100%

4. Source of market data: CBRE – 31 December 2014 (www.cbre.be).

5. Based on the number of m² let.

6. Weighted average duration of leases, i.e. the sum of (annual current rent for each lease multiplied by the remaining duration up to the first break in the lease) divided by the total annual current rent of the portfolio.

Occupancy rate¹

The occupancy rate of the properties available for lease was 94.07% at 31 December 2014 (compared with 95.24% as at 31 December 2013). For all the investment properties², the occupancy rate at 31 December 2014 amounts to 92.31% (compared with 94.16% as at 31 December 2013).

This change in the occupancy rate is explained mainly by the expiry of the leases in the Mons 2 building in Mons, and the Brederode 9 and Namur 48 buildings in Brussels. From the fourth quarter of 2014, they were transferred into the category of properties that are being constructed or developed for own account in order to be leased.

In addition, the Triomphe I building was transferred into the category of the properties available for lease as the renovation works were completed in the course of the second half of the fiscal year but which is not yet let.

Tenants³

G4-8



69.2%
Public sector⁴

10.3%
Finance

4.8%
Consulting,
Communication,
Lawyers

3.7%
Services

3.4%
Chemistry,
Oil,
Pharma,
Gas,
Electricity

3.2%
IT-Telecom

2.8%
Industry

1.7%
Retail

1.0%
Others

Triomphe I and II



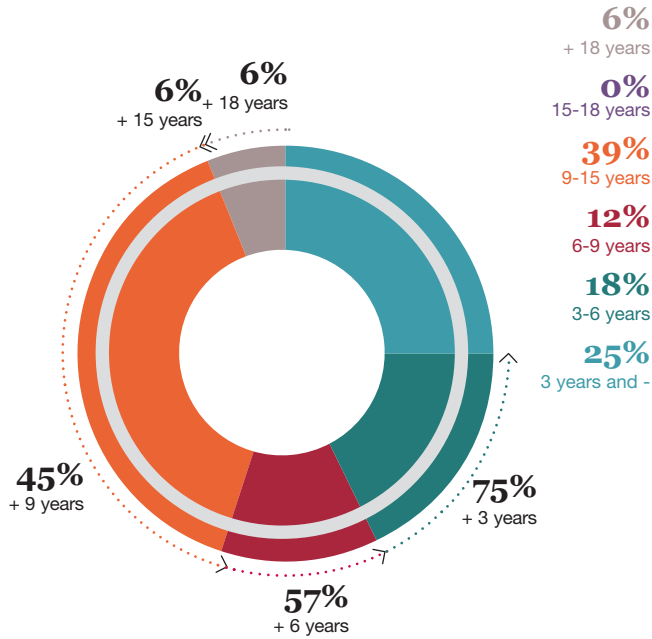
? "Glossary"

1. Occupancy rate = current rents (including the rate for space let but for which the lease has yet to begin)/(current rent + estimated rental value for vacant space).
 2. Comprising properties that are being constructed or developed for own account in order to be leased.
 3. The proportions are expressed on the basis of the current rent as at 31 December 2014.
 4. Public sector: Belgian public institutions (federal & regional), European institutions and delegations.

Weighted average duration of leases

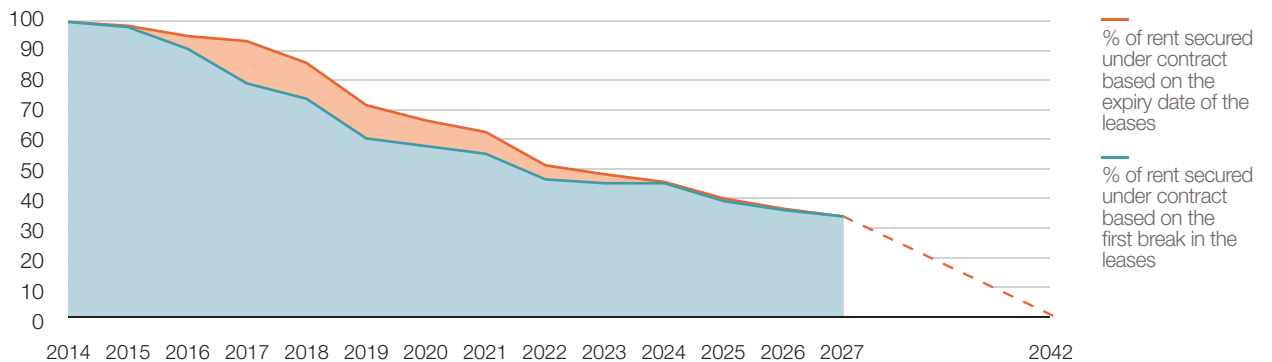
As at 31 December 2014, the weighted average duration of current leases was 8.64 years as against 9.06 years at 31 December 2013.

Duration of leases³



Waterloo Office Park

Percentage of rent guaranteed under contract on the basis of the remaining term of the leases in the consolidated portfolio⁵ (for ongoing and signed future leases) (in %)



5. Rents for future years calculated on the basis of the present situation, assuming that each tenant leaves at the first break and that no further lease is agreed in relation to the current rent as at 31 December 2014.

Goemaere



Global rental yield

Overall rental yield (in %)

	Initial yield ¹ (31.12.2014)	Initial yield ¹ (31.12.2013)	Potential yield ² (31.12.2014)	Potential yield ² (31.12.2013)
Brussels centre (CBD)	6.59	6.67	6.84	6.94
Brussels decentralised	5.07	6.81	7.75	7.86
Brussels periphery	6.82	6.70	8.80	8.42
Wallonia	5.50	13.85	5.50	13.85
Flanders	5.90	6.13	5.93	6.15
Luxembourg city	6.12	6.19	6.35	6.41
<i>Properties available for lease</i>	<i>6.28</i>	<i>6.80</i>	<i>6.68</i>	<i>7.14</i>
Total investment properties³	6.13	6.46	6.61	6.87

The drop in the initial yield of properties available for lease is primarily related to the replacement under this heading of the portfolio of the old Paradis building with the new Paradis Tower on a long lease to the Belgian Government, the lease has taken effect and the yield is therefore lower. Meanwhile the Mons 2, Brederode 9 and Namur 48 buildings, which had high yields owing to the short residual durations of their leases, have been removed from this heading.

In addition, the Triomphe I building was transferred into the category of the properties available for lease as the renovation works were completed in the course of the second half of the fiscal year but which is not yet let.

Acquisition price and insured value on properties of Befimmo's consolidated portfolio (in € million)

G4-9

Offices	Acquisition price	Insured value ⁴ 31.12.2014	Fair value 31.12.2014
Brussels centre (CBD)	1 078.6	972.9	1 233.5
Brussels decentralised	134.9	125.0	97.1
Brussels periphery	208.6	210.5	144.3
Flanders	476.3	551.8	483.3
Wallonia	165.5	176.5 ⁵	179.8
Luxembourg city	- ⁵	44.4	84.6
<i>Properties available for lease</i>	<i>2 063.8⁶</i>	<i>2 081.1</i>	<i>2 222.6</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>65.5</i>	<i>37.6</i>	<i>60.7</i>
Investment properties	2 129.3⁶	2 118.7	2 283.3
Properties held for sale	-⁵	4.9	2.0
Total	2 129.3⁷	2 123.6	2 285.2

1. The initial yield corresponds to the overall rental yield on current rents.

2. The potential yield corresponds to the overall rental yield on current rents plus the estimated rental value of vacant premises.

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

4. The insured value is the reconstruction value (excluding the land).

5. Pursuant to the Royal Decree of 13 July 2014, a public B-REIT is entitled not to disclose the purchase price for a segment containing a single property.

6. Excluding Luxembourg city.

7. Excluding Luxembourg city and the properties held for sale.

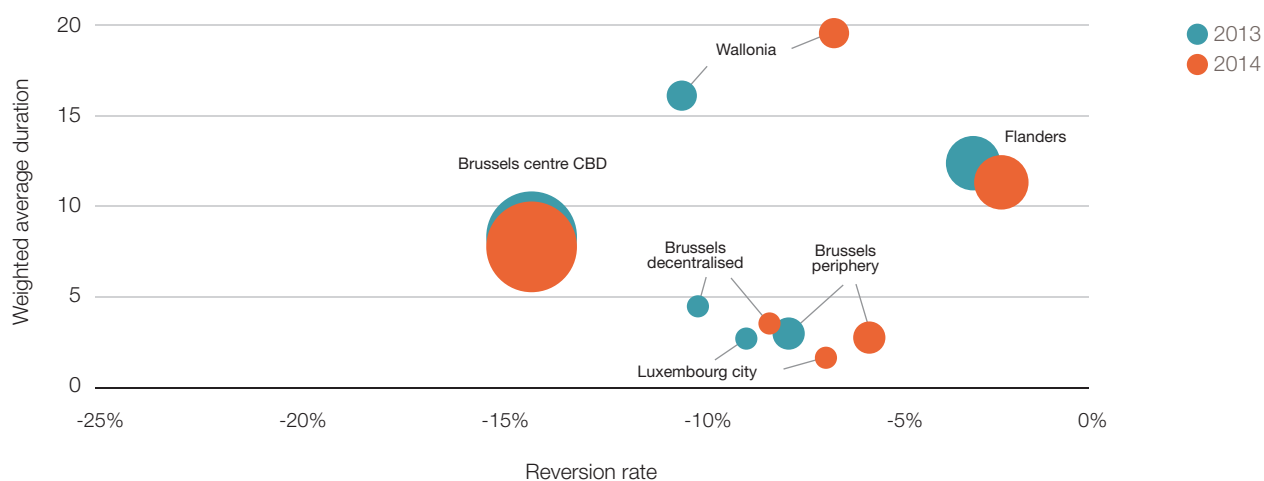
8. Taking account of the insured value of the Paradis Tower but not the old Paradis building which will be demolished during the 2015 fiscal year.

Reversion rate

Reversion rate of rents (as at 31.12.2014)

	Current rent ⁹ (in € thousand)	Proportion of rents ¹⁰ (in %)	Weighted residual average duration ¹¹ 1 st break (in years)	Reversion rate ¹² (in %)
Brussels centre (CBD)	83 382	58.2	7.84	-14.03
Brussels decentralised	5 041	3.5	3.54	-7.97
Brussels periphery	10 087	7.0	2.73	-5.52
Wallonia	10 166	7.1	19.49	-6.39
Flanders	29 261	20.4	11.34	-2.16
Luxembourg city	5 305	3.7	1.60	-6.56
Properties available for lease	143 243	100.0	8.64	-9.69

Reversion rate in relation with the duration of leases and the proportion of portfolio



As at 31 December 2014, the reversion rate of the portfolio amounts to -9.69% (compared with -10.40% as at 31 December 2013).

This reduction in the reversion rate compared with the previous fiscal year can be attributed to (i) renegotiations of leases agreed at market rents, but below previous rents, in line with the estimated rental values established by the real-estate experts, and (ii) the rise in some estimated rental values, particularly in the Flemish Region, which had declined earlier.

If the full reversion is realised, the impact on the current rent as at 31 December 2014 (€143.2 million) of the potential negative reversion of the leases expiring over the next three years would be €1.6 million.

The EPRA earnings forecasts presented hereafter (page 77) take account of a potential reversion on the expiry of the current leases.

9. The annual current rent at the closing date plus future rent on leases signed as at 31 December 2014, as reviewed by the real-estate experts.

10. The proportion of rents is calculated on the basis of the current rent as at 31 December 2014.

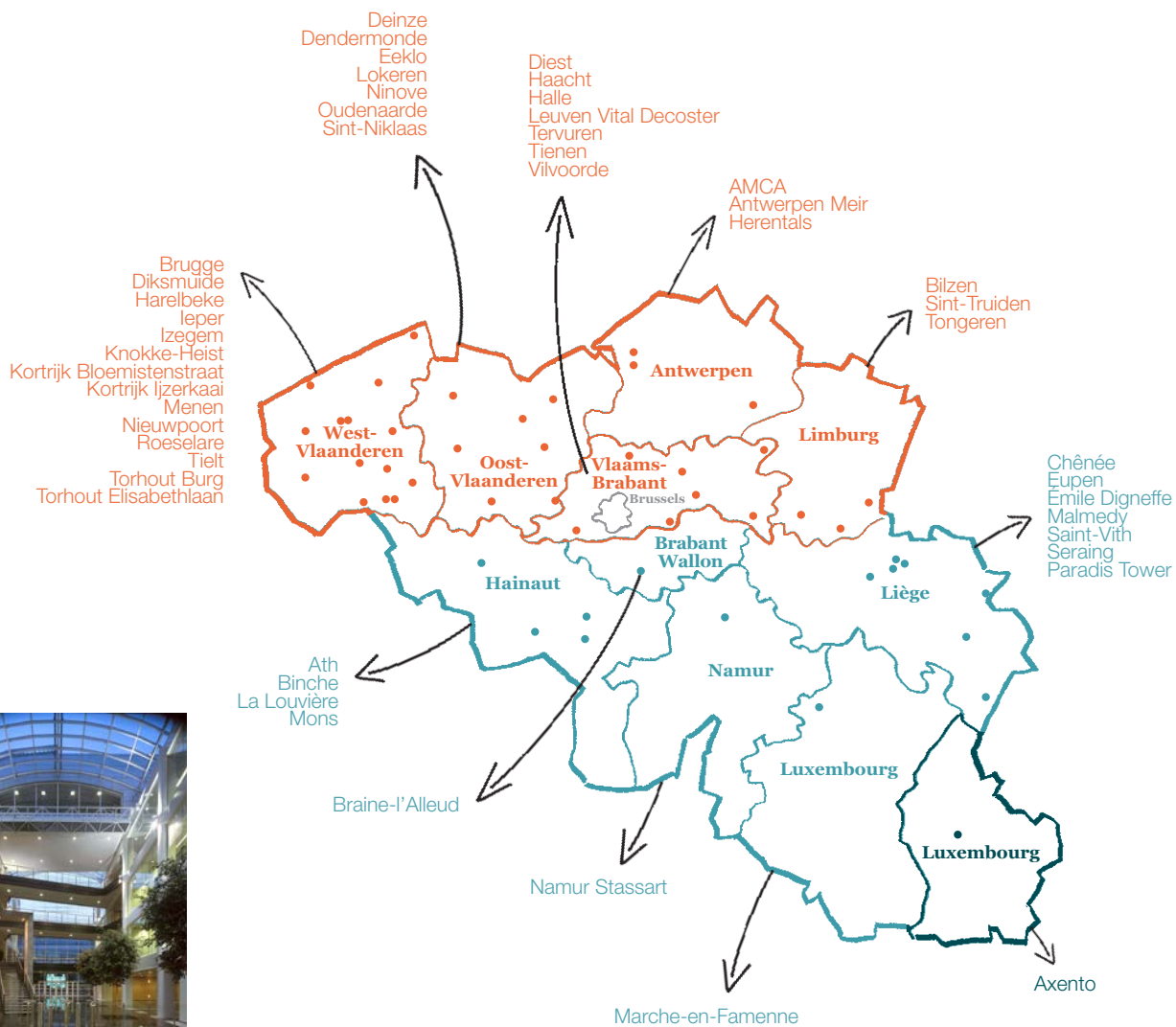
11. Weighted average duration of leases, i.e. the sum of (annual current rent for each lease multiplied by the term remaining up to the first break in the lease) divided by the total current annual rent of the portfolio. This duration is calculated taking into account current projects and the property held for sale.

12. Reversion rate: $1 - \frac{\text{current rent} + \text{estimated rental value of vacant space}}{\text{estimated rental value of total space}}$.

Geographical situation of the Befimmo portfolio

G4-6 G4-8

Belgium & Luxembourg



Media



AMCA



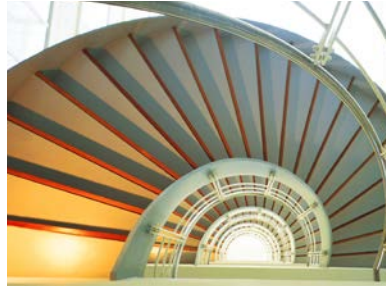
Axento



Schuman 3



La Plaine



Goemaere

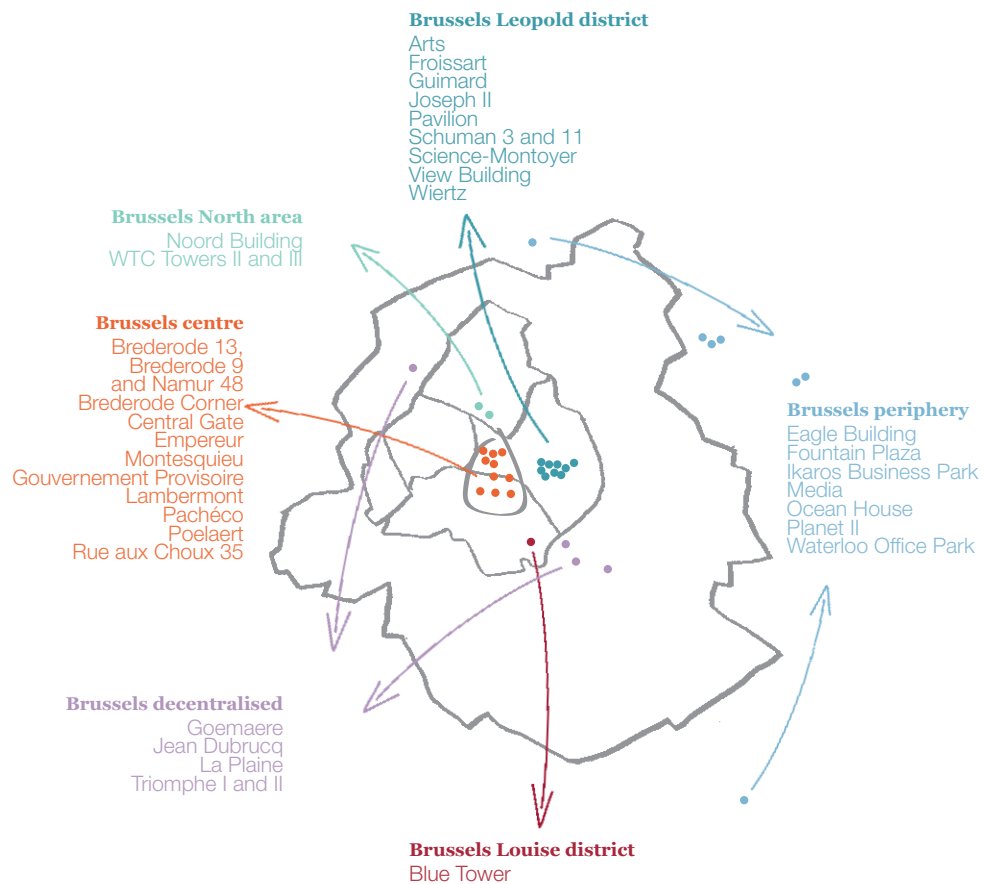


Wiertz



Triomphe I and II

Brussels



Buildings of Befimmo's consolidated portfolio¹

G4-8

G4-9

	Construction year or year of the last renovation ²	Floor area for lease (in m ²)
Brussels centre		
Brederode 13 - Rue Brederode 13 and Rue Thérésienne, 1000 Brussels	2014	13 388
Brederode Corner - Rue Brederode and Rue de Namur, 1000 Brussels	1954/1958	8 036
Central Gate - Rue Ravenstein 50-70 and Cantersteen 39-55, 1000 Brussels	2012	32 369
Empereur - Boulevard de l'Empereur 11, 1000 Brussels	1963	5 953
Gouvernement Provisoire - Rue du Gouvernement Provisoire 15, 1000 Brussels	2005	2 836
Lambermont - Rue Lambermont 2, 1000 Brussels	2000	1 788
Montesquieu - Rue des Quatre Bras 13, 1000 Brussels	2009	19 035
Pachéco - Boulevard Pachéco 32, 1000 Brussels	1976	5 481
Poelaert - Place Poelaert 2-4, 1000 Brussels	2001	14 146
Rue aux Choux 35 - Rue aux Choux 35, 1000 Brussels	1993	5 271
		108 303
Brussels Leopold district		
Arts - Rue des Arts 28-30 and Rue du Commerce 96-112, 1000 Brussels	2005/-	16 793
Froissart - Rue Froissart 95, 1000 Brussels	2010	3 185
Guimard - Rue Guimard 9 and Rue du Commerce 87-91, 1040 Brussels	1977	5 435
Joseph II - Rue Joseph II 27, 1000 Brussels	1994	12 892
Pavilion - Rue de la Loi 70-72-74, 1000 Brussels	2005	19 624
Schuman 3 - Rond-point Schuman 2-4a and Rue Froissart 141a-143, 1040 Brussels	2001	5 572
Schuman 11 - Rond-point Schuman 11, 1040 Brussels	2004	5 285
Science-Montoyer - Rue Montoyer 30, 1000 Brussels	2011	5 379
View Building - Rue de l'Industrie 26-38, 1040 Brussels	2001	11 208
Wiertz - Rue Wiertz 30-50, 1050 Brussels	1996	10 868
		96 241
Brussels Louise district		
Blue Tower - Avenue Louise 326, 1000 Brussels	1976	27 921
		27 921
Brussels North area		
Noord Building - Boulevard Baudouin 30, 1000 Brussels	1989	42 726
World Trade Center - Tower II - Boulevard du Roi Albert II 30, 1000 Brussels	1973	68 980
Word Trade Center - Tower III - Boulevard du Roi Albert II 30, 1000 Brussels	1983	75 800
		187 506
Brussels decentralised		
Goemaere - Chaussée de Wavre 1945, 1160 Brussels	1997	7 029
Jean Dubrucq - Avenue Jean Dubrucq 175b 1, 1080 Brussels	1992	8 025
La Plaine - Boulevard Général Jacques 263G, 1050 Brussels	1995	15 933
Triomphe I and II - Avenue Arnaud Fraiteur 15-23, 1050 Brussels	2014	20 613
		51 600
Brussels periphery		
Eagle Building - Kouterveldstraat 20, 1831 Diegem	2000	8 646
Fountain Plaza - Belgicastraat 1-3-5-7, 1930 Zaventem	2012	18 416
Ikaros Park Business Park (phases I to V) - Ikaroslaan, 1930 Zaventem	1990/2014 ⁶	45 959
Media - Medialaan 50, 1800 Vilvoorde	1999	18 104
Ocean house - Belgicastraat 17, 1930 Zaventem	2012	4 726
Planet II - Leuvensesteenweg 542, 1930 Zaventem	1988	10 277
Waterloo Office Park - Drève Richelle 161, 1410 Waterloo	1992	2 005
		108 133

1. The fair value of every subportfolio is published on page 33 on this Report.

2. Construction year and year of the last renovation: year of the last renovation is indicated when dealing with a major renovation (investment work on the envelope, structure and main installations of the building).

3. The proportion of portfolio is calculated on the basis of the current rent as at 31 December 2014.

4. The current rent at the closing date plus the future rents on leases signed as at 31 December 2014, as reviewed by the real-estate experts.

5. Since the integration of the building in Befimmo's portfolio on 25 November 2014.

6. Ikaros Business Park - Phase II (buildings 8A, 7B and 12B).

Proportion of portfolio ³ (in %)	Rent billed during the fiscal year (in € thousand)	Current rent ⁴ (in € thousand) (A)	Current rent + Estimated rental value on vacancy (in € thousand) (B)	Occupancy rate (in %) (C) C = A/B
1.9%	1 581	2 699	2 699	100.0%
1.4%	2 052	2 054	2 078	98.9%
3.2%	4 352	4 650	5 023	92.6%
0.7%	1 073	1 073	1 073	100.0%
0.4%	623	623	623	100.0%
0.3%	361	361	361	100.0%
3.2%	4 652	4 648	4 648	100.0%
0.5%	736	736	736	100.0%
2.4%	3 513	3 504	3 504	100.0%
0.8%	116 ⁵	1 147	1 147	100.0%
15.0%	19 059	21 496	21 892	98.2%
2.9%	4 152	4 152	4 152	100.0%
0.5%	454	754	794	95.0%
0.6%	933	862	1 032	83.5%
3.0%	4 297	4 297	4 297	100.0%
3.0%	4 332	4 375	4 375	100.0%
0.4%	527	528	1 411	37.4%
1.0%	1 267	1 389	1 486	93.5%
0.8%	1 208	1 208	1 208	100.0%
1.4%	2 000	2 024	2 024	100.0%
2.4%	3 384	3 388	3 388	100.0%
16.0%	22 554	22 977	24 167	95.1%
3.5%	4 658	5 093	6 197	82.2%
3.5%	4 658	5 093	6 197	82.2%
5.8%	8 367	8 348	8 348	100.0%
9.5%	12 211	13 606	13 991	97.3%
8.3%	11 863	11 863	11 863	100.0%
23.5%	32 441	33 817	34 202	98.9%
0.8%	1 103	1 109	1 109	100.0%
0.2%	320	320	534	59.9%
2.0%	2 938	2 938	2 938	100.0%
0.5%	585	674	3 125	21.6%
3.5%	4 946	5 041	7 707	65.4%
0.6%	827	828	948	87.3%
1.1%	1 494	1 643	2 378	69.1%
2.6%	3 879	3 778	5 586	67.6%
1.7%	2 295	2 401	2 404	99.9%
0.3%	441	438	509	86.0%
0.5%	549	680	866	78.6%
0.2%	320	321	328	97.8%
7.0%	9 805	10 087	13 018	77.5%

Management report - Property report

	Construction year or year of the last renovation ¹	Floor area for lease (in m ²)
Wallonia		
Ath - Place des Capucins 1	1995	4 055
Binche - Rue de la Régence 31	1960	2 480
Braine-l'Alleud - Rue Pierre Flamand 64	1977	2 175
Chenée - Rue Large 59	1983	1 276
Eupen - Vervierserstrasse 8	1989	2 240
La Louvière - Rue Ernest Boucqueau 15	1997	6 116
Liège - Avenue Emile Digneffe 24	1953	2 358
Liège - Rue Paradis 1 - old Paradis building ⁴	1987	-
Liège - Rue Fragnée 2 - Paradis Tower	2014	40 040
Malmedy - Rue Joseph Werson 2	2000	2 757
Marche-en-Famenne - Avenue du Monument 25	1988	4 070
Namur - Avenue de Stassart 9	1900	1 939
Saint-Vith Klosterstrasse 32	1988	2 956
Seraing - Rue Haute 67	1971	2 109
		74 571
Flanders		
Antwerpen - AMCA - Italiëlei 4	1991/1992	59 256
Antwerpen - Meir 48	19 th century/1985	20 611
Bilzen - Brugstraat 2	1995	1 318
Brugge - Boninvest 1	1996	2 690
Deinze - Brielstraat 25	1988	3 167
Dendermonde - Sint-Rochusstraat 63	1987	6 453
Diest - Koning Albertstraat 12	1995	2 869
Diksmuide - Woumenweg 49	1979	2 207
Eeklo - Raamstraat 18	1993	3 155
Haacht - Remi van de Sandelaan 1	1985	2 170
Halle - Zuster Bernardastraat 32	1985	7 440
Harelbeke - Kortrijksestraat 2	1990	1 973
Herentals - Belgiëlaan 29	1987	3 296
Ieper - Arsenalstraat 4	1994	4 623
Izegem - Kasteelstraat 15	1981	831
Knokke-Heist - Majoor Vandammestraat 4	1979	2 696
Kortrijk - Bloemistenstraat 23	1995	11 505
Kortrijk - Ijzerkaai 26	1992	1 813
Leuven - Vital Decosterstraat 42-44	1993	19 030
Lokeren - Grote Kaai 20	2005	1 938
Menen - Grote Markt 10	1988	3 273
Nieuwpoort - Juul Fillaertweg 41	1982	2 868
Ninove - Bevrijdingslaan 7	1981	2 683
Oudenaarde - Marlboroughlaan 4	1963	4 701
Roeselare - Rondekomstraat 30	1987	6 795
Sint-Niklaas - Driekoningenstraat 4	1992	6 987
Sint-Truiden - Abdijstraat 6	1984	3 932
Tervuren - Leuvensesteenweg 17	1980	20 408
Tielt - Tramstraat 48	1982	4 180
Tienen - Goossensvest 3	1985	6 390
Tongeren - Verbindingsstraat 26	2002	7 482
Torhout - Burg 28	1973	1 720
Torhout - Elisabethlaan 27	1985	1 284
Vilvoorde - Groenstraat 51	1995	5 992
		237 736
Grand Duchy of Luxembourg		
Axento - Luxembourg city, Avenue JF Kennedy 44	2009	13 453
		13 453
Properties available for lease		905 464
Brederode 9 - Rue Brederode 9, 1000 Brussels	Ongoing	7 212
Mons 2 - Digue des Peupliers 71, 7000 Mons	1976	7 271
Namur 48 - Rue de Namur 48, 1000 Brussels	Ongoing	1 588
Phase 2 Paradis - Rue Paradis 1, 4000 Liège	Call for projects ongoing	Land
WTC IV - Boulevard du Roi Albert II 30, 1000 Brussels	Launch when commitment	Land
Properties that are being constructed or developed for own account in order to be leased		16 071
TOTAL - INVESTMENT PROPERTIES		921 535
Izegem - Kasteelstraat 15	1981	2 079
Properties held for sale		2 079
TOTAL		923 614

1. Construction year and year of the last renovation: year of the last renovation is indicated when dealing with a major renovation (investment work on the envelope, structure and main installations of the building).

2. The proportion of portfolio is calculated on the basis of the current rent as at 31 December 2014.

Proportion of portfolio ² (in %)	Rent billed during the fiscal year (in € thousand)	Current rent ³ (in € thousand) (A)	Current rent + Estimated rental value on vacancy (in € thousand) (B)	Occupancy rate (in %) (C) C = A/B
0.4%	571	571	571	100.0%
0.2%	233	233	233	100.0%
0.2%	259	259	259	100.0%
0.1%	92	92	92	100.0%
0.2%	291	291	291	100.0%
0.6%	869	869	869	100.0%
0.2%	223	223	223	100.0%
-	4 390	-	-	-
4.1%	1	5 938	5 938	100.0%
0.2%	335	335	335	100.0%
0.4%	524	524	524	100.0%
0.2%	232	232	232	100.0%
0.3%	367	367	367	100.0%
0.2%	233	233	233	100.0%
7.1%	8 620	10 166	10 166	100.0%
5.0%	8 154	7 160	7 160	100.0%
2.4%	3 386	3 390	3 390	100.0%
0.1%	194	194	194	100.0%
0.1%	203	203	203	100.0%
0.3%	388	388	388	100.0%
0.6%	893	893	893	100.0%
0.3%	404	404	404	100.0%
0.2%	290	290	290	100.0%
0.3%	399	399	399	100.0%
0.2%	285	285	285	100.0%
0.7%	1 077	1 077	1 077	100.0%
0.2%	243	243	243	100.0%
0.3%	445	445	445	100.0%
0.4%	628	628	628	100.0%
0.1%	91	91	91	100.0%
0.3%	430	431	431	100.0%
1.1%	1 571	1 571	1 571	100.0%
0.2%	222	222	222	100.0%
1.3%	1 758	1 875	2 034	92.2%
0.2%	271	271	271	100.0%
0.3%	419	419	419	100.0%
0.3%	381	381	381	100.0%
0.2%	344	344	344	100.0%
0.3%	495	495	495	100.0%
0.5%	786	786	786	100.0%
0.6%	899	899	899	100.0%
0.3%	440	440	440	100.0%
0.9%	1 299	1 299	1 299	100.0%
0.3%	502	502	502	100.0%
0.6%	846	846	846	100.0%
0.8%	1 150	1 150	1 150	100.0%
0.1%	200	200	200	100.0%
0.1%	157	157	157	100.0%
0.6%	884	884	884	100.0%
20.4%	30 134	29 261	29 419	99.5%
3.7%	5 329	5 305	5 503	96.4%
3.7%	5 329	5 305	5 503	96.4%
99.68%	133 155	143 243	152 271	94.07%
0.1%	1 423	159	1 752	9.07%
0.0%	1 113	-	1 090	0.0%
0.0%	233	63	295	21.3%
-	-	-	-	-
-	-	-	-	-
0.15%	2 769	222	3 138	7.1%
99.8%	135 924	143 465	155 409	92.31%
0.2%	235	235	235	100.0%
0.2%	235	235	235	100.0%
100.0%	136 159	143 699	155 644	92.33%

3. The current rent at the closing date plus the future rents on leases signed as at 31 December 2014, as reviewed by the real-estate experts.

4. The old Paradis building will be demolished during the 2015 fiscal year.

Real-estate markets¹ **CBRE**

Brussels office property market

12,809,147 m²

Stock

€285/m²/year

Prime rent

10.63%

Vacancy

403,507 m²

Take-up

6.00%

Prime yield (3/6/9)

Rental property market

Demand

During the 2014 fiscal year, 403,507 m² of office space were taken up compared with 368,500 m² in 2013, which is still below the average of around 500,000 m² of take-up a year, that prevailed in the market before the current economic crisis.

On the basis of demand currently identified on the market, the recovery should nevertheless be confirmed in 2015, with an increase in demand from corporates and growth in activity in (European) public institutions.

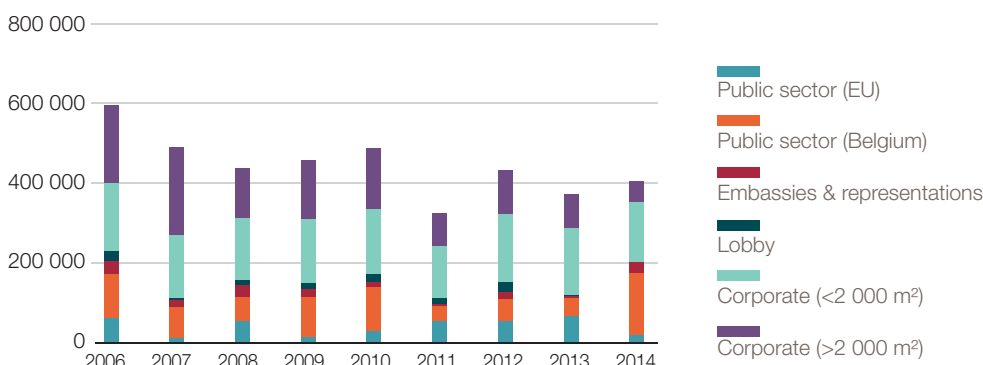
The public sector accounted for about half of rental demand. It consisted mostly of a few large transactions, mainly in the Leopold district and the North area. The private sector, meanwhile, remains cautious and sensitive to the cost of renting; from the second half of the year there was a slight increase in demand from corporates for smaller spaces (often measuring between 1,000 and 5,000 m²).

In the Brussels CBD, the Leopold district was highly sought after; it alone accounted for 26% of total demand for office space in 2014, as against 30% in 2013. Some 19% of demand was in the North area. In these two districts, as stated above, it took the form of a few major transactions such as the letting of the Livingstone II building to the European Commission and the signature of the lease by Actiris for the Astro Tower.

Most private-sector transactions were carried out in the Brussels periphery, where tenants are seeking new and sustainable space to optimise their occupancy costs.

Note that the renegotiation of leases accounts for a significant percentage of demand: tenants whose lease is due to expire are seizing this opportunity to improve the terms of their lets, sometimes after major restructuring among their staff.

Take-up by occupant type (in m²)



1. Source: CBRE – 31 December 2014 (www.cbre.be).

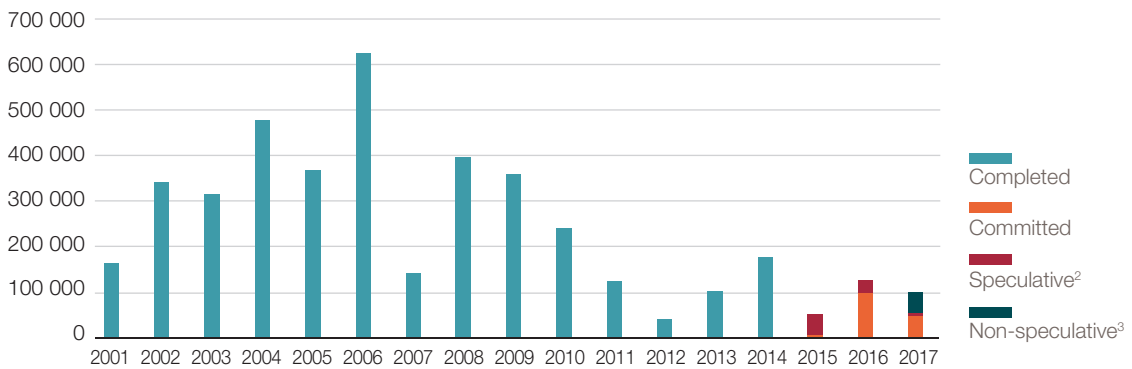
Supply

Since 2011 the volume of hand-overs of new projects onto the market has remained very low.

Note that very limited new office space is available and that, apart from in exceptional cases, developers are reluctant to build new speculative projects, i.e. without obtaining a prior commitment from a tenant. Furthermore, the prudent attitude of the banks and the stagnant rental market are curbing any new speculative projects. The market for new buildings is therefore dominated by handovers of “build-to-suit” projects.

At year-end, only 10% of vacant offices on the market were classed as “Grade A”, while from 2001 to 2010, between 20% and 25% of the stock was of that grade. It is estimated that this percentage will decline further to 5% in 2016. Ultimately, this could therefore lead to a real lack of “Grade A” office buildings on the Brussels market, particularly in the CBD, as the identified demand for new space currently exceeds the supply of new offices.

Development projects (in m²)

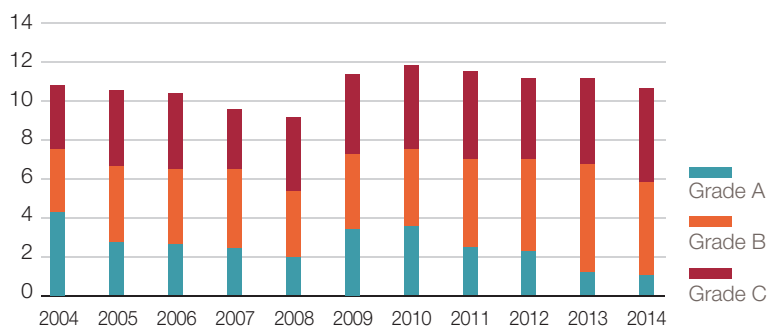


Blue Tower

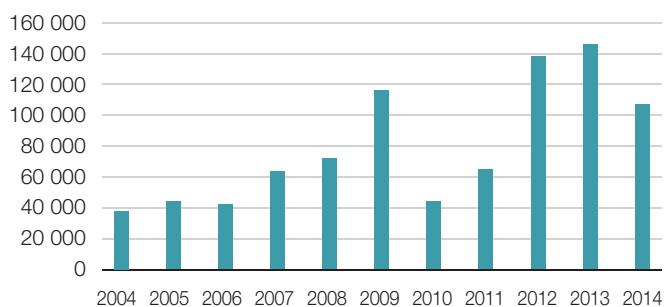


2. The projects will be commenced without any prior-commitment from a tenant.
 3. The projects are planned but will be commenced only if a lease is signed.

Rental vacancies by type of property (in %)



Conversion of offices to other uses (in m²)



Rental vacancies

In 2014, the availability of offices on the Brussels market declined, from 11.08% at the end of December 2013 to 10.63% at 31 December 2014.

Rental vacancies in the Brussels CBD fell further over the year to reach a “healthy” level of 5.8% at 31 December 2014, in line with the level seen before the current economic crisis. The decentralised area and periphery of Brussels are still under pressure, with vacancy rates of 14% and 25% respectively.

The declining trend of vacancies is due to the combination of the small number of new speculative buildings coming onto the market and the conversion of a substantial number of structurally empty offices for use as residential properties, hotels or nursing homes. Since 2008, more than 830,000 m² of office space have been converted.

Accordingly, the trend toward a decrease in the office stock has been confirmed over the fiscal year and the space still available on the market is generally of “Grade B” or “C”.

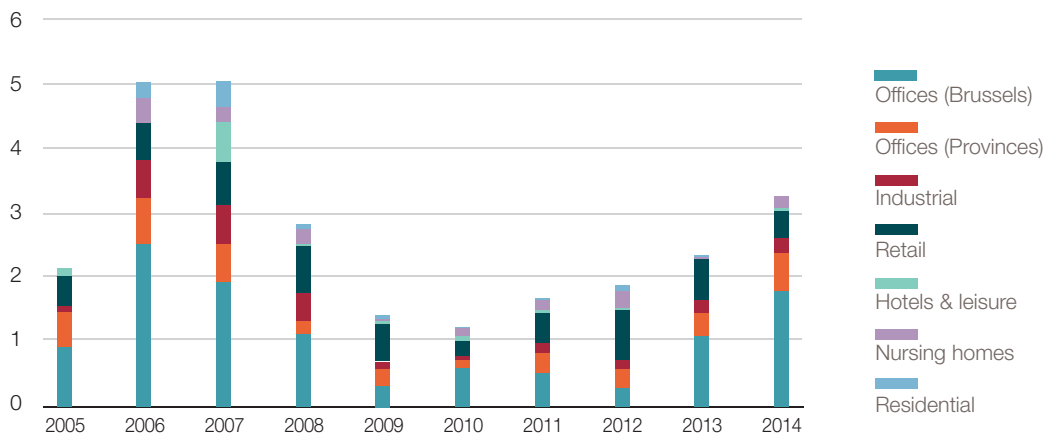
Rental values

Prime rent is holding at €285/m² and the weighted average of rents is around €166/m². Note that in this context of a rental market that is still highly competitive, gratuities and concessions to tenants by owners are relatively high, especially in the periphery and decentralised areas.

View Building



Investment volume on the Belgian market (in € billion)



Investment market

Offices still have a dominant position on the investment market. A volume of €1.8 billion was invested in office buildings in Brussels, with some major transactions in this market such as the acquisitions of the Covent Garden Building (€270 million) in the North area of Brussels, by Hannover Leasing and an Asian investor, and of the North Galaxy building (€475 million), also located in the North area of Brussels, by ATP and AXA.

It was essentially “core” buildings and buildings on long leases that investors found most attractive in 2014. Given the scarcity of these assets and because of actual competition from investors for this type of property, values remain high. Yields for conventional leases (3/6/9) on this type of building are therefore of the order of 6%. Properties of the same type but leased long-term are earning around 5%. This pressure on yields will continue in 2015, sustained by very low interest rates.

Pachéco



Office property market in Luxembourg

3,345,003 m²

Stock

€46/m²/month

Prime rent

4.8%

Vacancy

205,526 m²

Take-up

5.2%

Prime yield (6/9)

Rental property market

Demand

Demand for office space in Luxembourg is growing; take-up was 205,500 m² during the year as against 146,000 m² in 2013.

Most of this demand comes from the “Consulting & Services” sector with a take-up of some 72,000 m². Some major rental transactions materialised during the year, notably the lease agreed with Deloitte in the Findel Office Park (Periphery, Airport) and KPMG, who moved into their new headquarters in Kirchberg.

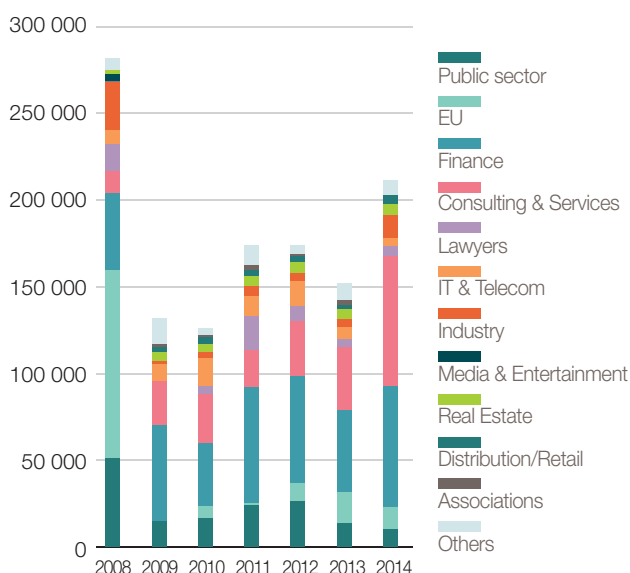
The banking and financial sectors and insurers were also very active, with take-up of some 68,000 m² in 2014.

Supply

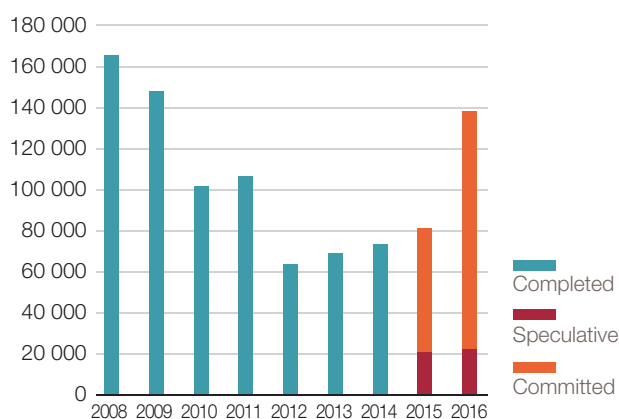
In 2014, 73,345 m² were delivered onto the market. Apart from some custom projects with a prior commitment from a tenant, development in the pipeline will remain limited over the coming two years.

Given the lack of immediately available office space, developers are considering implementing projects, especially in Kirchberg and in the area of the station. In 2015 and 2016, some 42,269 m² at risk are expected on the market.

Take-up by type of occupant (in m²)



Development projects (in m²)



Rental vacancies

Vacancies in Luxembourg stood at 4.8% at 31 December 2014, compared with 5.2% at the end of 2013.

Since 2010, the trend is continuing towards a decrease in vacancies, and there is currently a lack of immediately available space on the office markets in the city centre, notably in Kirchberg (2.21%), the station district (2.19%) and the CBD (2.51%). In the other areas, vacancy rates variate between 5% and 15%.

Rental values

For quality office buildings located in the CBD, "prime" rents held steady at around €46/m², while in the Kirchberg and station district, "prime" rents for office space were €33/m².

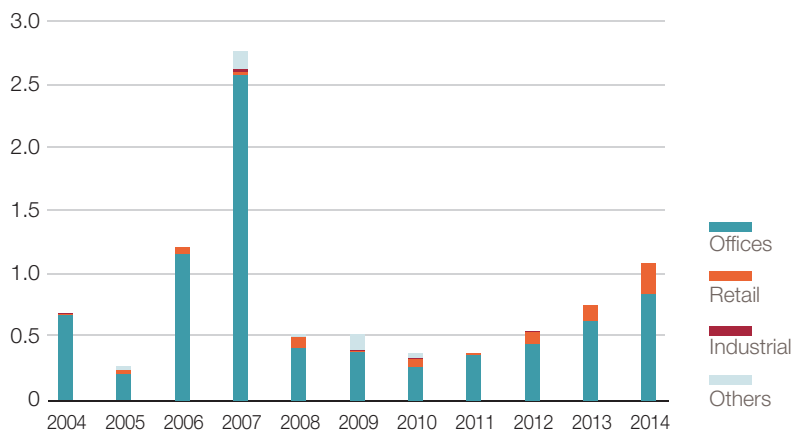
Rental vacancies (in %)



Luxembourg investment market

In 2014, total investment was €1.1 billion, €841 million of which was invested in office buildings. The major transactions included the sale of K2 Ellipse & Forte and K2 Dolce to Union Investment (€176 million), and the Dome, sold by Pramerica to Blackstone (€120 million). "Prime" yield 6/9 was 5.2%.

Investment volume on the Luxembourg market (in € billion)



Conclusions of the coordinating real-estate expert

→ To the Board of Directors Befimmo SA
Parc Goemaere
Chaussée de Wavre 1945
1160 Brussels

Dear Mesdames,
Dear Sirs,

Re : Valuation of the real-estate portfolio of Befimmo as at 31st December 2014.

Context

In accordance with Chapter III, Section F of the law of 12th of May 2014 on B-REITs, Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 31st December 2014. We have been mandated to value part of the Befimmo property portfolio of which most of the buildings are let to companies from the private sector while Winssinger & Associés sa and PricewaterhouseCoopers Enterprise Advisory scrl have been mandated to value respectively the Fedimmo portfolio and the Befimmo portfolio mainly let to public institutions. Furthermore we have consolidated the results of the valuation of which the main conclusions are listed hereunder.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. Winssinger & Associés SA and PricewaterhouseCoopers Enterprise Advisory scrl also indicate that they benefit from sufficient knowledge of the property markets in which Befimmo is active, as well as the required professional qualifications and recognition to fulfill this assignment. The mission of the valuers has been carried out in full independence.

Consistently with market practice, our mission has been carried out on the basis of information provided by Befimmo, in particular relating to tenancy situation, costs and taxes borne by the landlord, works to be carried out, as well as any other element which could have an influence on the assets' value. We have assumed this information to be correct and complete. As specifically mentioned in our reports, our valuation does not constitute in any way a quality or technical survey of the properties, nor an analysis of the possible presence of deleterious materials. These elements are well known by Befimmo, which carries out a technical and legal due diligence prior to the acquisition of each property.

Opinion

The investment value is defined as the most likely value that could reasonably be obtained on the date of valuation in normal sales conditions between willing and well-informed parties before deduction of transaction costs.

As our principal valuation method we have adopted a static capitalisation approach and also carried out a simple "sanity check" in terms of price per square meter.

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method of valuation applies a multiplier to the current and future expected rent that is based on analysis of sales of comparable properties in the market. The multiplier depends on the yield that investors require when acquiring in this market.

The yield reflects the risks intrinsic to the sector (future voids, credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

- > non-recovered charges or taxes in a market where recovery from the tenant is usual;
- > renovation work or deferred repairs necessary at the date of valuation in order to continue to receive the rent;
- > unusual outgoing costs.

It is important to understand the distinction between this "capitalisation" approach and the discounted cash flow method where future growth and inflation are explicit. This difference is why discount rates in a discounted cash flow valuation are higher than yields in a static capitalisation approach.

The yields used are based on the valuer's judgement in comparison with evidence of comparable sales. Factors in the market that determine yield are numerous, and different factors are of importance to different buyers. The following criteria are often taken into account : the quality of the tenant and duration of the lease, the location, the state of repair, the age and the architectural quality of the building and also the efficiency of the building (gross to net ratio/parking ratio).

Ultimately it is supply and demand in the investment market that determines the price.

For the financial accounting of a B-REIT and in accordance with the IAS/IFRS norms it is common practice to use the Fair Value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006, the Fair Value can be obtained by subtracting 2.5% transaction costs from properties with an investment value of more than € 2,500,000. For properties with an investment value under € 2,500,000 registration duties of 10% or 12.5% should be subtracted, depending on the region where they are situated.

In the light of all comments mentioned above, we confirm that the investment value of the Befimmo property portfolio as at 31st December 2014 amounts to a total of 2,343,785,000 € (TWO BILLION THREE HUNDRED FORTY THREE MILLION SEVEN HUNDRED EIGHTY FIVE THOUSAND EUROS);

this amount includes the valuation of the buildings which have been carried out by Winssinger & Associés SA and PricewaterhouseCoopers Enterprise Advisory scrl.

The most likely sale value corresponding to the fair value of the Befimmo property portfolio as at 31 December 2014 amounts to a total of

2,285,235,447 €
(TWO BILLION TWO HUNDRED EIGHTY FIVE MILLION TWO HUNDRED THIRTY FIVE THOUSAND FOUR HUNDRED FORTY SEVEN EUROS);

this amount includes the valuation of the buildings which have been carried out by Winssinger & Associés SA and PricewaterhouseCoopers Enterprise Advisory scrl.

On this basis, the initial yield of the portfolio with properties held for letting is 6.28%. Should the vacant accommodation be fully let at estimated rental value, the initial yield would be 6.68% for the same portfolio.

The occupation rate of the portfolio with properties held for letting is 94.07%. For the total portfolio of investment properties this rate is 92.31%.

The average level of passing and contractual rent is currently approximately ± 9.69% above the current estimated rental value of the portfolio with properties held for letting.

The property portfolio comprises:

Offices	Fair value (in € million)	(in %)
Properties available for lease	2 222.6	97.3%
Brussels Central Business District	1 233.5	54.0%
Brussels decentralised	97.1	4.2%
Brussels periphery	144.3	6.3%
Wallonia	179.8	7.9%
Flanders	483.3	21.1%
Luxembourg City	84.6	3.7%
Properties that are being constructed or developed for own account in order to be leased	60.7	2.7%
Properties held for sale	2.0	0.1%
Total	2 285.2	100.0%

Yours sincerely,

Brussels, 2 February 2015



R.P. Scrivener MRICS
National Director
Head of Valuation and Consulting
On behalf of Jones Lang LaSalle

Blue Tower

A signpost in the city



BLUE TOWER HAS A "GOOD" RATING FOR ITS BREEAM IN-USE CERTIFICATION.

24
storeys 

332  
parking spaces and
30 bicycle spaces

±1.200
employees 

28.000 
square metres

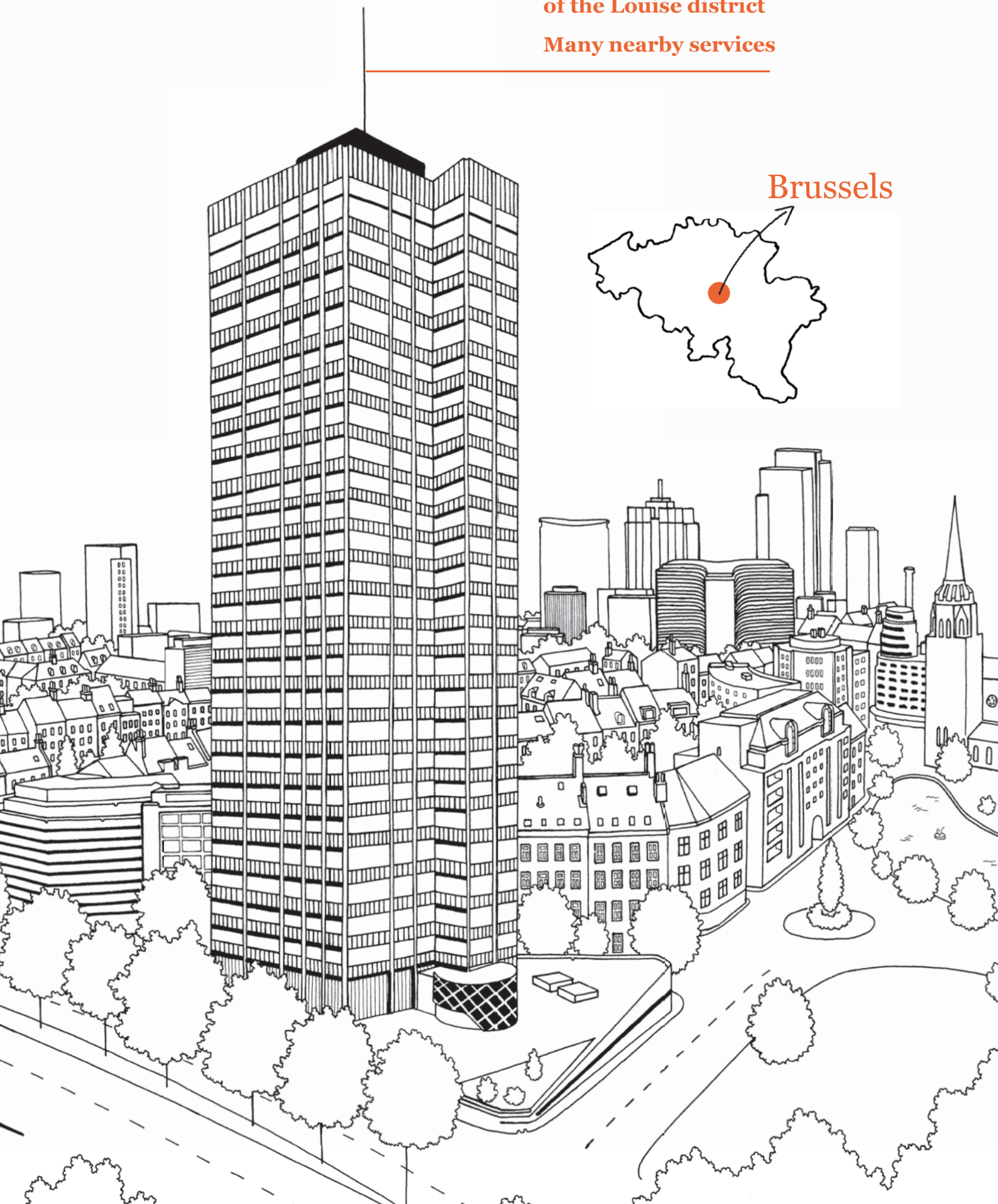
Location	Avenue Louise 326 1050 Brussels
Architect	Bureau d'architecture Henri Montois
Area	28,000 m ²
Current rent	€5.1 million
Duration of lease	3/6/9
Tenant	Multi tenant



**Located in the heart
of the Louise district**

Many nearby services

Brussels



Financial report

Financial key figures

€54.00/share

Net asset value

3.16%

Average financing cost

€3.19/share

Net result

3.82 years

Weighted average duration of debts

€3.90/share

EPRA earnings

45.21%

Loan-to-value

Financial key figures	31.12.2014	31.12.2013
Number of shares issued	22 673 609	22 062 701
Number of shares not held by the group	22 138 280	21 534 086
Average number of shares not held by the group	21 570 715	19 923 168
Shareholders' equity (in € million)	1 195.45	1 165.61
Net asset value (in € per share)	54.00	54.13
EPRA NAV (in € per share)	54.38	54.35
EPRA NNNNAV (in € per share)	52.80	53.37
EPRA like-for-like net rental growth ¹ (in %)	-2.83%	3.66%
Net result (in € per share)	3.19	3.97
Net current result (in € per share)	3.93	4.24
EPRA earnings (in € per share)	3.90	4.22
Average financing cost ² (in %)	3.16%	3.18%
Weighted average duration of debts (in years)	3.82	4.10
Debt ratio according to the Royal Decree (in %)	47.48%	46.56%
Loan-to-value ³ (in %)	45.21%	45.01%
Return on shareholders' equity ⁴ (in € per share)	3.11	3.72
Return on shareholders' equity ⁴ (in %)	5.82%	6.95%

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

2. Including margin and hedging costs.

3. Loan-to-value ("LTV"): [(nominal financial debts - cash)/fair value of portfolio].

4. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment and the participation in the optional dividend.

Financial structure

The Company makes sure that it arranges the necessary finance in due time, seeking optimisation between cost, duration and diversification of its sources of finance.

Financing arranged

During 2014, Befimmo concluded bilateral loans with two banks totalling €138 million. In August 2014 it also made a European private bond placement of debt for an amount of €12 million. In addition, its two commercial paper contracts were merged into a single contract, the maximum amount of which was raised to €500 million.

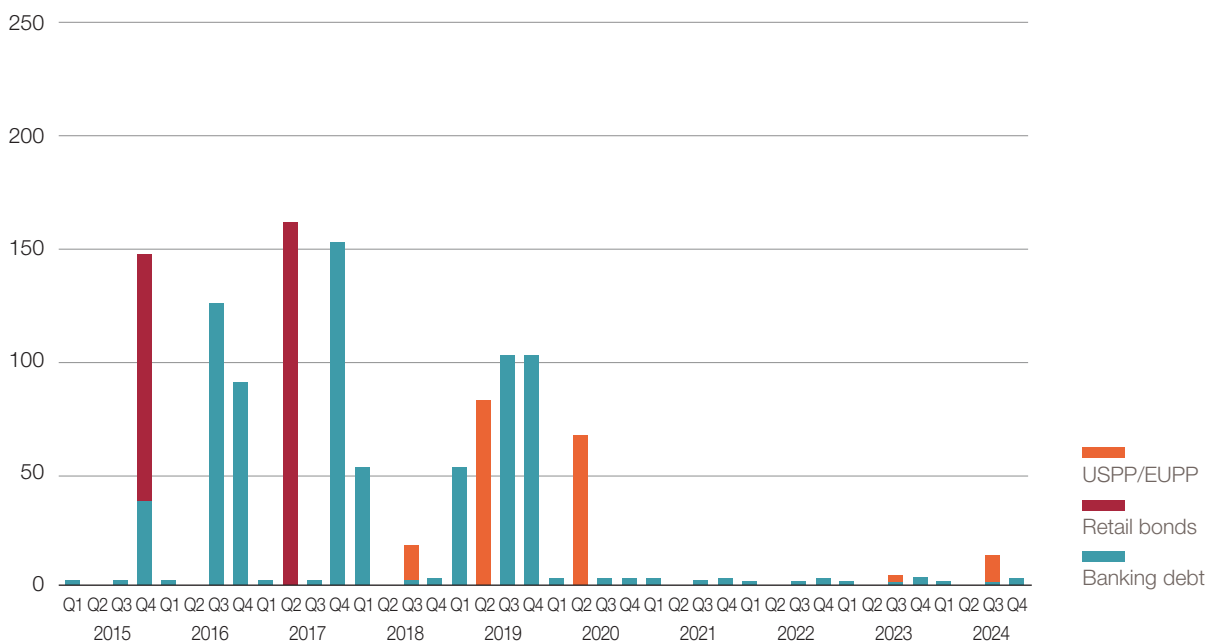
At constant perimeter, the Company needs no further financing before the third quarter of 2016.



Brederode 13

AT CONSTANT PERIMETER, THE COMPANY NEEDS NO FURTHER FINANCING BEFORE THE THIRD QUARTER OF 2016

Maturities for commitments by quarter (in € million)



Main characteristics of the financial structure

At 31 December 2014, Befimmo's financial structure had the following main characteristics:

- > confirmed financing totalling €1,242.5 million, €1,033.3 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 the renovation commitments planned for the coming years;
- > a debt ratio of 47.48%¹;
- > a LTV ratio of 45.21%²;
- > a weighted average duration of debts of 3.8 years;
- > 58.6% of total debts at fixed rates (including IRS);
- > an average financing cost (margin and hedging cost included) amounting to 3.16% over the year.

On 13 May 2014 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 for an amount up to €500 million, €373.5 million of which was in use for short-term issues at 31 December 2014. This programme has backup facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private debt placements.

Hedging the interest rate and exchange risk

The interest rate hedging policy is designed to hedge a decreasing portion of borrowings over a 10-year period. The objectives and implementation of this policy are regularly reviewed. The choice and level of instruments is based on an analysis of rate forecasts by a number of banks, and arbitrage between the cost of the instrument and their level and type of protection. The Company's hedging policy also aims to limit variations in financial charges under existing covenants and to protect EPRA earnings as required to pay out the forecast dividend.

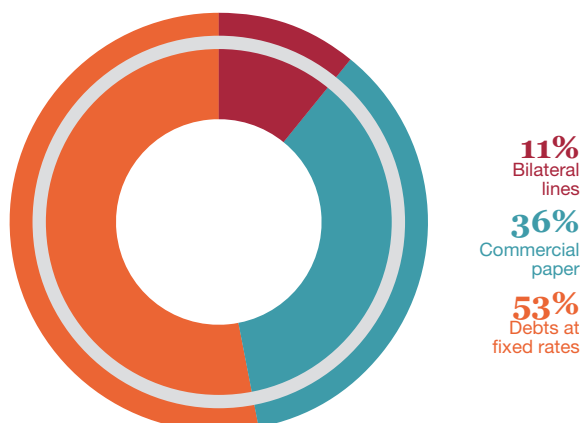
→ "Outlook and dividend forecast"

Befimmo holds a portfolio of instruments to hedge (i) the interest rate risk, consisting of IRS, CAP and COLLAR³, and (ii) the exchange-rate risk US Dollar and Pound Sterling on its fixed-rate United States private placement (USPP) by holding Cross Currency Swaps.

In an adverse economic climate, this policy allows the Company to take advantage of falling interest rates on part of borrowings, while limiting the volatility of financial charges by fixing rates on the remainder of borrowings (either directly by arranging financing at fixed rates or by purchasing IRS type hedging instruments). The impact of rising interest rates on financial expenses is also mitigated by the hedge options (CAP). Such a hedging and financing structure creates a situation in which the result is still sensitive to changing interest rates.

The package of instruments currently in place gives the Company a hedge ratio of 86.2%⁴ as at 31 December 2014. The hedge ratio remains above 60% until the fourth quarter of 2017 and above 40% until the first quarter of 2019.

Debt distribution



1. The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
 2. Loan-to-value ("LTV") = [(nominal financial debts - cash)/fair value of portfolio].
 3. Buying a COLLAR places a ceiling on the rise in interest rates (CAP), but also involves an undertaking to pay a minimum rate (FLOOR).
 4. Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAP)/total borrowings.

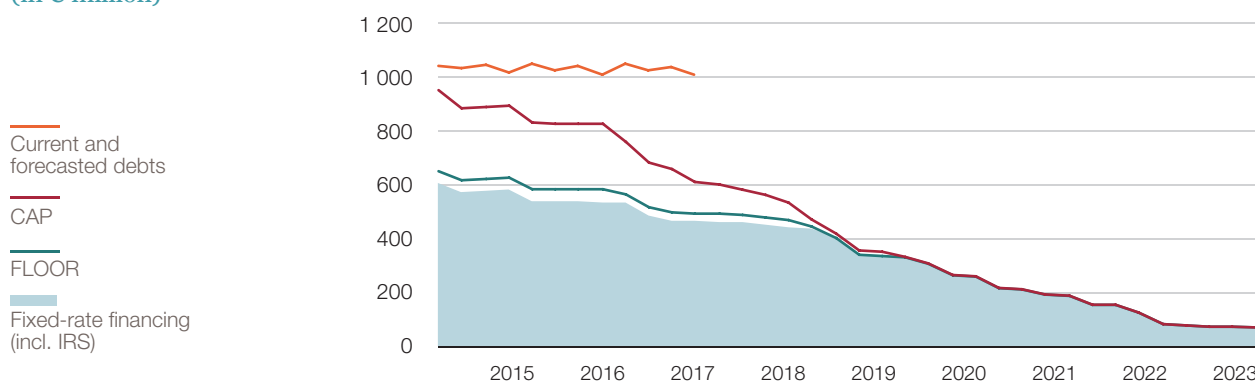
As part of its hedging policy, the Company carried out various operations on hedging instruments over the fiscal year:

- > it bought four IRS worth a notional total of €65 million covering the period from mid-2014 to mid-2019 (€15 million), to mid-2022 (€20 million), and to the end of 2023 (€15 million) and the period from mid-2015 to mid-2014 (€15 million);
- > it bought two CAP at 1.3% (€15 million) and 1.5% (€20 million), covering a period of 4 years from their acquisition date;

- > it bought two CAP at 0.75% (€15 million) and 0.30% (€15 million), covering a period of 5 and 4 years respectively, starting in January 2015.

After the closing of the fiscal year, in January 2015, Befimmo reorganised three IRS for a notional of €70 million and placed their level at market rate for the first years of hedging (2016 and 2017).

Evolution of the portfolio of hedging instruments and fixed-rate debts (situation as at 10 February 2015) (in € million)



Annual average		2015	2016	2017	2018	2019	2020	2021	2022	2023
CAP	Notional (in € million)	324	291	189	115	19	-	-	-	-
	Average rate (in %)	1.87%	1.67%	1.61%	1.67%	1.01%	-	-	-	-
FLOOR	Notional (in € million)	50	50	31	30	2	-	-	-	-
	Average rate (in %)	1.09%	1.09%	0.83%	0.82%	0.82%	-	-	-	-
Fixed-rate financing (incl. IRS)	Notional (in € million)	580	534	485	451	376	287	199	124	69
	Average rate ⁵ (in %)	2.19%	1.98%	1.87%	2.22%	2.28%	2.32%	2.21%	2.13%	2.36%

5. Average fixed rate excluding credit margin.

Financial results G4-EC1

Net asset value as at 31 December 2014

As at 31 December 2014, Befimmo's total net asset value was €1,195.4 million.

The net asset value is therefore €54.00 per share, as against €54.13 per share as at 31 December 2013. Note that the number of shares issued rose by 2.8% over the fiscal year.

Changes in the net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
Net asset value as at 31 December 2013	54.13	1 165.6	21 534 086
Final dividend of the 2013 fiscal year		-17.2	
Capital increase linked to the contribution in kind of the Rue aux Choux 35 building		10.7	
Interim dividend of the 2014 fiscal year		-56.2	
Capital increase within the framework of the optional dividend		24.7	
Other minor elements		-0.9	
Net result as at 31 December 2014		68.9	
Net asset value as at 31 December 2014	54.00	1 195.4	22 138 280

Trend of results

Condensed income statement

(in € thousand)	31.12.2014	31.12.2013
Net rental result	138 695	136 765
Net property charges	-15 506	-11 391
Property operating result	123 189	125 373
Corporate overheads	-11 110	-10 973
Other operating income and charges	1 289	- 663
Operating result before result on portfolio	113 369	113 737
Operating margin	81.7%	83.2%
Gains or losses on disposals of investment properties	632	293
Net property result	114 001	114 030
Financial result (excl. changes in fair value of financial assets and liabilities)	-28 104	-28 926
Corporate taxes	-1 119	- 860
Net result before changes in fair value of investment properties and financial assets and liabilities	84 779	84 244
Changes in fair value of investment properties	9 278	-11 643
Changes in fair value of financial assets and liabilities	-25 194	6 555
Changes in fair value of financial assets and liabilities and investment properties	-15 916	-5 087
Net result	68 863	79 156
Current net result	84 779	84 418
EPRA earnings	84 146	84 125
Net result (in €/share)	3.19	3.97
Net current result (in €/share)	3.93	4.24
EPRA earnings (in €/share)	3.90	4.22

Events with an impact on the perimeter of the Company's portfolio

The perimeter of the Company, at property portfolio and shareholders' equity level, was changed during the 2014 fiscal year by the following events:

- > the sale of the Pépin 5, Rennequin-Sualem, Pépin 22, Pépin 31 and Henri Lemaître buildings;
- > the addition of the "Rue aux Choux 35" building to the portfolio.

The comparison of data per share is also affected by the issue of new shares within the framework of the contribution in kind of the "Rue aux Choux 35" building by AXA Belgium as well as the optional dividend in December 2014.

Analysis of the net result

Net rental result rose by €1.9 million or 1.4%. This increase is explained by the combined impact of:

- > the positive effect (+€5.9 million) of the change in floor area resulting primarily from the inclusion in the portfolio of the Blue Tower and AMCA buildings in 2013, and the contribution in kind of the Rue aux Choux 35 building, which took place in November 2014. The sale of five buildings¹ in the Fedimmo portfolio had a minor impact on rental income;
- > a one-time payment of €3.7 million received in 2013 as compensation for the early termination of a lease;
- > a decline in rental income at constant floor area of some -0.3%. The adverse effects of departures or renegotiations of leases and the effect of smoothing of rental gratuities applied in accordance with IFRS (-€1.2 million) are not completely offset by the positive impacts of the indexing of rents and new leases.

Net property charges are up by €4.1 million. This is explained by an increase in technical costs (major repairs), costs of project studies, and commercial costs. Net property charges are in line with forecasts.

The property operating result is therefore down €2.2 million (-1.7%). Excluding the one-time positive impact in 2013 of the compensation payment for early termination of a lease, operating income would have risen by €1.5 million (+1.2%).

Overheads are stable in relation to 2013.

Other operating income and charges amounted to €1.3 million, primarily due to the positive impact of the restatement of rental gratuities (as per IFRS) (+€1.2 million), while this had a negative impact last year (-€0.3 million).

An **overall capital gain** of €0.6 million was realised on the sale of various buildings in the Fedimmo portfolio.

The **change in fair value of the investment properties** (excluding the amount of acquisitions, investments and disinvestments) amounted to +€9.3 million, an increase of +0.41% against a negative change of -€11.6 million (-0.53%) over the 2013 fiscal year.

The **realised financial result** (excluding changes in fair value of financial assets and liabilities) went from -€28.9 million in the 2013 fiscal year to -€28.1 million in the 2014 fiscal year. The average financial debt over the year was €1,012.8 million as against €963.3 million for 2013. The slight decrease in financial charges, despite the 5.1% increase in the volume of average borrowings, is explained by the lower average cost of financing, which decreased from 3.18% in 2013 to 3.16% in 2014, and the rise in the amount of capitalised interest on various investment projects. Euribor rates remained exceptionally low in 2014 (Euribor 1 month and 3 month rates of 0.17%).

The **change in fair value of the financial assets and liabilities** was -€25.2 million as against +€6.6 million for 2013. The decline in the fair value of the financial assets and liabilities was due primarily to the fall in the interest rate curve at 31 December 2014 in relation to the level at 31 December 2013. During the 2013 fiscal year, the opposite effect took place, but to a lesser degree.

The combined effect of all the factors listed above, some of which are one-off elements, is a **net result** of €68.9 million as at 31 December 2014 compared with €79.2 million as at 31 December 2013.

EPRA earnings, in line with the published outlook, amounted to €84.1 million and are equivalent to EPRA earnings for the previous year.

Given the increase in the average number of shares (+1.65 million) not held by the group following the contribution in kind as well as the optional dividend, **EPRA earnings per share**, also in line with the published outlook, amounted to €3.90 as at 31 December 2014.



1. For further information, please see page 27 of this Report.

Appropriation of results (statutory accounts)

The net result for the fiscal year is €68,868,073.48.

Taking account of the result carried forward at 31 December 2013 of €117,579,544.04 and the net result for the fiscal year, the result to be appropriated is €186,447,617.52.

The result for the fiscal year relates to 22,673,609 shares, an increase of 2.77% in relation to the previous period. The increase in the number of shares issued is the result of:

- > the creation of 186,853 shares on 25 November 2014 in connection with the contribution in kind of the Rue aux Choux building by AXA Belgium SA;
- > the creation of 424,055 shares on 16 December 2014 in the context of the stock option for the interim dividend declared by Befimmo on 20 November 2014.

In accordance with article 11(3) of the law of 12 May 2014 on B-REITs (SIR/GVV), no appropriation to the legal reserve is made. The Ordinary General Meeting will therefore be invited to:

1. approve the annual accounts to 31 December 2014 which, in accordance with the Royal Decree of 13 July 2014 on B-REITs, contain appropriations to the statutory reserves;
2. distribute, as return on capital, a dividend of €3.45 gross per share. This dividend will be made up of an interim dividend of €56,239,842.75, or €1.9425 net per share not held by the group (€2.59 gross per share not held by the group), decided on 12 November 2014, and a final dividend of a maximum amount of €19,499,303.74, or €0.645 net per share not held by the group (€0.86 gross per share), payable by detachment of coupon No 28;
3. carry forward the balance again, i.e. the sum of €125,172,494.26.

The proposed dividend for the 2014 fiscal year (including the interim dividend declared on 20 November 2014 and the final dividend referred to above) complies with article 13 of the Royal Decree of 13 July 2014 on B-REITs, in that it exceeds the required minimum of 80% of the sum of adjusted earnings and net capital gains on the realisation of property not exempt from the distribution requirement, less the net reduction of the Company's borrowings over the fiscal period, as reflected in the statutory accounts.

Dubrucq



Result to be appropriated, proposed appropriations and withdrawals (in €)

A. Net result	68 868 073.48
B. Transfer to/from reserves (±)	6 871 073.01
I. Transfer to/from reserve of balance (positive or negative) of changes in fair value of properties (±)	11 506 958.19
- Accounting year	11 506 958.19
- Previous fiscal years	-
- Realisation of properties	-
II. Transfer to/from reserve of estimated fees and charges incurred in the hypothetical disposal of investment properties (±)	995 138.85
VI. Transfer from reserve or balance of changes in fair value of permitted hedging instruments to which hedging accounting as defined in IFRS is not applied (±)	1 961 926.19
- Accounting year	1 961 926.19
- Previous fiscal years	-
XI. Transfer to/from result brought forward from previous fiscal years (±)	-7 592 950.22
C. Remuneration of capital	-75 739 146.49
- Interim dividend paid out in December 2014	-56 239 842.75
- Final dividend for the fiscal year (payable after the Ordinary General Meeting of 28 April 2015) ¹	-19 499 303.74
D. Remuneration of capital apart from C	-

Explanatory table of the statutory result of the 2014² fiscal year (in €)

Result to bring forward as at 31 December 2012	99 939 823.15
Result brought forward Blue Tower Louise SA	886 679.60
Result for the 2013 fiscal year	76 751 453.02
Result to be appropriated as at 31 December 2013	177 577 955.77
Interim dividend for the 2013 fiscal year	-56 166 763.05
Impact of appropriation to reserves other than "(n). Result brought forward from previous years" (Royal Decree of 7 December 2010)	13 395 620.12
Final dividend proposed for the 2013 fiscal year	-17 227 268.80
Result to bring forward as at 31 December 2013	117 579 544.04
Result for the 2014 fiscal year	68 868 073.48
Result to be appropriated as at 31 December 2014	186 447 617.52
Interim dividend for the 2014 fiscal year	-56 239 842.75
Impact of appropriation to reserves other than "(n). Result brought forward from previous years" (Royal Decree of 13 July 2014)	14 464 023.23
Final dividend proposed for the 2014 fiscal year ¹	-19 499 303.74
Result to bring forward as at 31 December 2014	125 172 494.26

1. Maximum amount, subject to the approval of the Ordinary General Meeting of 28 April 2015.

2. Please see the note of the statutory shareholders' equity on pages 208 and 209 of the financial statements.

EPRA Best Practices



The European Public Real Estate Association (EPRA) publishes recommendations for defining the main financial performance indicators applicable to listed real-estate companies. Befimmo supports the reporting standardisation approach designed to improve the quality and comparability of information destined to investors.

The Statutory Auditor has checked whether the “EPRA earnings”, “EPRA cost ratio”, “EPRA NAV” and “EPRA NNNAV” ratios have been calculated in accordance with the definitions and whether the financial data used to calculate those ratios tally with the accounting data included in the consolidated financial statements.

The portfolio figures have been reviewed by the real-estate appraiser, Jones Lang LaSalle.

Key performance indicators

EPRA indicators	EPRA definitions ¹		31.12.2014	31.12.2013
(1) EPRA earnings	Recurring earnings from core operational activities	€ thousand €/share	84 146 3.90	84 125 4.22
(2) EPRA cost ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income	Incl. direct vacancy costs Excl. direct vacancy costs	19.69% 17.12%	17.24% 14.68%
(3) EPRA NAV	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long term investment property business model	€ thousand €/share	1 203 893 54.38	1 170 330 54.35
(4) EPRA NNNAV	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes	€ thousand €/share	1 168 954 52.80	1 149 296 53.37
(5) (i) EPRA Net Initial Yield (NIY)	Annualised rental income ² based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs	in %	5.89%	6.47%
(ii) EPRA Topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)	in %	5.95%	6.76%
(6) EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	in %	6.50%	5.25%
(7) EPRA Like-for-Like Net Rental Growth	Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described	in %	-2.83%	3.66%

1. Source: EPRA Best Practices (www.epra.com). The definitions remain in English as originally defined by the EPRA.

2. For Befimmo, the annualised rental income is equivalent to the current rent at the closing date (plus future rent on leases signed as at 31 December 2014 as reviewed by the real-estate experts).

Table 1 - EPRA earnings

(in € thousand)	31.12.2014	31.12.2013
Net result IFRS	68 863	79 156
Adjustments to calculate EPRA earnings	15 283	4 969
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	-9 278	11 643
II. Gains and losses on disposals of investment properties	-632	-293
VI. Changes in fair value of financial assets and liabilities and close-out costs	25 194	-6 381
EPRA earnings	84 146	84 125
EPRA earnings (€/share)	3.90	4.22

Table 2 - EPRA cost ratio

(in € thousand)	31.12.2014	31.12.2013
Net administrative and operating expenses in the income statement	-27 499	-23 750
III. (±) Rental charges	-995	-1 038
Net property charges	-15 506	-11 391
XIV. (-) Corporate overheads	-11 110	-10 973
XV. (±) Other operating income and charges	1 289	-663
To exclude:		
i. Impact of the spreading of gratuities	-1 178	315
EPRA costs (including direct vacancy costs) (A)	-27 499	-23 750
XI. (-) Charges and taxes on unlet properties	3 586	3 514
EPRA costs (excluding direct vacancy costs) (B)	-23 913	-20 236
I. (+) Rental income	139 690	137 803
Gross rental income (C)	139 690	137 803
EPRA cost ratio (including direct vacancy costs) (A/C)	19.69%	17.24%
EPRA cost ratio (excluding direct vacancy costs) (B/C)	17.12%	14.68%

Tables 3 et 4 - EPRA NAV & NNAV

(in € thousand)	31.12.2014	31.12.2013
Net asset value	1 195 448	1 165 614
Net asset value (€/share)	54.00	54.13
Effect of exercise of options, convertible debts and other equity interests	-	-
Diluted net asset value, after the exercise of options, convertible debts and other equity interests	1 195 448	1 165 614
To include:		
II. Revaluation at fair value of finance lease credit	205	28
To exclude:		
IV. Fair value of financial instruments	8 240	4 688
EPRA NAV	1 203 893	1 170 330
EPRA NAV (€/share)	54.38	54.35
To include:		
I. Fair value of financial instruments	-8 240	-4 688
II. Revaluations at fair value of fixed-rate loans	-26 698	-16 346
EPRA NNAV	1 168 954	1 149 296
EPRA NNAV (€/share)	52.80	53.37

? "Glossary"

Noord Building



Table 5 - EPRA Net Initial Yield (NIY) & Topped-up NIY

(in € thousand)	31.12.2014	31.12.2013
Investment properties and properties held for sale	2 285 235	2 184 142
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	-60 665	-146 042
Properties held for sale	-1 967	-
Properties available for lease	2 222 603	2 038 099
To include:		
Allowance for estimated purchasers' cost	56 629	52 459
Investment value of properties available for lease (B)	2 279 232	2 090 558
Annualised cash passing rental income	142 005	140 093
To exclude:		
Property charges ¹	-7 727	-4 906
Annualised net rents (A)	134 279	135 186
To include:		
Notional rent expiration of rent free periods or other lease incentives	424	1 501
Future rent on signed contracts	951	4 634
Topped-up annualised net rents (C)	135 654	141 321
EPRA Net Initial Yield (A/B)	5.89%	6.47%
EPRA Topped-up Net Initial Yield (C/B)	5.95%	6.76%

Triomphe I and II



1. The scope of the real-estate 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.

Table 6 - Investment Property Rental Data (as at 31.12.2014)

Segment	Gross rental income (in € thousand)	Net rental income (in € thousand)
Brussels centre (CBD)	77 207	73 937
Brussels decentralised	4 975	3 421
Brussels periphery	9 043	7 378
Wallonia	8 863	8 540
Flanders	30 093	28 677
Luxembourg city	5 086	4 975
Properties available for lease	135 267	126 927
Reconciliation to the consolidated IFRS income statement		
Rental income related to :		
- Properties booked as financial leases (IAS 17)	-	-5
- Properties held for sale	235	240
- Properties that are being constructed or developed for own account in order to be leased	2 680	2 511
- Investment properties sold during the last 12 months	513	504
Other property charges	-	-6 988
Total	138 695¹	123 189²

Table 7 - Investment properties - Like for Like Net Rental Growth

Segment (in € thousand)	31.12.2014				
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ⁴
Brussels centre (CBD)	68 018	4 227	-	-	3 233
Brussels decentralised	3 440	-	7	-	-26
Brussels periphery	7 378	-	-	-	-
Wallonia	8 313	-	504	-	1 198
Flanders	20 592	8 085	-	240	-
Luxembourg city	4 975	-	-	-	-
Total	112 715	12 312	511	240	4 405
Reconciliation to the consolidated IFRS income statement					
Net rental income related to:					
- Properties booked as financial leases (IAS 17)					
- Compensation for early termination of a contract in 2014					
Other property charges					
Property operating result in the consolidated IFRS income statement					

1. The total "Gross rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Net rental income" of the consolidated IFRS accounts.

2. 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.

3. The current rent at the closing date plus future rent on leases signed as at 31 December 2014, as reviewed by the real-estate experts.

4. These are properties that are being constructed or developed for own account in order to be leased.

Rental space (in m ²)	Current rent ³ (in € thousand)	Estimated rental value (ERV) on vacant space (in € thousand)	Estimated rental value (ERV) (in € thousand)	Vacancy rate 31.12.2014 (in %)	Vacancy rate 31.12.2013 (in %)
419 971	83 382	3 075	75 819	4.06	4.46
51 600	5 041	2 665	7 138	37.34	14.72
108 133	10 087	2 931	12 338	23.75	22.06
74 571	10 166	0	9 556	0.00	0.00
237 736	29 261	158	28 798	0.55	0.42
13 453	5 305	199	5 165	3.85	3.78
905 464	143 243	9 028	138 814	6.50	5.25

Total net rental income ²	31.12.2013					Total net rental income ²	Evolution Properties owned throughout 2 consecutive years
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ⁴		
75 478	69 513	3 322	-	-	1 660	74 496	-2.15%
3 421	4 283	-	-516	-	603	4 370	-19.69%
7 378	8 009	-	-	-	-	8 009	-7.88%
10 015	8 126	-	849	-	1 184	10 159	2.29%
28 917	21 090	3 611	-	226	-	24 927	-2.36%
4 975	4 976	-	-	-	-	4 976	-0.02%
130 182	115 997	6 933	333	226	3 447	126 936	-2.83%
-5						-2	
-						3 656	
-6 988						-5 217	
123 189						125 373	

Investment properties - Valuation data

Segment	Fair value (in € thousand) 31.12.2014	Fair value (in € thousand) 31.12.2013	Changes in fair value (in € thousand) 31.12.2014	Changes in fair value (in € thousand) 31.12.2013
Brussels centre (CBD)	1 233 500	1 187 881	-4 704	-12 164
Brussels decentralised	97 053	71 834	-1 277	-5 748
Brussels periphery	144 324	152 442	-14 173	- 701
Wallonia	179 837	73 871	-6 774	-4 444
Flanders	483 319	469 129	15 528	2 172
Luxembourg city	84 571	82 942	1 819	1 352
Total properties available for lease	2 222 603	2 038 099	-9 582	-19 533
Reconciliation to the consolidated IFRS balance sheet				
<i>Properties that are being constructed or developed for own account in order to be leased</i>	60 665	146 042	18 860	7 893
Investment properties in the consolidated IFRS balance sheet	2 283 268	2 184 142	9 278	-11 639

Investment properties - Lease data

Segment	Average duration of leases as at 31.12.2014 (in years)	Final expiry date			
		Current rent of the leases reaching final expiry (in € thousand)			
		in 2015	in 2016	in 2017-2019	from 2020
	final expiry date				
Brussels centre (CBD)	8.37	2 517	650	27 496	52 420
Brussels decentralised	4.69	83	-	3 786	1 172
Brussels periphery	5.69	538	273	2 662	6 241
Wallonia	19.49	779	-	-	9 387
Flanders	11.45	1 491	-	-	27 770
Luxembourg city	4.97	-	-	3 345	1 961
Total properties available for lease	9.34	5 408	923	37 288	98 950

Segment	Average duration of leases as at 31.12.2014 (in years)	Next break			
		Current rent of the leases reaching next break (in € thousand)			
		in 2015	in 2016	in 2017-2019	from 2020
	1 st break				
Brussels centre (CBD)	7.85	2 883	2 376	31 883	45 940
Brussels decentralised	3.54	88	524	4 429	-
Brussels periphery	2.73	1 450	2 192	5 109	962
Wallonia	19.49	779	-	-	9 387
Flanders	11.42	1 491	-	207	27 563
Luxembourg city	1.60	-	3 942	1 364	-
Total properties available for lease	8.66	6 692	9 034	42 992	83 851

1. The duration is calculated taking into account the current projects and the building held for sale.

	Changes in fair value (in %) 31.12.2014	Changes in fair value (in %) 31.12.2013	EPRA Net Initial Yield (in %) 31.12.2014	EPRA Net Initial Yield (in %) 31.12.2013	Reversion rate (in %) 31.12.2014	Reversion rate (in %) 31.12.2013	Weighted average duration ¹ (in years) 31.12.2014	Weighted average duration ¹ (in years) 31.12.2013
	-0.37	-1.01	6.32	6.49	-14.03	-13.96	7.84	8.35
	-1.75	-5.63	3.42	5.71	-7.97	-9.78	3.54	4.39
	-8.94	-0.46	5.47	5.12	-5.52	-7.49	2.73	2.90
	-9.12	-5.67	5.32	13.10	-6.39	-10.22	19.49	16.07
	3.31	0.47	5.63	5.95	-2.16	-2.95	11.34	12.31
	2.20	1.66	6.00	6.19	-6.56	-8.60	1.60	2.62
	-0.45	-0.94	5.89	6.47	-9.69	-10.40	8.64	9.06
	9.12	5.71						
	0.41	-0.53						

Final expiry date

Estimated rental value (ERV) of the leases reaching final expiry (in € thousand)

	in 2015	in 2016	in 2017-2019	from 2020
	2 830	617	22 097	46 895
	72	-	3 329	1 072
	469	207	2 175	6 304
	666	-	-	8 890
	1 505	-	-	27 349
	-	-	3 115	1 850
	5 541	824	30 716	92 360

Next break

Estimated rental value (ERV) of the leases reaching next break (in € thousand)

	in 2015	in 2016	in 2017-2019	from 2020
	3 156	2 312	26 632	40 339
	76	438	3 959	-
	1 437	1 941	4 774	1 003
	666	-	-	8 890
	1 505	-	186	27 162
	-	3 654	1 312	-
	6 839	8 345	36 863	77 394

Properties that are being constructed or developed for own account in order to be leased
(as at 31.12.2014)¹

	Cost to date (in € thousand)	Future estimated cost (in € thousand)	Interim interest to be capitalised (in € thousand)	Total estimated cost (excluding land) (in € thousand)	Forecast completion date	Rental space (in m ²)	% let
Brederode 9 and Namur 48	584	13 516	192	14 292	In 2016	8 800	-
WTC IV	8 611	-	-	-	Launch when committed	53 500	To be build
Total	9 195	13 516	192	14 292			
Reconciliation to the consolidated IFRS balance sheet							
<i>Fair value of the properties that are being constructed or developed for own account in order to be leased within the IFRS consolidated balance sheet BEFORE works</i>	46 246						
<i>Difference between fair value as at 31 December 2014 and [the fair value BEFORE works + the cost of the works]</i>	128						
<i>Fair value of the properties that are being constructed or developed for own account in order to be leased for which works haven't started</i>	5 096						
Properties that are being constructed or developed for own account in order to be leased within the IFRS consolidated balance sheet	60 665						

1. This table includes the projects which have been reclassified under "Properties that are being constructed or developed for own account in order to be leased" and for which expenses were already made.

Subsequent key event after year-end closing

Acquisition of Gateway (Brussels Airport)

On 10 March 2015, after the closing of the fiscal year, Befimmo concluded an agreement over the acquisition of the GATEWAY PROJECT, WHICH IS LET LONG-TERM TO DELOITTE.

Gateway will be the new flagship building of Brussels Airport. The project entails the overall redevelopment of the former office building adjacent to the terminal and next to the tarmac. The exceptional and strategic location of this building is one of the key elements of this investment. Given the quality of the building, the long-term lease and the scarcity of office spaces on the airport, it will be one of the core assets in Befimmo's portfolio. Accessibility is excellent, notably thanks to a high-speed railway station beneath the building with easy connections to Belgian city centres and foreign destinations. This highly flexible and sustainable project obtained a BREEAM "Excellent" in Pre-Assessment.

Deloitte has signed an 18-year lease for the occupation of the entire building (34,000 m² of offices, restaurants, fitness rooms and 398 parking spaces). The lease agreement will take effect on the handover of the building.

This project represents a total provisional investment amount of about €140 million, in line with the fair value determined by an independent real-estate expert and with market yields (gross initial yield of 4.65%). The project consists of a leasehold on the land, with a remaining duration of 98 years, and full ownership of the current building and off-plan constructions.

The acquisition will be completed, subject to the prior consent of Brussels Airport Company (the long-term landowner), with the signing which is due to take place by the end of April 2015. Befimmo will gradually become the owner of the new constructions as the works proceed. The transaction will be completed upon the handover of the building, expected before the end of 2016.

The acquisition will initially be financed through existing credit facilities. As of the start of the lease the EPRA earnings per share should increase by approximately €0.18 on an annualised basis, based on the forecasts published on page 77 of this Report. The forecast net impact on the LTV ratio amounts to +3% (in absolute terms) after completion.

Following this operation and based on the data as at 31 December 2014, the weighted average duration of leases in portfolio would be 9.06 years, compared with 8.64 years.

Gateway



DELOITTE HAS SIGNED AN 18-YEAR LEASE FOR THE OCCUPATION OF THE ENTIRE BUILDING

Outlook and dividend forecast

The outlook for the next three fiscal years, prepared in accordance with IFRS standards and presented in consolidated form, is based on information available as at 31 December 2014 (principally existing agreements) and on Befimmo's assumptions and assessments of certain risks.

Befimmo no longer publishes forecasts of changes in the value of the financial assets and liabilities (IAS 39) and changes in the fair values of the portfolio (IAS 40). IAS 39 and 40 aggregates are in fact unrealised items of the income statement. Befimmo is therefore forecasting only its future EPRA earnings.

EPRA earnings outlook for the next three years

The forecasts assume a stable perimeter of its property assets and equity. It is assumed, however, that shareholders avail themselves each year of the opportunity to obtain a dividend in new shares of about 30%¹ of the interim optional dividend proposed in December for nine months of the fiscal year and that limited

disposals of properties (that are no longer strategic) are foreseen to take place in 2015 (approximately €21 million, based on the fair value of the buildings concerned as at 31 December 2014). They do not take account of any new investments, apart from the work planned as shown in the table hereafter:

Work planned and estimated over the next three years

	Rental space	Location	Type	Forecasts (in € million)		
				2015	2016	2017
Paradis Tower (destruction of old building)	40 000 m ²	Liège	Construction	3.4	0.0	0.0
Brederode 9 and Namur 48	8 800 m ²	Brussels CBD, Centre	Renovation	10.0	3.7	0.0
Guimard	5 400 m ²	Brussels CBD, Leopold	Renovation	0.4	6.6	4.7
Blue Tower	27 900 m ²	Brussels CBD, Louise	Renovation	4.3	1.3	0.0
Quatuor	60 000 m ²	Brussels CBD, North	Construction	0.2	2.2	16.3
Energy investments	-	-	-	2.5	2.1	1.9
Other investments	-	-	-	11.2	6.3	7.6
Total	-	-	-	32.0	22.3	30.5

Accordingly, these projections do not include any assumption about external growth.

? "Glossary"

1. In 2014, a proportion of 59% of the coupons representing the dividend was reinvested in new shares.

Assumptions

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

	Realised	Assumptions		
	2014	2015	2016	2017
External assumptions				
Evolution of the health index	0.87%	0.29%	1.40%	1.50%
Average of Euribor 1- and 3-month interest rates	0.17%	0.02%	0.03%	0.20%
Internal assumptions				
Actual net income/potential income ²	92.21%	92.36%	93.32%	91.66%
Average financing cost (including margin and hedging costs)	3.16%	3.00%	2.74%	2.70%
Total number of shares not held by the group	22 138 280	22 393 722	22 652 111	22 913 481

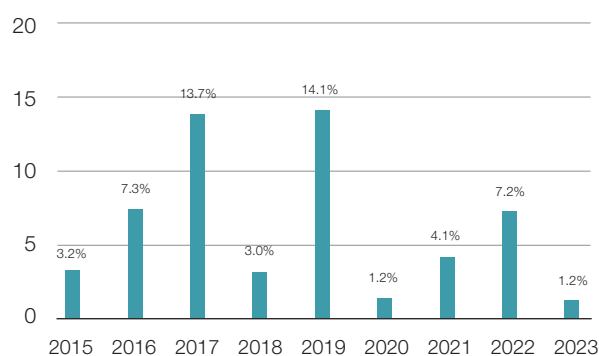
Assumptions about factors over which Befimmo has no influence

- > 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 May 2014 and update of the short-term outlook in November 2014).
- > The interest rates are the average of the forecast Euribor 1 and 3 month rates established by three major Belgian financial institutions and market rates ("forward" rates) over the next three fiscal years. These forecasts were made in late January 2015.
- > The outlook is based on the current regulations and legislations as at 31 December 2014.

Assumptions about factors which Befimmo can influence

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 (first break) – Full-year impact (in %)



Real-estate assumptions

The percentages mentioned in the above graph are calculated based on the annual current rent as at 31 December 2014. Each percentage corresponds to the sum of the annual rent for the leases that have an intermediate or final expiry date falling during the year³.

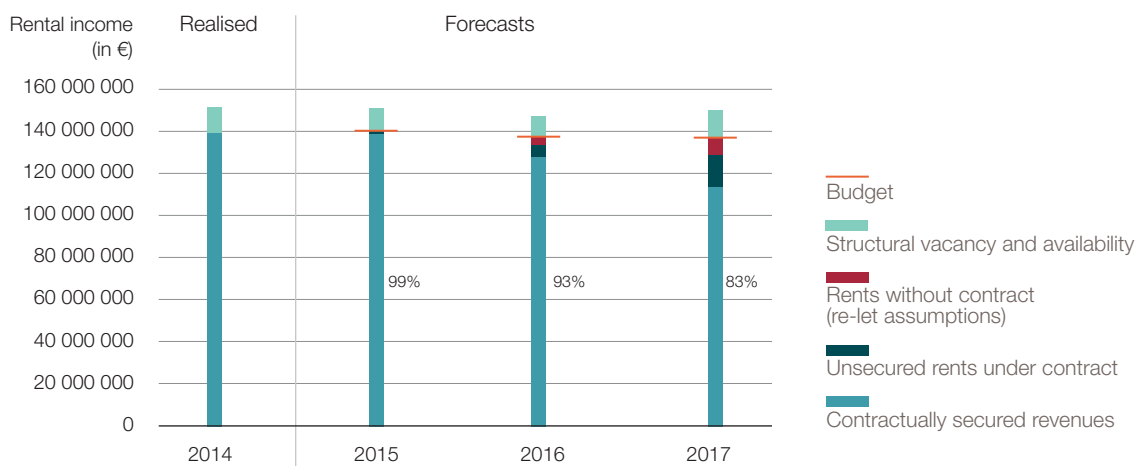
- > The outlook is established at constant perimeter in relation to the existing property portfolio as at 31 December 2014.
- > The assumptions about the occupancy of the buildings are established on the basis of an assessment of each individual lease. This gives the perception ratio of rents (ratio of income earned (2014) or budgeted (2015 onwards) to the potential income) for the next three fiscal years, presented before in the table of internal and external assumptions.

Rents potentially at risk (with an expiry over the next three years), based on an estimated probability of departure of the tenant, have been included in the EPRA earnings outlook set out hereinafter.

2. Perception ratio of rents: the ratio of actual net income to potential income is calculated by dividing all rents actually received during the fiscal year by all rents that would have been received during that year had not only the let space but also the vacant space been let throughout the year at the estimated rental value (ERV).

3. The rents of leases reaching maturity in December are included in the year following this maturity.

Income guaranteed under contract



The graph above shows that the budgeted income for the year 2015 and for the properties available for lease, for example, 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 relet assumptions. Note also that the potential rent from vacant space (shown in green in the graph) is assessed on the basis of the estimated rental value.

- > When budgeting for maintenance and repair works of buildings, total guarantee and maintenance fees, incoming and outgoing inventories borne by the Company, and other miscellaneous expenses, the following main assumptions are made:
 - >> common charges, taxes, property tax and management fees for empty premises are borne by Befimmo. Charges are generally allocated on the basis of floor area (amount per m²). Other systems for allocating charges may nevertheless be used;
 - >> whenever a property is re-let, allowance is made for agent's fees, the amount of which depends on the annual rent and the expected difficulty of finding a tenant (e.g. higher in the periphery areas). These agency fees are generally determined on the basis of a percentage of the annual rent;
 - >> when a tenant leaves a building, the vacated areas are renovated. The budgets for renovation work in the vacated space are borne by the Company and established on the basis of a flat rate per square metre. This results in a charge of €0.7 million, €0.7 million and €0.3 million for the fiscal years 2015 to 2017, respectively (as against charges of € 0.5 million for 2014);
 - >> when a tenant leaves a space, allowance is made for rental damage (to be borne by the tenant) and one month of unavailability for lease is taken into account.

Financial assumptions

The estimated financial result is based on the following financing and refinancing assumptions:

- > use of the commercial paper programme of up to some €300 million in 2015 and €250 million over the subsequent years, based on the outstanding amount of €255 million and €374 million as at 31 December 2013 and 31 December 2014 respectively;
- > financing excess enabling sufficient liquidity to anticipate on 12-month refinancing maturities of debt capital market instruments (retail bonds, EUPP and USPP), with a minimal excess level of around €100 million;
- > refinancing of the debt capital market instruments at their respective maturity for the same notional amounts and for a period of 7 years, with a margin at current market conditions (for corporate bonds with an equivalent rating) plus a fixed rate (corresponding to the IRS seven-year forward rate defined on the basis of the interest rate curve for the end of January 2015);

Fountain Plaza



- > refinancing of bilateral lines at maturity by a floating-rate bank loan with a margin based on the banks' current requirements (including exposure fees) and a given non-use fee. The notional amount of this financing is therefore changing, taking account of the maturities of the bilateral lines, and also in accordance with changes in the forecast debt level to maintain an excess as described before;
- > the cost of issuing debt (the banks' "upfront fees" and related expenses) are estimated on the basis of the above refinancing assumptions and the terms obtained in our recent refinancing operations. These charges are smoothed over the duration of the financing deal;
- > in order to limit the risk of fluctuating interest rates on its financial debts at floating rates, Befimmo has acquired financial instruments (CAP, FLOOR and IRS) which, under IAS 39 on financial instruments, however, do not qualify as hedging instruments. It is planned to extend existing hedging over the period of the forecasts;
- > the outlook is based on the assumption that the Company's rating is maintained at BBB outlook stable in future fiscal years;
- > the estimated average number of shares not held by the group in future fiscal years is based on the actual average number for the year ended 31 December 2014 and on the assumption that a stock option is offered for the interim dividend for the fiscal years 2015-2017;
- > no assumption has been made about early repayment of financing.

Forecast of consolidated EPRA earnings

(in € thousand)	Realised		Forecasts	
	2014	2015	2016	2017
Rental income	139 690	140 153	137 247	137 126
Charges linked to letting	-995	-965	-968	-960
Net rental result	138 695	139 188	136 279	136 166
Net property charges	-15 506	-15 060	-12 945	-9 207
Property operating result	123 189	124 128	123 334	126 959
Corporate overheads	-11 110	-11 221	-11 559	-11 551
Other operating income and charges	1 289	-1 779	-548	54
Operating result before result on portfolio	113 369	111 129	111 227	115 461
Financial result (excl. the changes in fair value of the assets and liabilities and close-out costs)	-28 104	-29 687	-26 834	-26 406
Corporate taxes	-1 119	-1 150	-1 173	-1 196
EPRA earnings	84 146	80 292	83 220	87 859
EPRA earnings (€/share)	3.90	3.62	3.71	3.88
Average number of shares not held by the group	21 570 715	22 149 477	22 405 048	22 663 568

 "Glossary"

Comments on the forecasts

Rental income, charges linked to letting and net real-estate charges

These incomes and expenses are estimated for each building individually, based on current leases for both rents and rental charges (insurance policies, total guarantee, etc.). Other property charges are estimated on the basis of the experience of Befimmo and its subsidiary, Befimmo Property Services, in managing and maintaining its real-estate assets. Assumptions in terms of re-letting at the end of the lease are made in line with market practices and based on Befimmo's historical experience. They also have an impact on estimates of commission paid to agencies and expenses for vacant premises. Such commissions and expenses for vacant premises are also included in the Company's non-recurring property charges.

Property charges also show the total staff costs of the real-estate and property-management departments, as well as all study costs related to the existing buildings in the portfolio (costs of lawyers, tax experts, due diligence or agency commissions for a legal, fiscal, financial or technical analysis of a real-estate project).

Note that the costs related to property disposals are not recorded as expense, but are deducted from the capital gain or loss realised.

Corporate overheads

These costs are estimated on a case-by-case basis using the figures for previous years and developments that are recent and expected by the Company. Most of these are subject to indexing in future years.

Staff costs vary at a consistent pace, taking account of expected changes in the size of the Company's in-house team over the coming years.

Other income and operating expenses

The projected other income and operating expenses relate to the restatement of the effect of smoothing gratuities applied to rental income, as per IFRS.

Financial result

The financial result consists of:

- > financial charges on floating-rate borrowings, calculated by applying the assumptions about interest rate described above, plus the relevant margins;
- > financial charges on fixed-rate borrowings;
- > proceeds of, or interest charges on the derivative instruments;

- > other financial results, consisting primarily of expenses associated with bank financing lines (commitment fees on credit lines, exposure fees and debt issuance costs) and other costs for services charged by banks.

The financial result also includes reductions in financial charges owing to the activation of interim interest calculated on the basis of the Company's average financing rate for the fiscal year concerned (these come into effect from the start of the works until the date of provisional acceptance).

Other items of the net result

As previously stated, Befimmo is no longer publishing forecasts of changes in the fair value of its properties and financial assets and liabilities.

However, as an indication, it can be estimated that a 1% change in the fair value of the property portfolio (IAS 40) would have an impact of the order of €23 million on the net result, thereby generating a change of the order of €1.03 in the net asset value per share and 0.45% in the LTV ratio.

Furthermore, a change in the forecast movements of short-term interest rates could alter the fair value of the financial assets and liabilities carried at fair value (IAS 39). Based on the fair value as at 31 December 2014, it can be estimated that if the Euro, US Dollar and Pound Sterling interest rate curves had been 0.5% lower than the curves of 31 December 2014, the change in fair value of the financial assets and liabilities carried at fair value would have been -€14.9 million. In the opposite case, the change would have been +€15.7 million.

Such changes (IAS 39 and 40) have no impact on the Company's EPRA earnings.

Regarding new investments, Befimmo intends, subject to balance-sheet equilibrium, to continue growing by taking any market opportunities arising that offer sustainable opportunities to create value for its shareholders.

This growth can take two forms:

- > steady and gradual internal growth, through direct and indirect acquisitions, in line with Befimmo's investment capacities;
- > occasional external growth through mergers with other real-estate portfolios, as opportunities arise.

In normal operation, Befimmo's LTV ratio would be around 50%, as the Company takes care to control the use of its borrowing capacity.

Finally, the forecast nominal net debt is €1,046 million at the end of 2015, €1,047 million at the end of 2016 and €1,053 million at the end of 2017.

€3.45 per share

All other things being equal and based on these forecasts at constant perimeter, Befimmo expects to be able to offer a gross dividend of €3.45 per share for the 2015 fiscal year

Dividend forecast

The assumptions used for making forecasts at constant perimeter indicate that EPRA earnings of €3.62 per share should be achieved in the 2015 fiscal year.

All other things being equal and based on these forecasts at constant perimeter, Befimmo expects to be able to offer a gross dividend of €3.45 per share for the 2015 fiscal year. It may be paid via an interim dividend of €2.59 in December 2015 and a final dividend of €0.86 in May 2016.

Based on a share price of €60.21 as at 31 December 2014, this dividend would generate a gross yield of 5.7% and, based on the net asset value of €54.00 as at 31 December 2014, a gross yield of 6.4%.

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

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 uncertainty and economic recession, the assumptions used may be highly volatile in 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 Report. 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.

Froissart



Statutory Auditor's report

**The Board of Directors
on behalf of Befimmo NV/SA
Waversesteenweg 1945
B-1160 Brussels**

27 March 2015

Dear Madam

Dear Sirs

Befimmo NV/SA ("the Company") and its subsidiaries (together "the Group")

We report on the forecast of the EPRA earnings (as defined in December 2014 in the report "Best Practices Recommendations" of the European Public Real Estate Association) of Befimmo NV/SA ("the Company") and its subsidiaries (together "the Group") for the 12 months periods ending 31 December 2015, 31 December 2016 and 31 December 2017 (the "Forecast"). The Forecast, and the material assumptions upon which it is based are set out in chapter "EPRA earnings outlook for the next three years" (pages 74 to 79) of the Annual Financial Report 2014 ("the 2014 Annual Report of the Group") issued by the Company dated 27 March 2015. We do not report on the chapters 'Other items of the net result' and the 'Dividend forecast' as mentioned on pages 78 and 79 of the 2014 Annual Report.

Although the 2014 Annual Report of the Group will not serve as a registration document in accordance with the European Commission's Regulation on Prospectuses No. 809/2004 (the "Prospectus Directive Regulation"), the Forecast will be prepared in accordance with the principles as defined under Annex I item 13 of the Prospectus Directive Regulation.

Responsibilities

It is the responsibility of the board of directors of the Company to prepare the Forecast in accordance with Annex 1 item 13 of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as to the proper compilation of the Forecast and to report that opinion to you.

Basis of Preparation of the Forecast

The Forecast has been prepared on the basis stated in chapter "EPRA earnings outlook for the next three years" of the 2014 Annual Report of the Group and is based on a forecast for the 12 months periods ending 31 December 2015, 31 December 2016 and 31 December 2017. The Forecast is required to be presented on a basis consistent with the accounting policies of the Group that have been used for the establishment of the financial statements for the period ending 31 December 2014.

Basis of opinion

We conducted our work in accordance with the International Standard on Assurance Engagement 3400 "The Examination of Prospective Financial Information" ("ISAE 3400") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work included evaluating the basis on which the historical financial information included in the Forecast has been prepared and considering whether the Forecast has been accurately computed based upon the disclosed

assumptions and the accounting policies of the Group as used for the establishment of the financial statements as at 31 December 2014. Whilst the assumptions upon which the Forecast are based are solely the responsibility of the board of directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the board of directors which, in our opinion, are necessary for a proper understanding of the Forecast have not been disclosed or if any material assumption made by the board of directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Forecast has been properly compiled on the basis stated.

Since the Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Belgium, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group as applied in the Financial Statements on the period ended per 31 December 2014.

Yours faithfully

DELOITTE
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

Rik Neckebroeck

Befimmo on the stock market

Befimmo share

Share key figures

22,673,609

Number of shares issued

€3.45/share

Gross dividend

26.47%

Return on share price

5.73%

Gross yield on share price

Axento



Share key figures	31.12.2014	31.12.2013
Number of shares issued	22 673 609	22 062 701
Number of shares not held by the group	22 138 280	21 534 086
Average number of shares not held by the group	21 570 715	19 923 168
Highest share price (in €)	63.70	54.11
Lowest share price (in €)	49.14	47.30
Closing share price (in €)	60.21	50.45
Number of shares traded ¹	12 777 448	9 400 156
Average daily turnover ¹	50 108	36 016
Free float velocity ¹	77%	61%
Distribution ratio (in relation to the EPRA earnings)	89%	87%
Gross dividend (in € per share)	3.45	3.45
Gross yield ²	5.73%	6.84%
Return on share price ³	26.47%	10.70%

1. Source: Kempen & Co. Based on trading on all platforms.

2. Gross dividend divided by the closing share price.

3. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment and the participation in the optional dividend.

Trend of the share price

The Befimmo share has been listed on Euronext Brussels since it opened, and has been in the BEL 20 index since March 2009.

The Befimmo share made strong gains in the 2014 fiscal year. On 31 December 2014 it closed at €60.21 as against €50.45 one year earlier. Assuming the reinvestment of the dividend distributed in 2014, of €3.45 gross per share, it offered an annual return of 26.5%. This is in line with general market trends, while the listed real-estate sector in Europe (EPRA NAREIT Europe) has an annual return of 25.7%⁴. This trend also reflects investor confidence in the sector and in Befimmo, despite a sluggish economic climate.

Note that the total number of outstanding Befimmo shares increased from 22,062,701 to 22,673,609 over the year, an increase of 2.8% due to the creation of (i) 186,853 shares

as part of the contribution in kind of the rights in rem to the leasehold on the “Rue aux Choux 35” complex by AXA Belgium in November and (ii) 424,055 shares linked to the distribution of the interim dividend in shares in December.

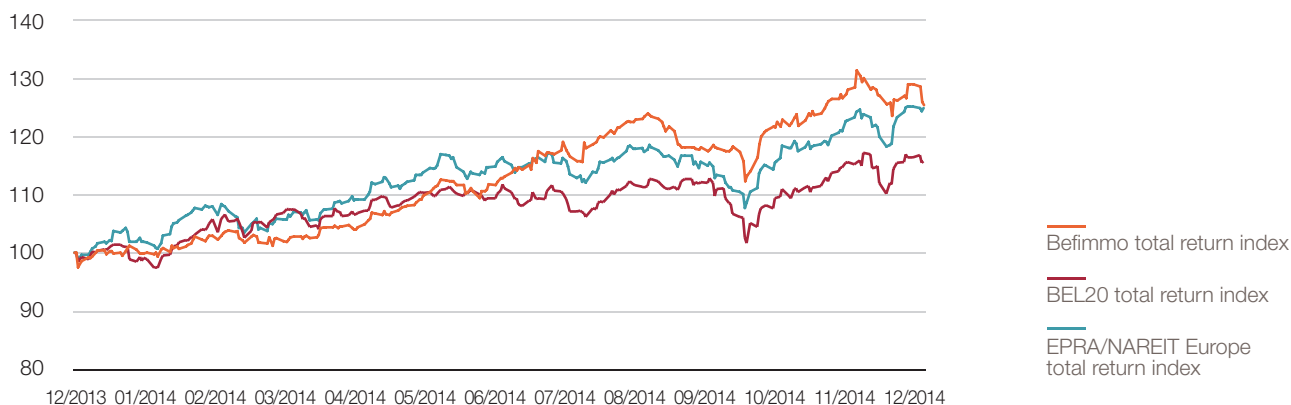
At 31 December 2014, the Befimmo share was trading at a premium of 11.50% in relation to net asset value.

Based on transactions recorded on all market platforms, the Befimmo share offers growing liquidity, with an average daily volume of around 50,108 shares, which corresponds to a free-float velocity of around 77%.

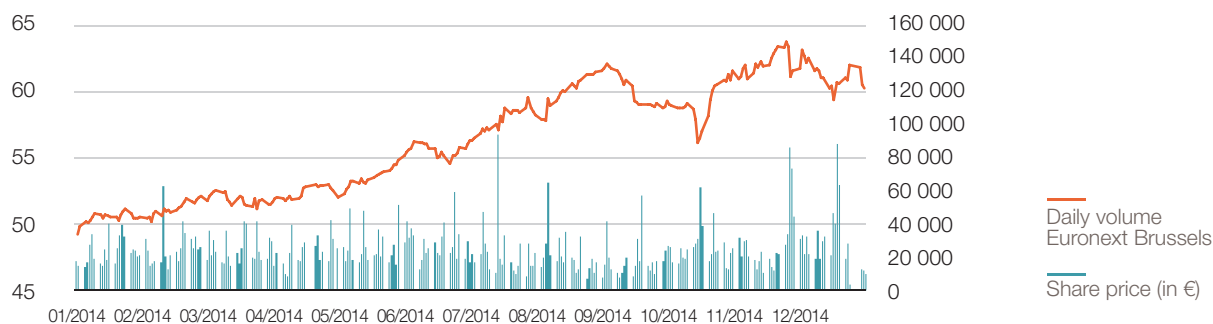
Over the 19 years since its listing, the share has offered a total annualised yield of 8.1%⁴.

Befimmo’s market capitalisation stood at €1,365,177,998 at 31 December 2014.

Performance of Befimmo’s total return index in relation to the total return index of the BEL 20 and EPRA/NAREIT Europe

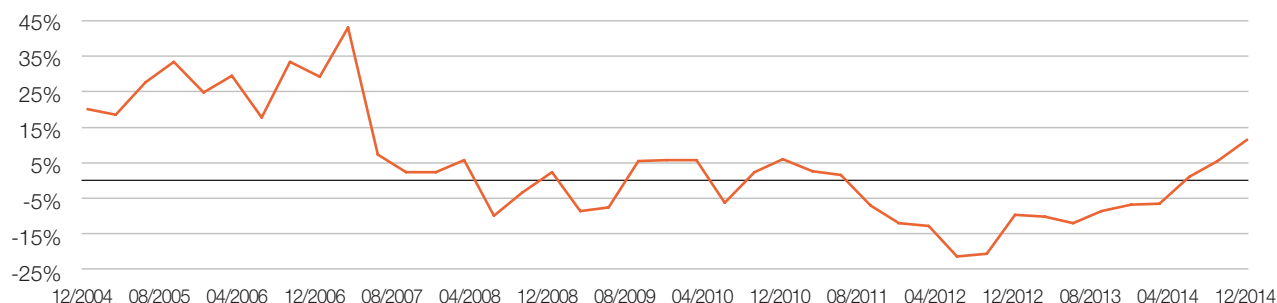


Share price and volumes (01.01.2014 to 31.12.2014)



4. Taking into account the reinvestment of the gross dividend (source: KBC Securities).

Premium and discount in relation to the net asset value on a 10-year period



Dividend for the 2014 fiscal year

Distribution of interim dividend: 59% reinvested in new shares

A proportion of 59% of the interim dividend for the 2014 fiscal year was distributed in new shares, 424,055 new shares at a price of €58.275 per share, which increased the Company's equity by €24.7 million.

Final dividend for the 2014 fiscal year

The agenda of the Ordinary General Meeting of shareholders to be held on 28 April 2015, at which the accounts for the 2014 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.86 gross per share.

The final dividend will supplement the interim dividend of €2.59 gross per share not held by the group paid out in December 2014, bringing the total dividend for the fiscal year as planned to €3.45 gross per share.

Operations on own shares

	Total number of issued shares	Number of shares held by the group	Distribution of own shares held by the group (per entity)				Accountable par (in €) (rounded)	Counter value per share held by the group (in €)	Percentage in capital (based on the number of issued shares)
			Befimmo	Fedimmo	Meirfree	Vitalfree			
Situation as at 31 December 2013	22 062 701	528 615	528 615	-	-	-	14.53	55.36	2.40%
Exit right linked to the status change (B-REIT) - 13 November 2014		6 714	6 714				14.53	61.54	0.03%
Capital increase of 27 November 2014 within the framework of the contribution in kind of the building Rue aux Choux 35	186 853						14.53		
Capital increase of 19 December 2014 within the framework of the optional dividend	424 055						14.53		
Situation as at 31 December 2014	22 673 609	535 329	535 329	-	-	-	14.53	55.44	2.36%

Shareholder structure

The Company introduced a statutory declaration threshold of 3% for the application of the legal rules relating to notification of large holdings in issuers whose shares are admitted for trading on a regulated market.

According to the transparency notifications received, the share ownership of Befimmo SA is structured as follows:

Shareholding (at 10.02.2015)

Declarants	Number of shares (declared) the day of statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
Befimmo SA	535 329	25.11.2014	2.4%
Ageas and affiliated companies	2 393 476	10.02.2015	10.6%
AXA Belgium SA	2 382 216	16.12.2014	10.5%
BlackRock Inc.	664 130	06.02.2014	2.9%
Other shareholders under the statutory threshold	16 698 458	10.02.2015	73.6%
Total	22 673 609		100%

Key dates for shareholders 2015

Key dates for shareholders 2015

Online publication of the Annual Financial Report 2014	Friday 27 March 2015
Ordinary General Meeting of the fiscal year closing as at 31 December 2014	Tuesday 28 April 2015
Payment of the final dividend of the 2014 fiscal year on presentation of coupon No 28	
- Ex-date	Wednesday 6 May 2015
- Record date	Thursday 7 May 2015
- Payment date	from Friday 8 May 2015
Interim statement as at 31 March 2015	Wednesday 13 May 2015 ¹
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2015	Friday 31 July 2015 ²
Interim statement as at 30 September 2015	Thursday 29 October 2015 ¹
Payment of the interim dividend of the 2015 fiscal year on presentation of coupon No 29	
- Ex-date	Wednesday 16 December 2015
- Record date	Thursday 17 December 2015
- Payment date	from Friday 18 December 2015
Publication of the annual results as at 31 December 2015	Thursday 18 February 2016 ¹
Online publication of the Annual Financial Report 2015	Friday 25 March 2016
Ordinary General Meeting of the fiscal year closing as at 31 December 2015	Tuesday 26 April 2016
Payment of the final dividend of the 2015 fiscal year on presentation of coupon No 30	
- Ex-date	Wednesday 4 May 2016
- Record date	Thursday 5 May 2016
- Payment date	from Friday 6 May 2016

? "Glossary"

1. Publication after closing of the stock exchange.
2. Publication before opening of the stock exchange.

Meir

In the heart of Antwerp



20,600

square metres



98

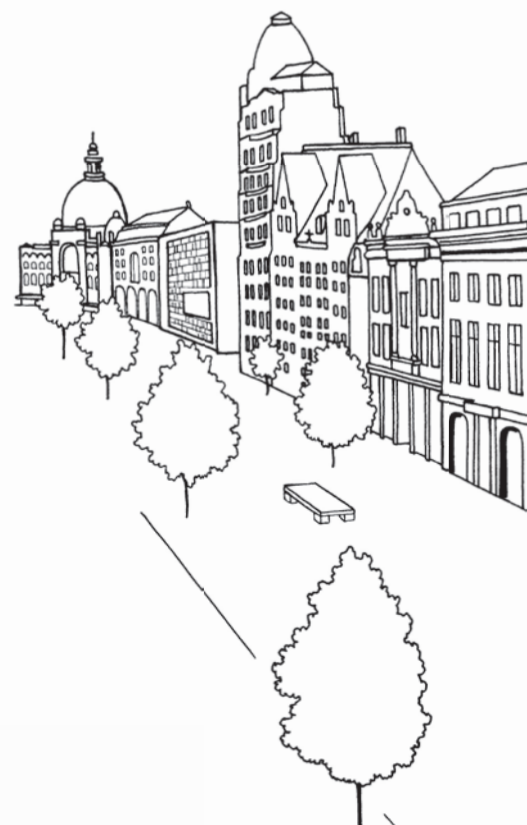


parking spaces and
80 bicycle spaces

390/150



390 fixed offices and
150 flexible workspaces



Location	Meir 48 2000 Antwerp
Architects	Luc Fornoville (new part of the building)
Area	20,600 m ²
Current rent	€3.4 million
Initial period of lease	18/27
Tenant	BNP Paribas Fortis

Located on one
of Belgium's
principal
shopping streets

Rococo-style
facade of an old
town house

Long-term lease



Social Responsibility

Befimmo has integrated the principles of Social Responsibility into its strategy and day-to-day operations, anticipating economic, societal and environmental developments.

Over the years it has built a strategy of Social Responsibility based on THE TOPICS of importance to Befimmo and its stakeholders.

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G4-1

“With the aim of continuously improving our position as a responsible business and landlord, we have initiated a process of regular dialogue with all our stakeholders.

- > **Responsible to our strategy** | We aim to be a benchmark and we strive to differentiate ourselves by innovating and by incorporating Social Responsibility into our overall strategy with the aim of creating value for all our stakeholders.
- > **Responsible to our stakeholders** | We proactively initiate unifying measures, the impacts of which are measured and designed to meet the expectations of our stakeholders. We seek to strike a balance between the expectations of our various stakeholders and the challenges we regularly face.
- > **Responsibility extending beyond our own activities** | We aim to go beyond our own activities by raising awareness and inspiring all our stakeholders to meet our qualitative and quantitative targets.
- > **Responsible to our team** | We strive to be a responsible employer, concerned about the well-being of our team, while respecting and developing the Company’s three core values: Professionalism, Commitment and Team spirit.
- > **Responsible to our communication** | We act with full transparency in a long-term perspective, paying special attention to the reliability of the reporting process and the rigour, accuracy and transparency of financial and non-financial communications.”

Benoît De Blicq | CEO



Moving from of an “Environmental” policy to a “Social Responsibility” policy

G4-14 G4-18 G4-23

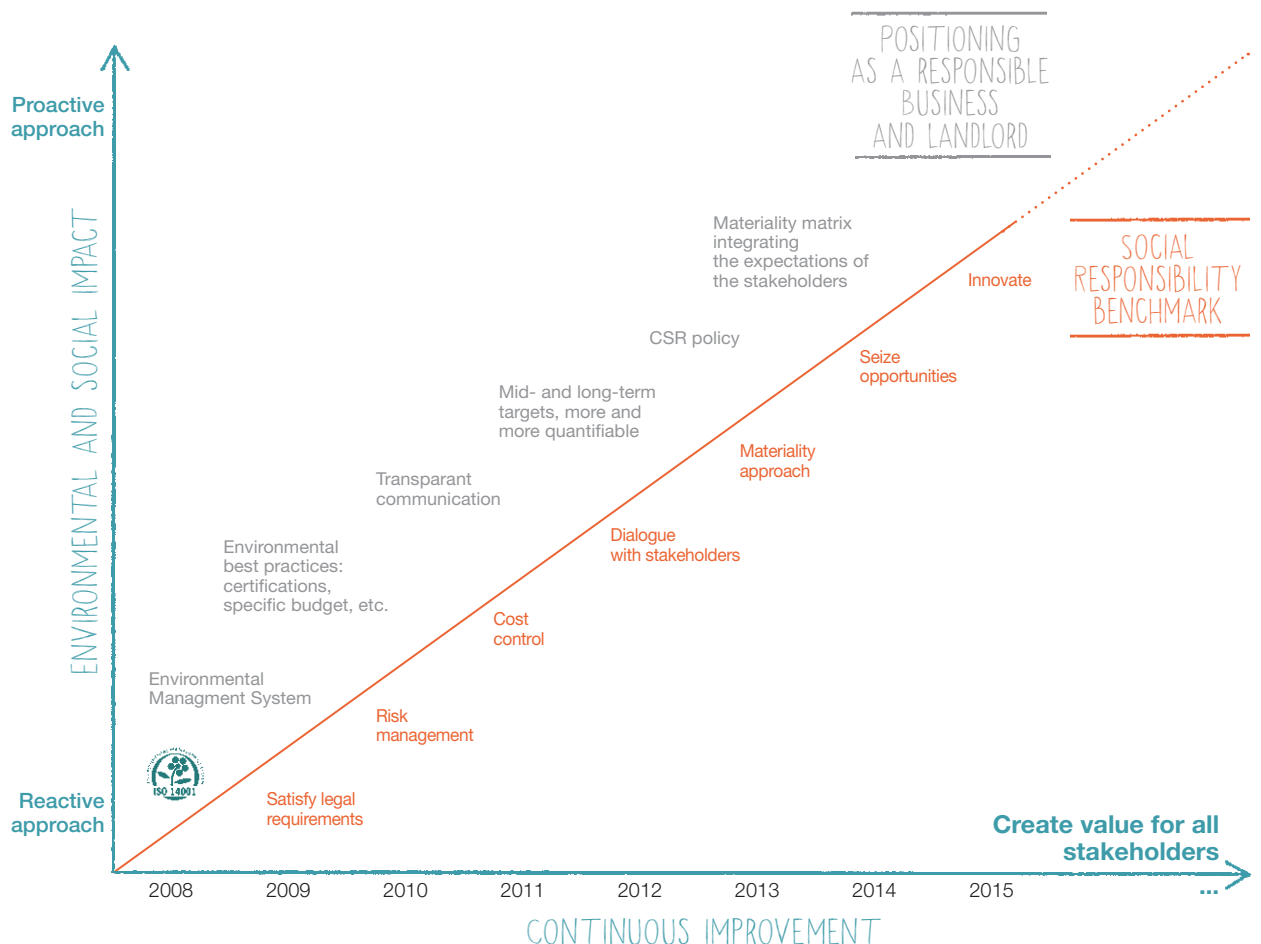
Since 2008, Befimmo has gradually moved from a qualitative Environmental policy to a true Social Responsibility policy. The Company is convinced that a proactive approach eventually leads to a favorable position in terms of reputation and improved profitability, and has integrated this policy into its overall strategy.

It recognises that effective governance over the long term requires a committed approach, applying the precautionary principle, designed to anticipate risks and control costs. Indeed, identifying the risks that could affect Befimmo (described in detail in the chapter “Risk factors”), it is putting in place the necessary measures to anticipate these risks and limit their potential impact. It undertakes to take account

of the expectations of its stakeholders in devising its strategy and to establish an open dialogue and constructive consultation with them.

→ “Risk factors”

Befimmo regards Social Responsibility as a part of its strategy, taking opportunities to improve its performance and create value in the medium and long term for all its stakeholders. Befimmo strives for excellence and has the goal of differentiating itself and also becoming a benchmark in Social Responsibility, anticipating economic, societal and environmental developments and innovating to create value for all of its stakeholders.



Materiality exercise

G4-12

G4-18

G4-23

G4-24

G4-25

G4-26

G4-43

G4-45

In view of its market capitalisation (€1.4 billion), its membership of the BEL20 index, its team, which has grown strongly over the past 10 years, and also its property portfolio and its impact on the environment, Befimmo should be a responsible business and landlord. Accordingly, it must constantly strive to limit its impact on society while being able to develop economically and improve its dialogue with its stakeholders.

Thus, in a process of continuous improvement of its Social Responsibility policy, Befimmo has conducted a materiality study and initiated a process of regular dialogue with all its stakeholders (employees, tenants, investors, public authorities, suppliers, directors, etc.).

This study was conducted in cooperation with management, the Board of Directors and the heads of the departments involved in the process.

It consists of 6 main stages:

> **definition of key topics for Befimmo** in accordance with acknowledged standards such as ISO 26000, GRI, etc.;

> **identification of stakeholders** to be interviewed in cooperation with management and heads of departments. For the selection of stakeholders, since this is the first materiality matrix, it was decided to consult a broad panel of stakeholders, both internal and external. In selecting them, Befimmo took account of all players actively or passively affected by a decision or project of the Company, i.e. all stakeholders involved in the value chain of its property portfolio;

→ “Identity & Strategy”

> **consultation of the identified stakeholders**, conducting some thirty interviews, surveys, etc. (see table describing the interaction with stakeholders during the 2014 fiscal year, published on the Company’s website);

> **analysis of stakeholder expectations** (see table published on the Company’s website);

> **prioritisation of topics**, in cooperation with management; [G4-37](#)

> **production of the Befimmo materiality matrix**, analysed and validated by management and the Board of Directors.

This materiality matrix (shown hereafter) has enabled Befimmo (i) to identify and prioritise its environmental, economic and social priorities, taking account of the expectations of its stakeholders, (ii) to fine-tune its Social Responsibility strategy and (iii) to focus its action on priority topics.

The matrix illustrates two levels of importance: (i) on the y-axis, the importance of the topics to the external and internal stakeholders and (ii) on the x-axis, the strategic importance of the topics to Befimmo’s management and Board of Directors. Accordingly, the top right-hand box shows the topics regarded as short-term priorities by both the management and directors of Befimmo and by stakeholders.

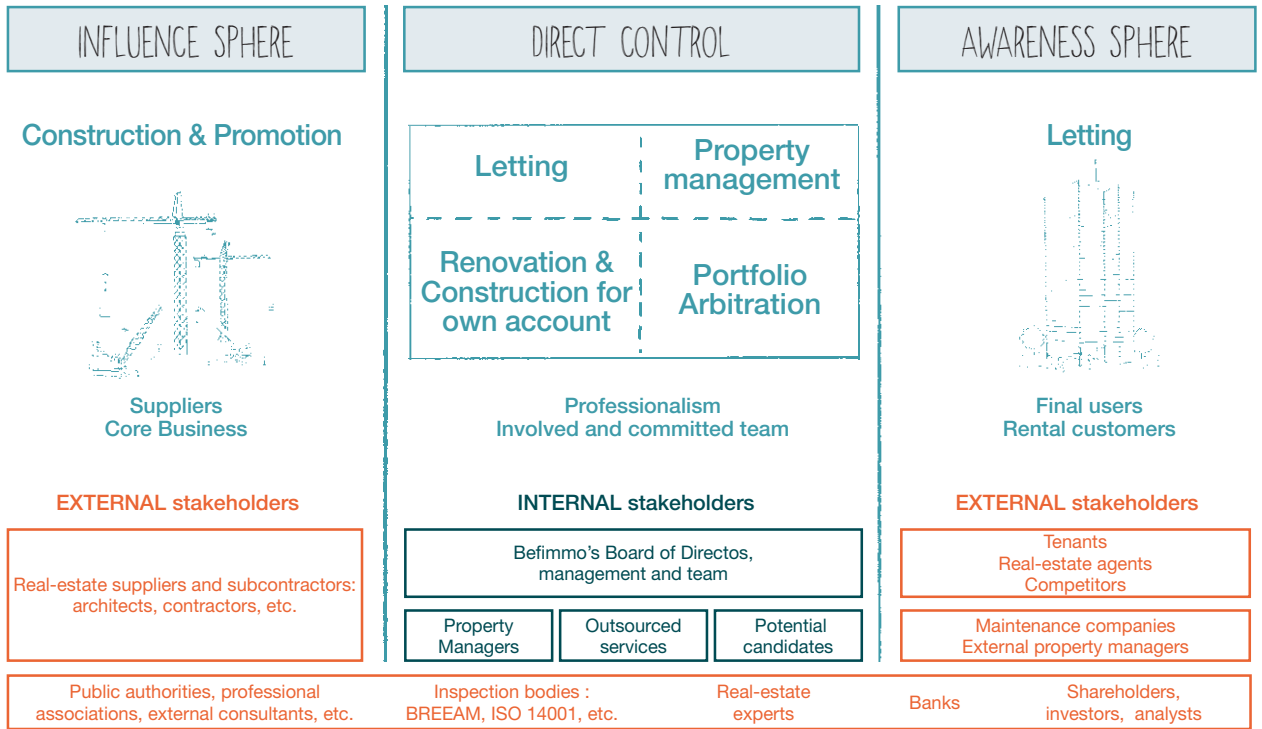
The other topics are given a lower priority in the short term, but will not be neglected, however: they will be analysed and implemented in the medium and/or long term.

However, reading the 2014 results of CSR-related surveys (such as investors questionnaires GRESB, CDP or the analysis Business & Society), Befimmo has identified not only its strengths but also its weaknesses and has therefore decided to make every effort to improve them. The main aspect for improvement identified is the issue of its Social Responsibility related to its value chain. Befimmo is aware that a significant part of its environmental and also societal impact is upstream in its value chain. Its responsibility extends beyond its own business and it must educate and inspire all of its stakeholders as much as possible, especially its suppliers, to achieve its qualitative and quantitative objectives.

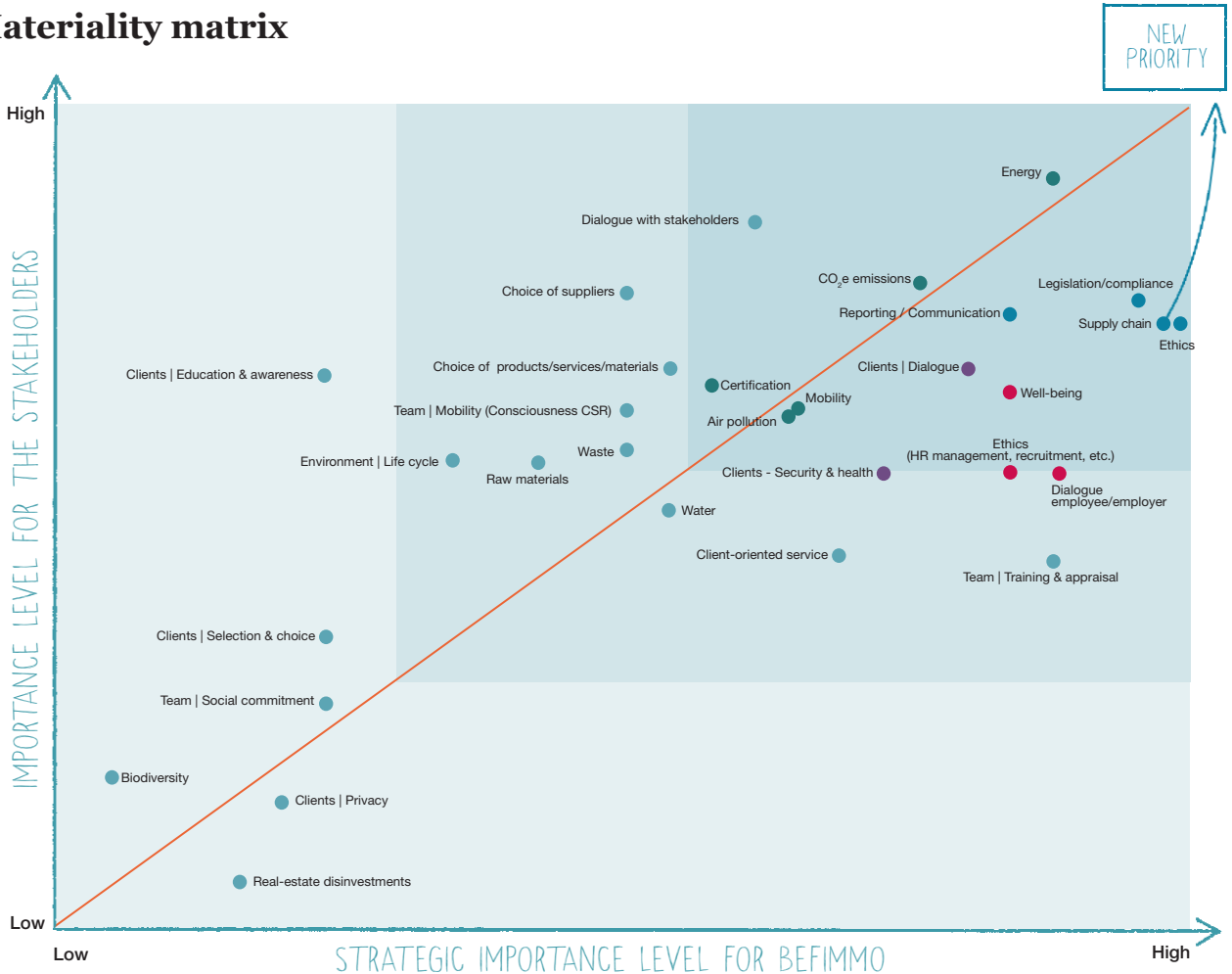
Accordingly, a new priority, namely the supply chain, has been added to the materiality matrix and is discussed in more detail in this chapter, on page 127.

@ www.befimmo.be

Our stakeholders



Materiality matrix



Priority topics

G4-19 G4-20 G4-21

In this way, Befimmo has identified and prioritised **13 environmental, economic and social priorities**, grouped into **4 main topics**.

The response to these priorities is reflected in specific commitments and measures and their impacts, qualitative

targets that are increasingly quantifiable and measurable, described below, and also set out in more detail in the Social Responsibility Programme, prepared in cooperation with the management and its team.

@ www.befimmo.be



Continuous improvement of Befimmo's position as a responsible company and landlord

G4-DMA

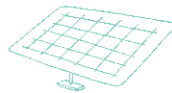
G4-35

Environment

PRIORITIES: cut energy consumption, waste generation, CO₂e emissions and continuously improve the various certifications

BREEAM®

- > **3,790 m²** of photovoltaic panels by the end of 2015
- > **-5.3%** of gas¹
- > **-6.1%** of electricity¹
- > **Green Adviser:** step up on-the-spot monitoring of the efficiency of energy investments
- > 7 quantitative **targets** (2015-2017)



Team

PRIORITIES: ensure well-being and commitment within the team, raise staff awareness and develop their skills and training

- > **33hrs/year** training per employee
- > **Values:** Professionalism - Commitment - Team spirit
- > **NWOW:** Overall analysis of the changing world of work
- > **Dialogue**



Tenants

PRIORITIES: raise awareness among tenants, develop a customer-oriented approach and improve dialogue with occupants of buildings

- > **140 tenants:** awareness campaign for 140 tenants in 16 different buildings
 - >> **-50%** of general household waste
 - >> **+36%:** volume of recycled paper/cardboard
- > **Develop communication and awareness-raising tools:** (i) FMIS (2015), (ii) Environmental cooperation agreement (2016) and (iii) BUG (2017)



Governance

PRIORITIES: communicate transparently, prevent risks, maintain an ongoing dialogue with all stakeholders

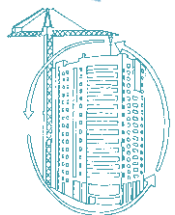
- > **Managing the supply chain:** take responsibility beyond the Company's own operations



- > **Standardise reporting**



- > **Recognitions**



1. Specific energy consumption (kWh/m²) of common areas of Befimmo portfolio.

Environment

G4-DMA

G4-35

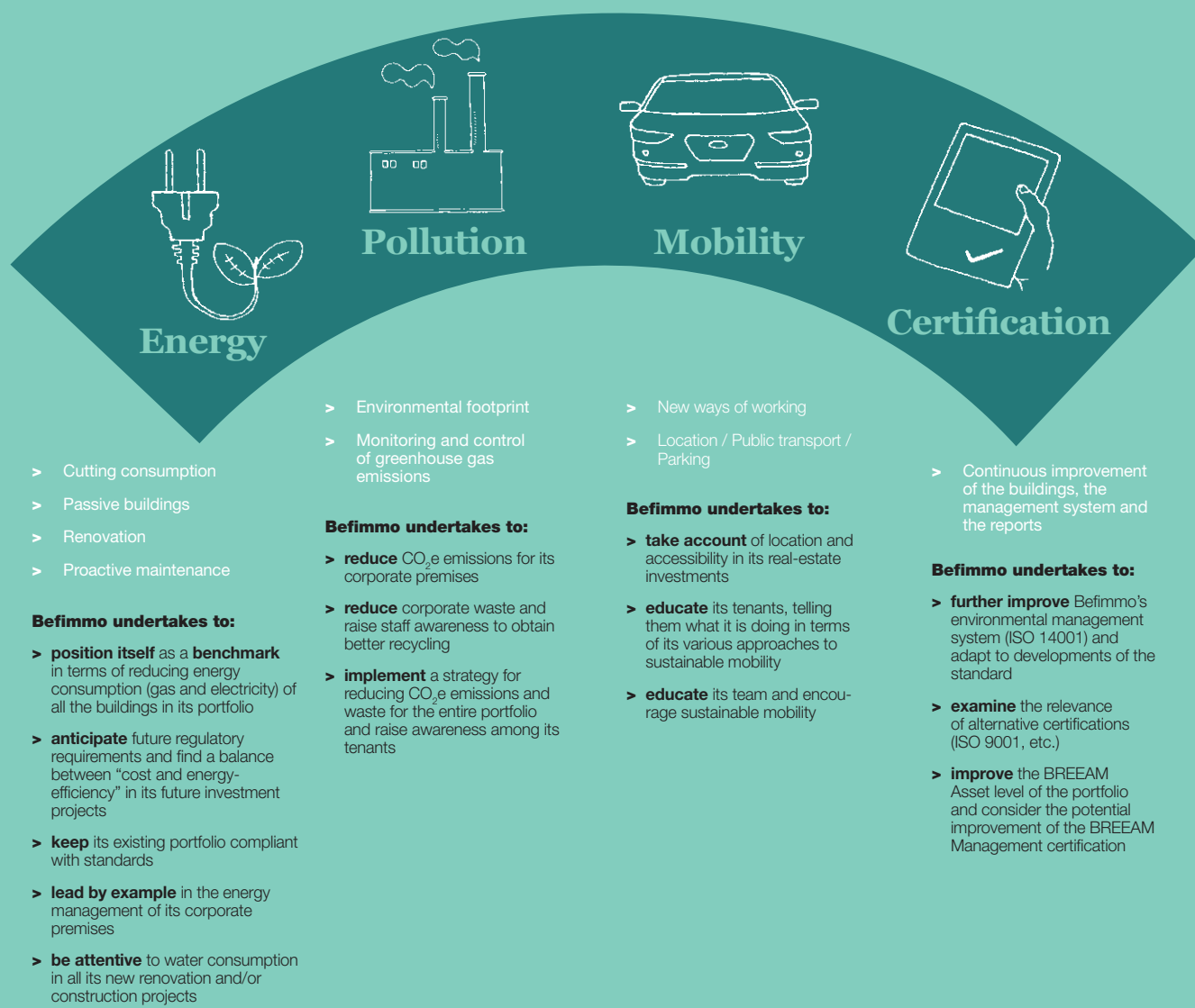
In view of the scale of its real-estate business, the main focus of Befimmo's Social Responsibility is on the environment.

Moreover, Befimmo is aware that the value of a building is no longer measured solely in terms of its intrinsic value but also of other criteria related to sustainable development. The external stakeholders have also broadly confirmed that this topic is the most important overall and want to see short-

term action by Befimmo on the priorities related to the topic: **energy, pollution, mobility** and **certification**.

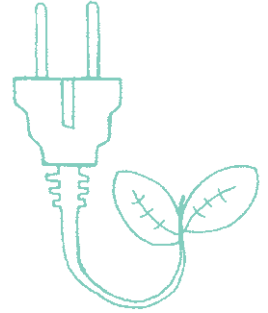
The implementation, monitoring and control of specific measures related to the environment are managed primarily by the Environmental Technical Team (ETT) which reports directly to the Social Responsibility Team.

Main relevant topics raised by stakeholders



Energy

Energy consumption (gas, heating oil and electricity) and water consumption of tenants and corporate activities.



Main achievements and targets

Management of consumption data

All data and information are obtained via (i) the utility companies and energy suppliers, (ii) maintenance companies, and (iii) telemonitoring of consumption.

Telemonitoring now covers 96% of buildings in the Befimmo portfolio and a small proportion of the buildings in the Fedimmo portfolio. The data collected generally cover all consumption (water, gas and electricity). This centralisation of data and online real-time access to them allows us to remotely identify any malfunctioning technical installations, immediately taking the necessary corrective action, and to assess the energy performance of each building and identify priority future investments to be considered.

Axento



96%

Telemonitoring now covers 96% of buildings in the Befimmo portfolio and a small proportion of the buildings in the Fedimmo portfolio

With regard to electricity consumption data, Befimmo is continuing to work on separating consumption for private and common areas of the buildings in which it manages all consumption. In all other cases, Befimmo asks its tenants to give it direct access to their private consumption via the utility companies. This systematic approach is now applicable to each new lease for both gas and electricity consumption. In this way, Befimmo hopes to quickly cover all the consumption data (common and private areas) of all its buildings.

The consumption data obtained from utility companies and energy suppliers are cross-referenced and compared with data from telemonitoring.

→ Target

To continue implementing systems for consolidating and monitoring energy consumption. This work was partially automated during 2014 and will be completed in 2015. The objective is to collect, analyse and exploit the consumption data on a quarterly basis.

G4-EN31

Multi-annual investment plan

Befimmo strives to keep its buildings attractive to tenants, thereby maintaining as high an occupancy rate as possible in its portfolio, by continually investing in the renovation and redevelopment of its properties or improving their energy and environmental performance, to upgrade them or maintain them at a high level of quality.

To achieve this objective, Befimmo is putting in place a multi-annual investment plan to schedule and carry out work to optimise the sustainable performance of the properties that are in use (Befimmo portfolio excluding Fedimmo) and not undergoing major renovations.

In 2014, the budget for this work was €1.9 million. For major renovations, part of the overall renovation budget is allocated to optimising the sustainability of the building. Over the 2014 fiscal year, Befimmo carried out investment work in its buildings at an overall cost of around €81.8 million.

Depending on the project, between 6% and 8% of costs were specifically devoted to achieving optimal energy performance. The policy is firstly to exceed the requirements of the foreseen regulations in force and, secondly, to meet the expectations of tenants, investors and shareholders.

→ “Outlook and dividend forecast”

→ Target

Befimmo intends to continue with these initiatives and also to maintain a recurrent budget for optimising existing technical systems rather than investing solely in new installations.

(in € million)

Realised	Outlook		
	2014	2015	2016
1.9	2.5	2.1	1.9

between 6% and 8%

Depending on the project, between 6% and 8% of costs were specifically devoted to achieving optimal energy performance



Green Adviser

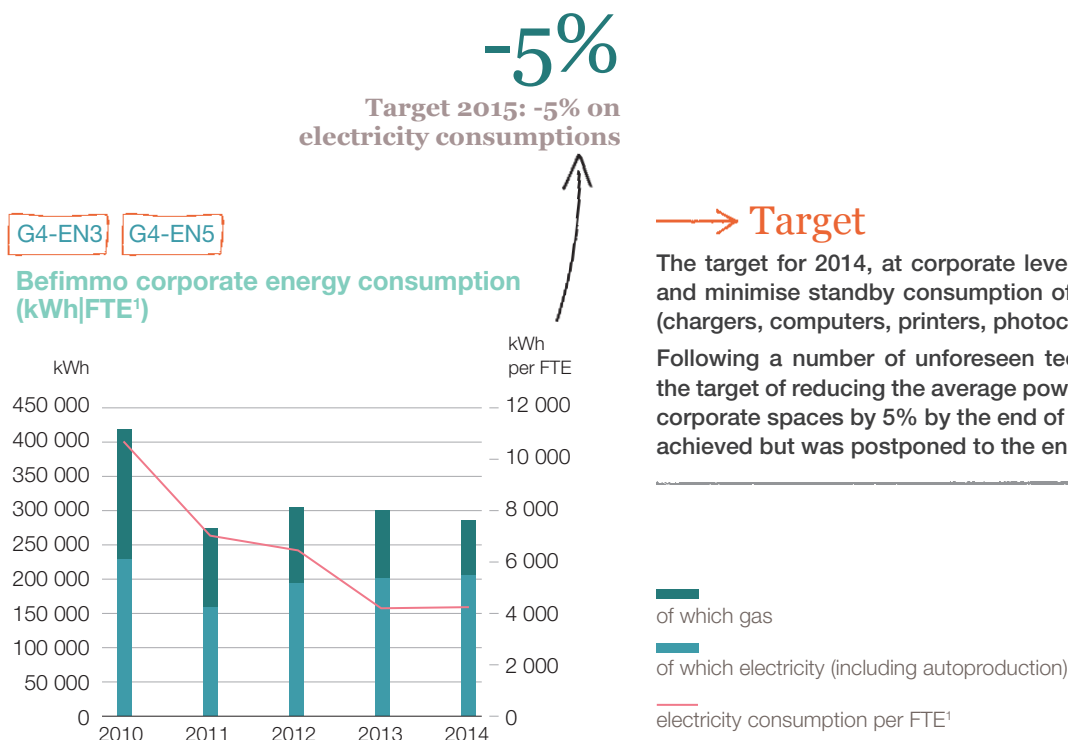
Befimmo is aware of the importance of checking proper implementation in the field of its investments in the environmental and energy performance of its buildings. In 2014, it recruited a Green Adviser who, among other things, monitors energy consumption by telemonitoring and optimising it while ensuring a high level of comfort for tenants.

→ Target

To enhance the monitoring in the field of the efficiency of energy investments.

Schuman 3





The target for 2014, at corporate level, was to optimise and minimise standby consumption of office equipment (chargers, computers, printers, photocopiers, etc.).

Following a number of unforeseen technical obstacles, the target of reducing the average power consumption of corporate spaces by 5% by the end of 2014 could not be achieved but was postponed to the end of 2015.

Reporting of consumption

For its non-financial reporting, Befimmo has chosen to report the data for the Befimmo and Fedimmo portfolios separately. Befimmo's commitments to sustainable development apply to its whole portfolio. We would point out, however, that the policy implemented by Befimmo at operational level cannot yet be fully applied to the Fedimmo portfolio. The agreement with the Buildings Agency stipulates that most of the recurring work and the operational management is its responsibility, so Befimmo has only limited control over these activities. Nevertheless, through regular dialogue and consultation with the Buildings Agency, the environmental performance of the buildings is gradually being improved. The data on energy consumption and waste generation are less available and accessible than those for the Befimmo portfolio. Accordingly, no quantitative targets have been set for the Fedimmo portfolio.

For the Befimmo portfolio, **7 quantitative targets**, including 4 new ones have been set for the coming years.

In most cases, the assets of both portfolios have been divided by country and region as well as age class. Full detailed tables, covering three years of reporting (2012-2014), are annexed to this report on pages 245 to 254.

For guidance on analysing and interpreting all the tables below, please see **Methodology** published on pages 112-113.

1. FTE: full-time equivalent.

Summary table of EPRA sustainable performance indicators

Befimmo is following a trend towards standardisation of financial reporting and also reporting on Social Responsibility by subscribing to the indicators published

by EPRA¹ in its report “Best Practices Recommendations on Sustainability Reporting (2nd version – September 2014)”.



External assessment ²	EPRA Sustainability Performance Measures	GRI G4 (CRESSD) indicator	Portfolio	Data 2014	Page(s) AFR 2014
V	Elec-Abs	G4-EN3	Befimmo	50.4 GWh	99
			Fedimmo	17.3 GWh	
V	Elec-LfL	G4-EN3	Befimmo	17.3 GWh	245
			Fedimmo	7.0 GWh	
V	DH&C-Abs	G4-EN3	Befimmo	44.8 GWh	101
			Fedimmo	34.2 GWh	
V	DH&C-LfL	G4-EN3	Befimmo	34.1 GWh	247
			Fedimmo	29.6 GWh	
V	Fuels-Abs	G4-EN3	Befimmo	0.2 GWh	
			Fedimmo	n.a.	
V	Fuels-LfL	G4-EN3	Befimmo	n.a.	-
			Fedimmo	n.a.	
V	Energy-Int	CRE1	Befimmo	148 kWh/m ²	102
			Fedimmo	136 kWh/m ²	
V	GHG-Dir-Abs	G4-EN15	Befimmo	6 796 tonnes CO ₂ e	
			Fedimmo	5 306 tonnes CO ₂ e	
V	GHG-Indir-Abs	G4-EN16	Befimmo	537 tonnes CO ₂ e	
			Fedimmo	236 tonnes CO ₂ e	
V	GHG-Dir-LfL	G4-EN15	Befimmo	5 135 tonnes CO ₂ e	107
			Fedimmo	4 594 tonnes CO ₂ e	
V	GHG-Indir-LfL	G4-EN16	Befimmo	206 tonnes CO ₂ e	253
			Fedimmo	0 tonnes CO ₂ e	
V	GHG-Int	CRE3	Befimmo	13.3 kg CO ₂ e/m ²	254
			Fedimmo	16.3 kg CO ₂ e/m ²	
V	Water-Abs	G4-EN8	Befimmo	172 540 m ³	
			Fedimmo	51 982 m ³	
V	Water-LfL	G4-EN8	Befimmo	117 374 m ³	103
			Fedimmo	38 222 m ³	
V	Water-Int	CRE2	Befimmo	0.28 m ³ /m ²	250
			Fedimmo	0.21 m ³ /m ²	
V	Waste-Abs ³	G4-EN23	Befimmo	Recycled: 1 470 tonnes [55%] Reused: 125 tonnes [5%] Composted: 3 tonnes [0.3%] Incinerated: 1 060 tonnes [40%]	105
			Fedimmo	Recycled: 433 tonnes [31%] Reused: 26 tonnes [2%] Incinerated: 424 tonnes [30%] Landfill/dump: 532 tonnes [38%]	
V	Waste-LfL ⁴	G4-EN23	Befimmo	Recycled: 544 tonnes [52%] Composted: 3 tonnes [0.3%] Incinerated: 505 tonnes [48%]	106
			Fedimmo	Recycled: 12 tonnes [79%] Incinerated: 3 tonnes [21%]	
V	Cert-Tot	CRE8	Befimmo & Fedimmo	Breeam Design Excellent 5 buildings Breeam Design Very Good 9 buildings Breeam Design Good 2 buildings Breeam In-Use (Asset) Good 32 buildings Breeam In-Use (Asset) Pass 32 buildings Breeam In-Use (Management) Very Good 1 building Breeam In-Use (Management) Good 2 buildings Breeam In-Use (Management) Pass 50 buildings Breeam In-Use (Management) Acceptable 9 buildings	110 111

1. EPRA: European Public Real Estate Association – www.epra.com.

2. Befimmo called upon Deloitte to carry out a limited assurance review. Data with the V symbol were controlled within the framework of this limited assurance review. The Deloitte report can be found on page 130 of this chapter.

3. Waste linked to buildings under construction (works) and operational buildings.

4. Waste linked to operational buildings

Elec-Abs	Elec-LfL	G4-EN3	G4-EN4
G4-EN5	G4-EN6	G4-EN7	

-6.1%

Cut of 6.1% specific electricity consumption of common areas in the Befimmo portfolio

Indirect energy consumption (GWh and kWh/m²)⁵

The absolute and specific data in the tables below relate to electricity consumption purchased from utility companies (94% green energy⁶) and/or self-generated by solar panels and cogeneration installations. Self-generated energy is included in the specific data (kWh/m²).

The target set in early 2014 to reduce specific electricity consumption of common areas in the Befimmo portfolio by -2.5% a year was exceeded, from 42.6 kWh/m² to 40.0 kWh/m², a cut of 6.1% over the fiscal year. This improvement is due mainly to energy improvement measures and an efficient building joining the portfolio.

The target of reducing the specific electricity consumption in private areas of Befimmo's portfolio by -1% was comfortably exceeded, with a cut of -14.9% over the fiscal year. The cut was due mainly to the departure of a tenant with a data centre requiring a substantial cooling system, and the exclusion of the private consumption data of a fitness centre with an indoor swimming pool.

BEFIMMO		Units	Perimeter	596 864 m ²		
Absolute measures [Abs]	2013	Total	GWh	55.6 ✓		
		of which private	GWh	32.2		
	of which common	GWh	23.5	✓		
		of which autoproduction	MWh	n.a.	85.4	
	private / m ²	kWh/m ²		59.0		
		common / m ²	kWh/m ²	76%	42.6	
	Intensity [Int]	2014	Total	GWh	50.4 ✓	
			of which private	GWh	100%	28.1
		of which common	GWh		22.3	✓
			of which autoproduction	MWh	n.a.	134.8
private / m ²		kWh/m ²		50.2		
		common / m ²	kWh/m ²	81%	40.0	
Like-for-Like [LfL]		2013	Total (including autoproduction)	GWh	18.8	
		2014	Total (including autoproduction)	GWh	17.3	
		2013-2014	Total (including autoproduction)	%	73%	

FEDIMMO		Units	Perimeter	326 751 m ²		
Absolute measures [Abs]	2013	Total	GWh	18.3 ✓		
		of which private	GWh	97%	9.5	
	of which common	GWh		8.7	✓	
		of which autoproduction	MWh	n.a.	2 233.2	
	private / m ²	kWh/m ²		29.5	✓	
		common / m ²	kWh/m ²	97%	27.1	
	Intensity [Int]	2014	TOTAL	GWh	17.3 ✓	
			of which private	GWh	98%	8.8
		of which common	GWh		8.5	✓
			of which autoproduction	MWh	n.a.	1 314.1
private / m ²		kWh/m ²		26.8		
		common / m ²	kWh/m ²	86%	22.0	
Like-for-Like [LfL]		2013	Total (including autoproduction)	GWh	8.6	
		2014	Total (including autoproduction)	GWh	7.0	
		2013-2014	Total (including autoproduction)	%	85%	

5. Full tables of indirect consumption are annexed to this report on pages 245 and 246.

6. Green energy: energy produced from renewable sources.

→ Targets

Befimmo is pursuing its commitment to cut energy consumption in its buildings. The priority is to reduce consumption in common areas, although steps to reduce consumption in private areas are also systematically considered during renovations and/or commercial renegotiations. The targets are:

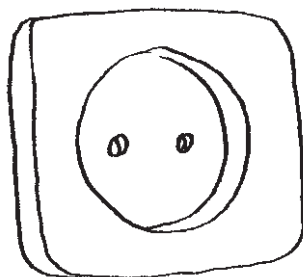
1. To cut specific electricity consumption (kWh/m²) of common areas in the Befimmo portfolio by -2.5% a year during 3 years, or a total of -7.5% by the end of 2016.
2. At the same time, Befimmo is pursuing its ambitious target of cutting specific electricity consumption (kWh/m²) in private areas by -1% a year during 3 years, or -3.0% by the end of 2016. Befimmo plans, among other things, to take up this new challenge by introducing an environmental cooperation agreement and active awareness-raising among its tenants.

The data hereafter represent the targets of reducing specific electricity consumption (kWh/m²) from 2014 to 2016, for common and private areas in relation to the reference period of 2013.

Plan 2013-2016

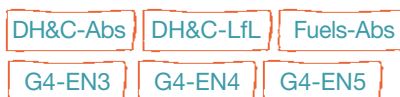
	2013	2014	2015	Targets 2016
Common targets	Reference period	-2.5%	-5.0%	-7.5%
Private targets		-1.0%	-2.0%	-3.0%

3. **New target:** to reduce electricity consumption of the common areas in the Befimmo portfolio at constant floor area [LfL], by -1% over the period 2014-2015.



-5.3%

A cut of 5.3% in specific normalised gas/heating oil consumption in the Befimmo portfolio in 2014



Direct energy consumption (GWh and kWh/m²)¹

The absolute and specific data given in the tables hereafter relate to consumption of natural gas, gross and normalised for all heated surfaces in the Befimmo and Fedimmo portfolios. These data are supplemented by oil consumption data. This oil consumption relates to (i) the exceptional use of emergency generators in the Befimmo portfolio and (ii) two buildings in the Fedimmo portfolio that still have oil-fired heating systems.

Consumption data for heating are normalised for the influence of the outdoor temperature using the 16.5/16.5 degree-day method. This method can compare the consumption for buildings in different locations and at different times in the same year or different years. The degree days for Belgium are calculated by the observatory in Uccle.

The Axento building located in Luxembourg, built in 2009, is heated by a district heating system².

The target set in early 2014 to reduce direct specific normalised energy consumption³ in the Befimmo portfolio by -3% a year was exceeded, from 74.1 kWh/m² to 70.2 kWh/m², a cut of 5.3% over the fiscal year. On the other hand, at constant floor area, gas consumption increased slightly. Indeed, the better weather in 2014 worked against the good seasonal efficiency of the heating systems. With a view to improving its performance, Befimmo has set a new target at constant floor area.

1. Full tables of direct energy consumption are annexed to this Report on page 247.
 2. The table of Axento consumption data is annexed to this Report on page 248.
 3. The Axento building, which is heated by a district heating, is excluded from the calculation of the specific data.

BEFIMMO			Units	Perimeter	596 864 m²
		Gross total	GWh		46.1 ▼
Absolute measures [Abs]	2013	Normalised degree/day	GWh	98%	40.3
		Normalised degree/day/m ²	kWh/m ²	74%	74.1
	Gross total	GWh			37.0 ▼
Intensity [Int]	2014	Normalised degree/day	GWh	100%	44.8
		of which heating oil	GWh		0.2
	Normalised degree/day/m ²	kWh/m ²	82%	70.2	
Like-for-Like [LfL]	2013	Normalised degree/day	GWh		33.8
	2014	Normalised degree/day	GWh		34.1
	2013-2014	Normalised degree/day	%	75%	1%

FEDIMMO			Units	Perimeter	326 751 m²
		Gross total	GWh		35.5 ▼
Absolute measures [Abs]	2013	Normalised degree/day	GWh	87%	31.0
		of which heating oil	GWh		1.1
	Normalised degree/day/m ²	kWh/m ²	87%	110.0	
Intensity [Int]	2014	Gross total	GWh	97%	28.2 ▼
		Normalised degree/day	GWh		34.2
	Normalised degree/day/m ²	kWh/m ²	85%	105.0	
Like-for-Like [LfL]	2013	Normalised degree/day	GWh		30.0
	2014	Normalised degree/day	GWh		29.6
	2013-2014	Normalised degree/day	%	74%	-1%

→ Targets

Befimmo is upholding its commitment to reduce the energy consumption of its buildings by maintaining its target set in early 2014 as well as setting an important new target of reducing consumption at constant perimeter [LfL].

1. To cut specific gas consumption (kWh/m²) in the Befimmo portfolio by -3% a year during 3 years, or -9.0% by the end of 2016.

The data hereafter are the targets for cutting specific gas consumption (kWh/m²) from 2014 to 2016, weighted by degree days in relation to the reference period of 2013.

Plan 2013-2016

	2013	2014	2015	Target 2016
Gas targets	Reference period	-3.0%	-6.0%	-9.0%

2. **New target:** reduce the gas consumption of the Befimmo portfolio, at constant perimeter [LfL], by -1% over the period 2014-2015.

Energy-Int

G4-EN3

G4-EN4

G4-EN5

CRESS-CRE1

Total energy consumption (GWh)¹

The absolute and specific (non-normalised²) data presented in the tables hereafter relate to the total energy purchased and/

or generated for the use of the private and common areas of the buildings in the Befimmo and Fedimmo portfolios.

BEFIMMO		Units	596 864 m ²
Absolute measures [Abs]	2012	GWh	89.0
	2013	GWh	101.7
	2014	GWh	87.6
Intensity [Int]	2012	kWh/m ²	192 V
	2013	kWh/m ²	186 V
	2014	kWh/m ²	148 V

FEDIMMO		Units	326 751 m ²
Absolute measures [Abs]	2012	GWh	44.1
	2013	GWh	55.0
	2014	GWh	45.6
Intensity [Int]	2012	kWh/m ²	172 V
	2013	kWh/m ²	183 V
	2014	kWh/m ²	136 V

G4-EN6

Financial savings due to realised energy savings

The data given in the table hereafter refer to the direct financial impact on Befimmo of (i) measures taken to cut energy consumption (excluding potential benefits of green certificates from self-generation) and (ii) close management of the technical installations (Green Adviser, telemonitoring, etc.) in the portfolio for the 2013 and 2014 fiscal year. These

financial savings are calculated using the average cost per kWh depending on the energy supply contract³.

There were also reductions electricity consumption in private areas but they are not included in the financial savings set out hereafter.

BEFIMMO		Perimeter	Energy (kWh)	Financial savings (€)
		Total savings	1 992 118	€163 249
Like-for-Like [Lfl.] - 2012-2013	of which common electricity reduction	63%	979 952 V	€105 835 V
	of which autoproduction (solar panels and cogenerations)	n.a.	85 388	€9 222
	of which gas reduction	74%	926 778 V	€48 192 V
		Total savings	1 443 042	€168 281
Like-for-Like [Lfl.] - 2013-2014	of which common electricity reduction	73%	1 530 235 V	€165 265 V
	of which autoproduction (solar panels and cogenerations)	n.a.	134 821	€14 561
	of which gas reduction	75%	-222 014 V	€-11 545 V

1. Full tables of total energy consumption are annexed to this Report on page 249.

2. Non-normalised data: data not adjusted to allow for the influence of the outdoor temperature using the degree-day method 16.5/16.5.

3. The average prices for calculating the financial savings, for 2012 to 2014, amount respectively to €108/MWh (including VAT) V for electricity and €52/MWh (including VAT) V for gas.

These prices include transmission costs. Note that the calculation of the cost savings achieved in 2013 has been revised on the basis of this new information and energy from self-generation has been incorporated into these savings.

Water-Abs	Water-Int	Water LfL
G4-EN8	G4-EN10	CRESS-CRE2

Water consumption (m³ and m³/m²)⁴

The absolute and specific data for the Befimmo and Fedimmo buildings given in the tables hereafter relate to the consumption of water from the urban water mains, water

recovery systems (rainwater cisterns and recovery of grey water) and abstraction of groundwater.

BEFIMMO		Perimeter		596 864 m²
Absolute measures [Abs]	2012	Total (m³)	92%	113 890 V
		m ³ /m ²	86%	0.26 V
	2013	Total (m³)	88%	174 304 V
		m ³ /m ²	76%	0.28 V
Intensity [Int]		Total (m³)	98%	172 540 V
	2014	of which off-grid water		522 V
		m ³ /m ²	83%	0.28 V
	2013	Total (m³)		119 214 V
Like-for-Like [LfL]	2014	Total (m³)		117 374 V
	2013-2014	Total (%)	73%	-1.5%

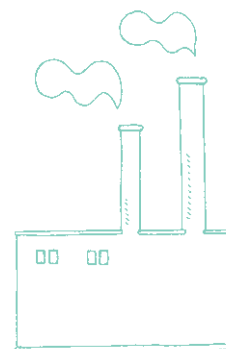
FEDIMMO		Perimeter		326 751 m²
Absolute measures [Abs]	2012	Total (m³)	22%	13 769
		m ³ /m ²	22%	0.19
	2013	Total (m³)	66%	53 792
		m ³ /m ²	66%	0.24
Intensity [Int]		Total (m³)	74%	51 982 V
	2014	m ³ /m ²	63%	0.21
	2013	Total (m³)		45 341 V
	2014	Total (m³)		38 222 V
Like-for-Like [LfL]	2013-2014	Total (%)	46%	-15.7%

→ Target

New target: For the first time, Befimmo has set a quantitative target for water recovery (m³) of covering 2% of water requirements, at constant perimeter [LfL], of the Befimmo portfolio by the end of 2017, in relation to the reference period of 2014.

In 2015, two groundwater abstraction projects will be completed in the Befimmo portfolio.

4. Full tables for water consumption are annexed to this Report on page 250.



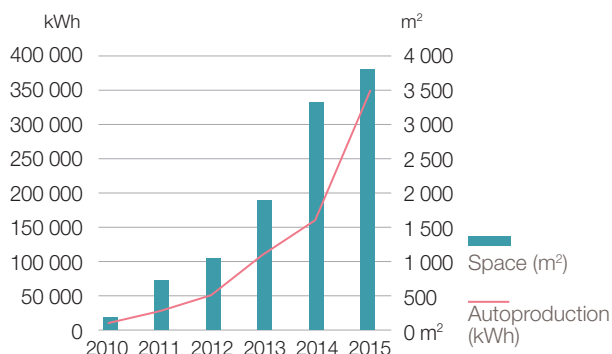
Pollution

Greenhouse gas emissions (carbon equivalent) and waste management.

Main achievements and targets

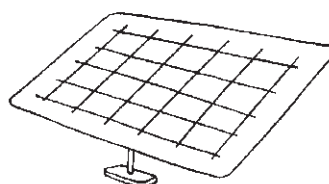
G4-EN3

Self-generation of renewable energy (kWh/m²)



Photovoltaic panels (m²)

The current total coverage of photovoltaic panels for the Befimmo and Fedimmo portfolios is 3,310 m² as against 1,895 m² installed at the end of 2013. The target of a 15% increase in area was well exceeded.



→ Target

In view of the renovation and construction in progress and planned, the total area of solar panels will be further increased. The total coverage should increase from 3,310 m² at the end of 2014 to 3,790 m² by the end of 2015, a further 15% increase.

→ Target

New target: For the first time, Befimmo has set a quantitative goal for self-generation of renewable energy (photovoltaic panels and cogenerations), which is to cover 5% of the electricity needs, at constant perimeter [LfL], of common areas in the Befimmo portfolio by the end of 2017, compared with the reference period of 2014.

Cogenerations

The cogeneration installation in the View Building was completed in late 2014 and will be commissioned in early 2015. A feasibility study for fitting cogeneration in the Brederode 9 building was conducted and the installation should take place during the renovation work planned for 2015.

→ Target

New feasibility studies will be conducted during 2015 throughout the whole portfolio, including Fedimmo properties.

Reporting

G4-EN23

Waste-Abs

Waste-LfL

Total waste by type (tonnes)¹

The data given in the table hereafter relate to the quantities of hazardous² and non-hazardous waste, all categories (paper and cardboard, plastic, glass, wood, earth, concrete, rubble, metals and other mixed waste).

Building waste includes all waste related to building/renovation projects, all of which is reported. The waste associated with such projects has been systematically collected since 2013.

In 2014 Befimmo, in cooperation with an external partner, launched an awareness campaign for tenants and their respective cleaning companies, etc. with a view to reducing the total amount of unsorted waste (= household waste) and thereby improve the recycling rate. During 2014, some 140 tenants in a total of 16 buildings were informed in this way, which helped to reduce unsorted waste by more than 50% and increased the volume of recycled paper by around 36%.

-50% ←

A reduction of more than 50% in unsorted waste and an increase in the volume of recycled paper by around 36%

BEFIMMO				Perimeter	596 864 m²
Absolute measures [Abs]	Waste linked to works	2013		100%	5 505
			Total		715
	2014	non-hazardous	100%	710	
		hazardous		5	
	Waste linked to operational buildings	2013		76%	1 966
			Total		1 943
2014	non-hazardous	97%	1 943		
	hazardous		0		
Total	2013		76%	7 471	
	2014		91%	2 658	
Like-for-Like [LfL]	Total	2013		1 266 ✓	
		2014		1 305 ✓	
	2013-2014	Total (%)	56%	3% ✓	

FEDIMMO				Perimeter	326 751 m²
Absolute measures [Abs]	Waste linked to works	2013		100%	590
			Total		755
	2014	non-hazardous	100%	729	
		hazardous		26	
	Waste linked to operational buildings	2013		13%	20
			Total		660
2014	non-hazardous	47%	660		
	hazardous		n.a.		
Total	2013		13%	609	
	2014		42%	1 415	
Like-for-Like [LfL]	Total	2013		11 ✓	
		2014		15 ✓	
	2013-2014	Total (%)	1%	37% ✓	

1. The complete tables of waste by type are annexed to this Report on page 251.

2. Hazardous waste is waste that presents a specific hazard to humans or the environment. Types of hazardous waste are identified and listed in regional regulations.

G4-EN23

Waste processing¹ (tonnes and %)

The data in the tables hereafter give the breakdown of total waste by treatment. The percentage for each treatment is quantified by collector, type and category of the waste.

BEFIMMO			596 864 m²	%	
Absolute measures [Abs]	Waste linked to works and operational buildings	2014	recycled	1 470	55%
			reused	125	5%
			composted	3	0%
			incinerated	1 060	40%
			landfill / dump	n.a.	n.a.
			Total	2 658	100%
Like-for-Like [Lfl]	Waste linked to operational buildings	2013	recycled	565	56%
			composted	4	1%
			incinerated	438	43%
		Total	1 007	100%	
		2014	recycled	544	52%
			composted	3	0%
incinerated	505		48%		
Total	1 052	100%			
2013-2014	recycled		-4%		
	composted		-22%		
	incinerated		15%		

FEDIMMO			326 751 m²	%	
Absolute measures [Abs]	Waste linked to works and operational buildings	2014	recycled	433	31%
			reused	26	2%
			composted	n.a.	n.a.
			incinerated	424	30%
			landfill / dump	532	38%
			Total	1 415	100%
Like-for-Like [Lfl]	Waste linked to operational buildings	2013	recycled	9	77%
			composted	0	0%
			incinerated	3	23%
		Total	11	100%	
		2014	recycled	12	79%
			composted	0	0%
incinerated	3		21%		
Total	15	100%			
2013-2014	recycled		39%		
	composted		n.a.		
	incinerated		27%		

Ocean House



1. The complete tables of waste processing are annexed to this Report on page 252.

CRESS-CRE3	GHG-Dir-Abs	GHG-Dir-LfL		
GHG-Int	GHG-Indir-Abs	GHG-Indir-LfL		
G4-EN15	G4-EN16	G4-EN17	G4-EN18	G4-EN19

Energy-related greenhouse gas (GHG) emissions (tonnes CO₂e)²

The data set out in the table hereafter relate to greenhouse gas emissions associated with energy consumption in the Befimmo and Fedimmo buildings (electricity, gas and heating oil).

The substantial reductions in CO₂e emissions related to direct and indirect energy recorded in the calculation at constant floor area [LfL] in the Befimmo portfolio are explained mainly by (i) energy-saving measures during 2014, (ii) an increase in the supply of green energy, related to private

electricity contracts of tenants, and (iii) close management of technical systems (Green Adviser, telemonitoring, etc.).

However, the increase in the CO₂e emission factor related to the non-green electricity between 2013 and 2014³ lessens the reduction in CO₂e emissions related to indirect energy.

The reporting perimeters including constant floor areas correspond to the specific perimeters previously calculated separately for each energy type. The CO₂e emission factors⁴ are based on the energy type and the energy mix of the region. CO₂e emissions related to Befimmo corporate transport and supplies are treated separately.

BEFIMMO		Perimeter	596 864 m ²
		Total	10 044
	2013	kg CO ₂ e/m ²	18.9
		of which electricity emissions of the portfolio	537
		of which electricity emissions corporate	0
Absolute measures [Abs]		Subtotal emissions linked to indirect energy	537
-		of which gas emissions of the portfolio	6 755
Intensity [Int]	2014	of which gas emissions corporate	15
		of which heating oil emissions	41
		Subtotal emissions linked to direct energy	6 796
		Total	7 332
		kg CO ₂ e/m ²	13.3
		emissions linked to direct energy	7 002 ✓
	2013	emissions linked to indirect energy	1 353 ✓
		Total	8 355 ✓
		emissions linked to direct energy	5 135 ✓
Like-for-Like [LfL]	2014	emissions linked to indirect energy	206 ✓
		Total	5 341 ✓
		emissions linked to direct energy	-27% ✓
	2013-2014	emissions linked to indirect energy	-85% ✓
		Total (%)	75% -36% ✓

FEDIMMO		Perimeter	326 751 m ²
		Total	6 967
	2013	kg CO ₂ e/m ²	41.4
		of which electricity emissions of the portfolio	236
Absolute measures [Abs]		Subtotal emissions linked to indirect energy	236
-		of which gas emissions of the portfolio	5 306
Intensity [Int]	2014	of which heating oil emissions	0
		Subtotal emissions linked to direct energy	5 306
		Total	5 542
		kg CO ₂ e/m ²	16.3
		emissions linked to direct energy	6 474 ✓
	2013	emissions linked to indirect energy	0 ✓
		Total	6 474 ✓
		emissions linked to direct energy	4 594 ✓
Like-for-Like [LfL]	2014	emissions linked to indirect energy	0 ✓
		Total	4 594 ✓
		emissions linked to direct energy	-29% ✓
	2013-2014	emissions linked to indirect energy	n.a. ✓
		Total (%)	74% -29% ✓

2. The complete tables of greenhouse gas emissions (GHG) are annexed to this Report on pages 253 and 254.

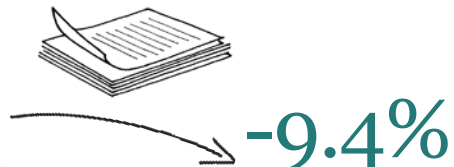
3. Increase from 153 g CO₂e/kWh (2013) to 181 g CO₂e/kWh (2014).

4. The complete table of CO₂e emission factors can be found under the Methodology on pages 112 and 113.

G4-EN17

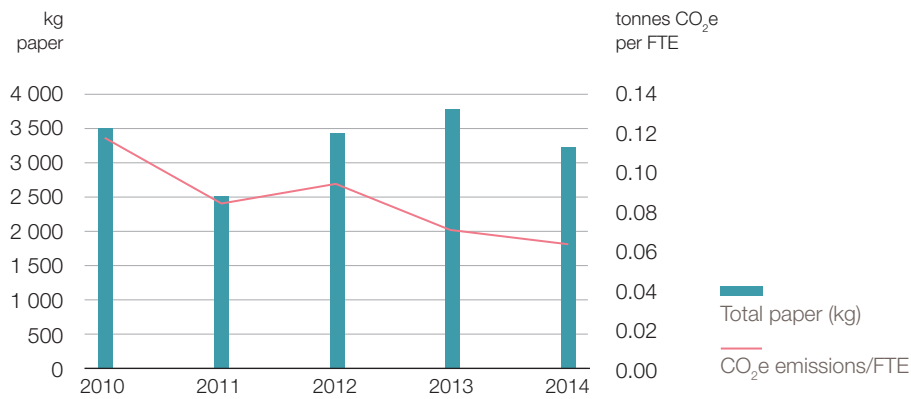
CO₂e emissions related to Befimmo corporate use of paper (tonnes CO₂e)

For some years now, Befimmo has been raising awareness in its team of good (corporate) waste management through various specific measures including cutting paper consumption per employee. Average paper consumption was 53 kg/employee in 2013 and fell to 48 kg in 2014, a cut of 9.4%¹.



-9.4%

A cut of 9.4% in the average paper consumption per person



Eagle Building



1. The conversion factor used to calculate the CO₂e emissions related to paper consumption is 1.3157 kg Co₂e/kg of paper.

Mobility

Accessibility of buildings and business and private travel policy.



Main achievements and targets

G4-EN15 G4-EN30 GHG-Dir-Abs

CO₂e emissions related to Befimmo corporate transport (tonnes CO₂e)

Befimmo reduced the rate of average emissions (CO₂e/km) of its fleet by 2.4% in 2014 in relation to 2013. This decrease is the result of applying the updated car policy to new vehicles or replaced during the fiscal year.

In the graph hereafter, the CO₂e emissions related to the fuel consumed by corporate vehicles include the upstream emissions required to produce and transport the fuel².

-2.4%

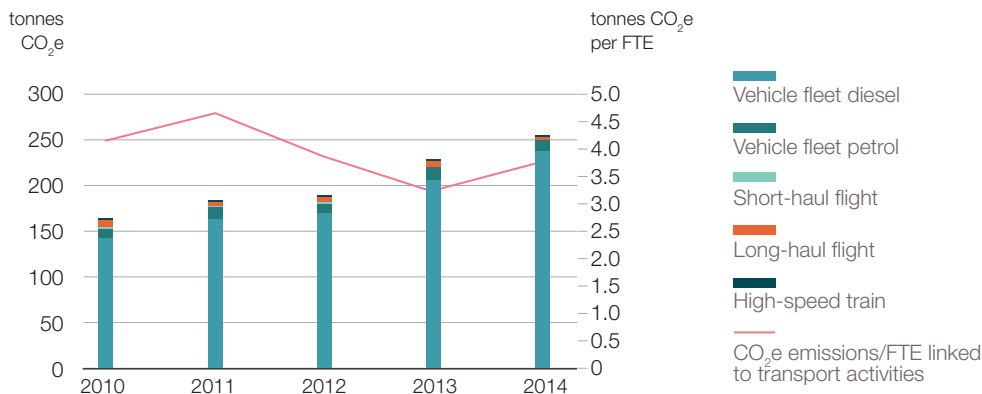
A reduction of 2.4% in average CO₂e emissions of Befimmo's fleet in 2014

Electric vehicle

After various analyses, Befimmo has chosen to include a pooled electric vehicle in its fleet of vehicles for intra-urban travel. It is in regular use by the team.

→ Target

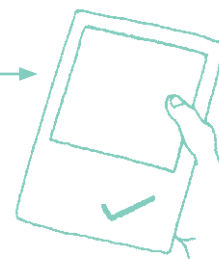
Befimmo intends to pursue its policy of awareness-raising in the team. It aims to develop a mobility plan to encourage sustainable mobility (use of carpooling, public transport or, for the more energetic, cycling, etc.).



2. The table showing emission factors related to transport vehicles can be found under the Methodology on pages 112 and 113.

Certification

Audit of the management of the business's environmental impact (methodology, communication, transparency) by an external certification body.



Main achievements and targets

G4-PR3

Environmental Management System, ISO 14001 certified

In 2010, Befimmo introduced an Environmental Management System based on ISO 14001. It ensures a systematic approach to the environmental aspects of its activities and also contributes to the sustainable ongoing implementation and monitoring of its commitments.

In late 2013, after the first three years, the Environmental Management System (EMS) was audited to update the certification. The audit confirmed that the requirements of ISO 14001 were being applied in the processes and activities audited.



→ Target

During 2015, Befimmo will give priority to developing, simplifying and improving its ISO 14001-certified Environmental Management System with a vision expanded to embrace ISO 9001.

G4-PR3

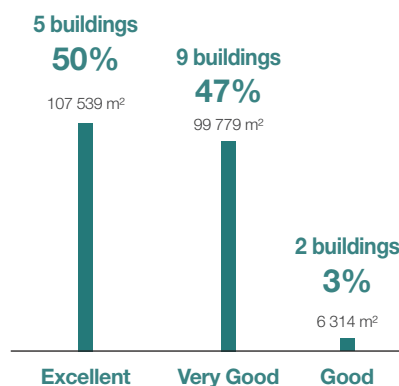
Cert-Tot

CRESS-CRE8

BREEAM Design and Post-Construction

The graph shows the BREEAM Design certifications for buildings in the Befimmo and Fedimmo portfolios that are being renovated or under construction. These projects relate to 16 buildings¹ with a total area of 213,632 m².

? "BREEAM Design"



1. Including the projects WTC IV and Quatuor.

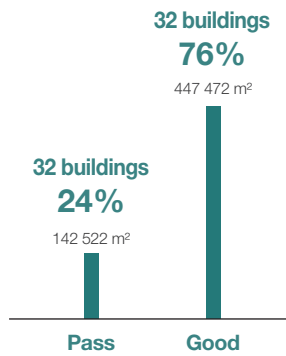
G4-PR3 Cert-Tot CRESS-CRE8

BREEAM In-Use

BREEAM In-Use Asset (# of assets)

The graph hereafter shows the BREEAM In-Use certifications (Asset) for operational buildings in the Befimmo and Fedimmo² portfolios. It relates to 64 buildings with a total area of 589,994 m².

? "BREEAM In-Use-Asset"



→ Target

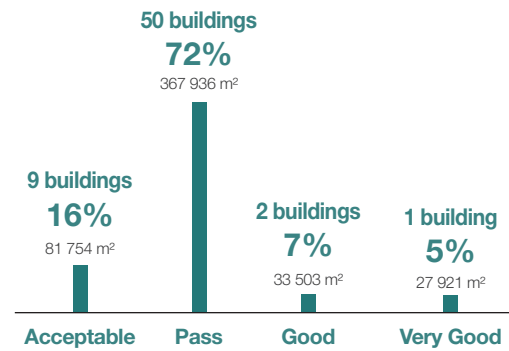
Befimmo will continue on this path of improving the rating of its portfolio, and will complete it by the end of 2016. For strategic reasons, the rating (Pass) of five buildings will not be raised.

The rating of renovated buildings is reviewed as appropriate in each case after completion of the work. Measures to improve the BREEAM In-Use rating (Asset) of the 18 buildings in parc Ikaros will be implemented in 2015.

BREEAM In-Use Management (# of assets)

The graph shows the BREEAM In-Use certifications (Management) obtained for operational buildings in the Befimmo and Fedimmo³ portfolios. It relates to 62 buildings with a total area of 511,114 m².

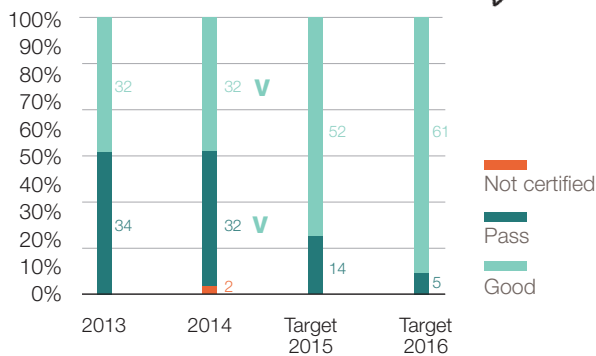
? "BREEAM In-Use-Management"



→ Target

In 2015, Befimmo will conduct a specific study of two buildings to assess the added value of improving the BREEAM In-Use (management) rating of its portfolio. New targets will be set if appropriate.

in # of buildings



2. Only two buildings in the Fedimmo portfolio are certified.
3. For the Fedimmo portfolio, only one building is certified.

Media



Methodology G4-22

Direct energy (gas and heating oil), indirect energy (electricity), water, greenhouse gas emissions.

The reporting methodology in 2014 has not fundamentally changed in relation to 2013, with the exception of all the measures taken to comply with the new version¹ of the EPRA Best Practices Recommendations on Sustainability Reporting.

General remarks

Some additional historical data, complete or partial, obtained after the publication of the last Annual Financial Report were, after verification, integrated with previously published data. This could explain any differences with previous publications.

Other minor adjustments were also made to the data with a view to improving the quality and accuracy of the consolidated data of non-financial reporting, notably:

- > Global Lettable Area (GLA) was updated where assets were re-surveyed;
- > the conversion factors needed to calculate the CO₂e were verified and updated and the 2013 conversion factors used in reporting associated with waste were adjusted;
- > the accuracy and updating of tariff data were verified for energy supply contracts used to calculate the financial savings from energy saving;
- > the data related to the self-generation of energy (electricity) were integrated into the data related to the absolute and specific electricity consumption of common areas.

Interpretation of data in the environmental reporting tables

In most cases the available information was processed separately for the Befimmo and Fedimmo portfolios. Both portfolios were also subdivided by country, region and age of buildings, expressed as a percentage in the tables below.

Geographical distribution²

Befimmo portfolio			
	2012	2013	2014
GLA Total (m²)	518 387	606 346	596 864
Brussels	66%	61%	62%
Flanders	28%	34%	34%
Wallonia	3%	3%	2%
Luxembourg	3%	2%	2%

Fedimmo portfolio			
	2012	2013	2014
GLA Total (m²)	332 662	332 663	326 751
Brussels	33%	33%	34%
Flanders	42%	42%	43%
Wallonia	24%	24%	23%

Age distribution

The properties were segmented by age for the first time, based on the areas as at 31 December 2014. The buildings are divided according to their year of construction or, where applicable, to the year in which they last underwent a major renovation, defined as substantial investment work on the building's envelope, structure and/or primary installations. After a major renovation, the building is considered to begin a new life cycle.

Reporting perimeter

The reporting perimeter is expressed as a percentage and is determined on the basis of the ratio between the area covered by the data obtained and the total floor area of the portfolio for the period. It is directly affected by any sales and/or acquisitions. For detailed information on the 2014 financial year, see the reporting scope and changes since 1 January 2014, on page 129.

The areas mentioned above each table correspond to the space as at 31 December 2014.

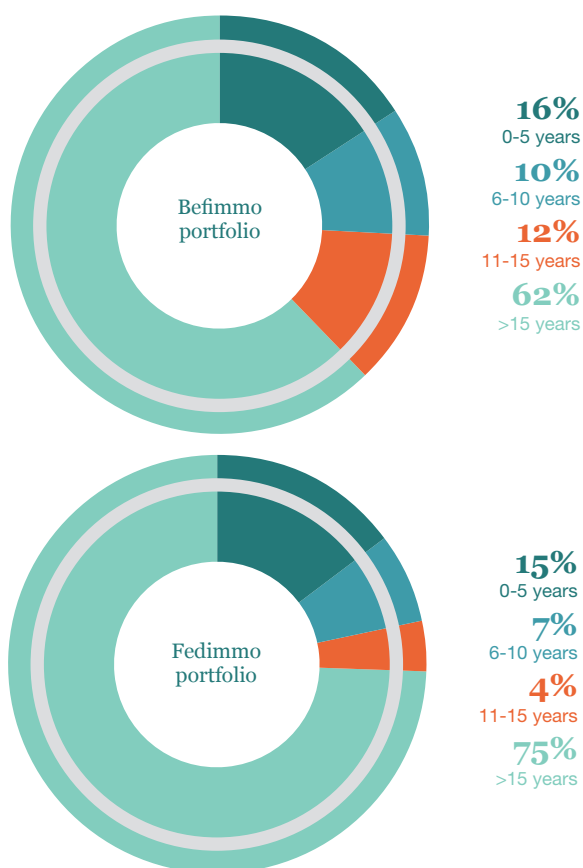
Calculation at constant perimeter

The calculation at constant perimeter (like-for-like [LfL]), expressed as a year-on-year percentage difference, helps to assess how an indicator changes over time. Indeed, by excluding variations due to changes in perimeter (as a result of major renovations, acquisitions or sales), it is possible to analyse, compare and explain the results achieved in relation to the stated objectives. Note, however, that the calculation

1. 2nd version | September 2014.

2. For various reasons, the geographical distribution used for environmental reporting is slightly different from that used for property and financial reporting. In environmental reporting, the Eagle, Fountain Plaza, Ikaros, Planet, Ocean House and Media buildings are included under Flanders and the Waterloo Office Park building under Wallonia, not in the Brussels periphery as in the financial and property reporting.

Age distribution³



at constant perimeter does not take account of changes in the occupancy of the buildings. We would point out that the method of calculating at constant floor area was changed for 2014 reporting to bring it into line with the EPRA method. Indeed, before that, until the end of 2013, Befimmo excluded from the scope any buildings with a change in occupancy rate of more than 10%.

Calculation of specific consumption (kWh/m²)

To ensure consistency in specific consumption and to ensure that it is properly representative, some buildings are excluded from the scope solely for the calculation of specific consumption (kWh/m²). This applies to:

- > buildings under construction and/or renovation;
- > buildings other than offices (for 2014, this concerns only part of one building, that houses an indoor pool and fitness centre);
- > buildings with incomplete consumption data;
- > buildings with an average annual occupancy rate below 50%⁴ (calculated on the basis of the monthly occupancy history).

Not applicable

The expression “n.a.” used several times in the data analysis tables means “not applicable”. This applies:

- > where a building is not in the portfolio at the reporting date;
- > where data are not available;
- > for the scope relating to renewable energy production, which is not measured.

Generally speaking,

- > in the few cases where consumption of common and private areas could not be obtained separately, a distribution of 40/60 between common areas and private areas assumed in 2012 is confirmed and retained for 2013 and 2014;
- > the electricity consumption data for private areas obtained directly from information received from tenants with a utility-company meter and unspecified own supply contracts are counted as non-renewable energy. Where the type of supply contract is known, only contracts specified as “100% green” are considered renewable, and a zero CO₂e emission rate is applied.

Emission factors

Furthermore, calculations of CO₂e emissions are reviewed and adjusted, including for historical data, based on any new information provided by the tenants regarding their private energy supply contracts.

CO₂e emission factors (g CO₂e/kWh)

Type	2011	2012	2013	2014
Gas	-	-	188	188
Normal electricity	158	168	153	181
Green electricity	0	0	0	0
Heating network	43	43	43	43

CO₂e emission factors (kg CO₂e/litre) (kg CO₂e/km)

Type	2009-2014	units
Diesel	2.662	kg Co ₂ e/litre
Petrol	2.425	kg Co ₂ e/litre
Plane (short-haul flight)	0.126	kg Co ₂ e/km
Plane (long-haul flight)	0.113	kg Co ₂ e/km
Train	0.015	kg Co ₂ e/km

3. On the basis of the areas as at 31 December 2014.

4. On the basis of the long-term lease agreements with the Buildings Agency, the occupancy rate of Fedimmo’s buildings is considered to be 100%. It may nevertheless happen that, in certain special circumstances, that rate does not reflect the actual occupancy of the building and that the figures reported in these few cases are not representative.

Team G4-DMA G4-35

The involvement of the Befimmo team in Social Responsibility is crucial to the success of its global strategy. Staff awareness of and participation in conceptual work as well as their day-to-day contribution, is an essential element for achieving the objectives set. By providing a pleasant working environment, Befimmo helps to stimulate creativity and motivation in the team and enhances its commitment to the Company.

One person in the human resources department is responsible, in cooperation with the CSR Manager, for raising awareness throughout the team of CSR topics, dealing with the

follow-up of initiatives introduced and continuing to develop the strong corporate culture that exists within Befimmo.

Three core values have been identified through various surveys of Befimmo's team and Board of Directors. These values, that are an integral part of Befimmo's identity, are Commitment, Team spirit and Professionalism.

The main priorities identified in consultation with stakeholders related to this topic are **well-being, ethics and dialogue**.

Main relevant topics raised by stakeholders



- > Pride / commitment / common vision
- > Team spirit / team building
- > Health & safety
- > CSR awareness
- > New ways of working
- > "À la carte" fringe benefits
- > Work/life balance
- > Attachment to an identity

Befimmo undertakes to:

- > **adopt** best practices, analyse their relevance and take the necessary action
- > **implement** the values identified within the team throughout the business
- > **unite** the team behind the Social Responsibility policy and Programme
- > **abide** by prevention standards and advice; comply with health and safety rules
- > **encourage** the team to engage in a continuous effort training

- > Discrimination (origin, gender, disability)
- > Integration / training of young people
- > Remuneration

Befimmo undertakes to:

- > **remain open** to the diversity of team members (gender, age, language, origin, etc.)
- > **ensure** fair treatment of its employees

- > Inter-departmental relationships
- > Sharing and feedback
- > Unifying a project / generating enthusiasm

Befimmo undertakes to:

- > **keep listening** to the team and maintain a regular dialogue with it
- > **leave room** for team initiatives and creativity
- > **enhance** dialogue between departments and promote more teamwork

G4-LA1 G4-LA2 G4-LA6 G4-9 G4-10 G4-11

Social indicators

As at 31 December 2014, there were 69 staff members on the team (57% men and 43% women). All team members are employed on a permanent contract.

Befimmo also occasionally takes on temporary staff.

On the same date, 87% of Befimmo employees worked full-time and 13% part-time (including time credits). All staff working part-time have the same fringe benefits. As at 31 December 2014, the 13% was composed exclusively of women.

More than half the team have a university degree and 54% of those graduates also have a post-graduate diploma.

The average age of the Befimmo team (not including the Board of Directors) is 41. Over the 2014 fiscal year, Befimmo recruited eight new staff members and nine left.

Over the year, there were two occupational accidents but no cases of occupational disease. Absenteeism¹ amounted to 2.13% of the total number of hours worked, which is in line with the average rate of 2.5%² recorded for all Belgian companies across all sectors.

Befimmo is subject to the Joint National Auxiliary Committee for White-Collar Workers, also known as Joint Committee 218, which covers all team members.

The remuneration paid by Befimmo is in line with market rates and substantially higher than the relevant minimum scales. Under Befimmo's salary package, employees are covered by a non-statutory pension scheme that guarantees a replacement income that is proportional to the salary earned at the time of retirement (defined-benefits scheme) and their length of service in the Company. In addition, employees receive full health care coverage.

→ More detailed information can be found in the note "Employee benefits" [G4-EC3](#)

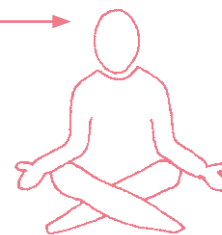
Lambermont



1. Absenteeism rate: ratio of the number of hours of short-term sickness (<30 days) to the total hours worked.
2. Source: "Absenteeism 2014", SDWorx.

Well-being G4-56

Work/life balance, staff health and safety, working environment and atmosphere.



Main achievements and targets

Befimmo attaches particular importance to the well-being of its employees, ensuring that they are involved in the life of the Company. It will persevere in its efforts to make continuous improvements on these topics.

Efficiency and well-being

In 2014, Befimmo continued to pay special attention to the welfare of its employees. The results of the satisfaction survey carried out in late 2013 were presented in a comprehensive and transparent manner to employees in early 2014, with proposals for several courses of action. The survey found that there could be room for improvement in the area of work/life balance. A discussion was initiated on this topic.

New Ways of Working

In particular in that context, a seminar open to all on the theme of “work-life balance” was held at the end of the year. The trainers highlighted the importance of a balanced life and provided effective and practical tools for retaining control over one’s life, notably through a personal action plan to achieve balance and personal fulfilment. In 2015, a new training cycle, aimed directly at managing stress and preventing burnout will be organised.

In the same vein, through its CSR team and various working groups, Befimmo is opening a discussion on the new world of work, “New Ways of Working” (NWOW). The vision that Befimmo wishes to embrace, as an “office provider”, is to offer a workplace that is flexible and suited to modern technology, that stimulates exchange and creativity while respecting the balance between employees and, logically, starting with its own operation. This is of course a long-term process that will be assessed one phase at a time, to result in a realistic project that takes account of the specific character of the Company.

Since Befimmo has opted for a satisfaction survey every two years, the next one will take place in late 2015.

Meir





Comité B+ and social actions

Comité B+, set up in 2011 at the initiative of the staff and with the support of the Executive Officers, has continued its efforts to organise sporting, cultural, festive, charity and family activities. In 2014, Comité B+ continued its voluntary work on the partnership begun in 2011 with the Red Cross (Auderghem local section).

Following the success in previous years, the Committee organised two blood donations at its premises in the Goemaere building, and other tenants in the building had a chance to take part. It plans to continue organising blood donations in future years. Several staff members also took part in the Red Cross fortnight, and helped to sell adhesive plasters for the Auderghem local section in aid of the "Holidays for all" programme, a camp for vulnerable children.

The more athletic members took part in the 20 km of Brussels for the Ligue Braille team. Finally, just before the Christmas period, staff were asked to donate food packages which were distributed to the homeless in Auderghem. Three staff members took part in the Red Cross distribution effort and wrote up the experience for the Befimmo team.

→ Target

Comité B+ intends to continue its social outreach in 2015. The participants are keen to repeat most of the above operations. For its part, the Company will continue to support Comité B+ initiatives by proposing philanthropic activities to the team.

G4-LA9 G4-LA10 G4-LA11

Appraisal and training

Befimmo is convinced that the development of its employees enhances their desire to advance their careers and deploy their skills, and so continued its policy in this area in 2014.

Apart from language training and courses organised on an individual basis, Befimmo offered its entire staff training on work/life balance, as mentioned before. A leadership skills development programme was also reorganised for new managers. In-house training for new employees on the Company's Social Responsibility policy and ISO 14001 certification also continued. Finally, the CSR department and environment team organised an awareness policy on employees' energy consumption, both in the office and at home. To that end, the environment team placed its energy accounting skills at the disposal of all staff in the "Befimmo Energy Challenge". Any employees wishing to read their own meters every month and send the readings to the team are given a monthly report on their domestic consumption, illustrated in a graph. This is an insightful awareness-raising measure since it affects everyone's management of their own resources and at the same time illustrates the policy that Befimmo pursues on a larger scale.

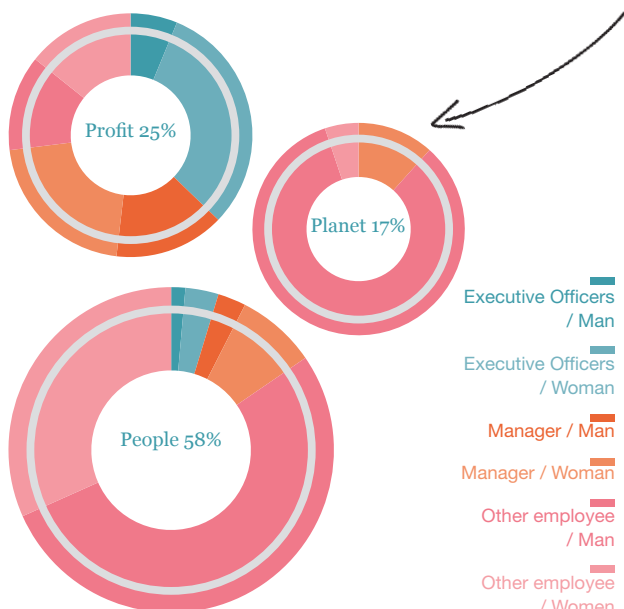
Befimmo also reviewed its annual appraisal process that is already in place for all Company employees. Generic skills were identified for all Befimmo employees, and linked to the Company's three values, thereby reinforcing everyone's connection with the corporate culture. They were appraised for each employee. A more substantial and more detailed part of the appraisal is now devoted to the staff development plan, with the objective of maintaining their motivation and well-being, and a particular focus on each staff member's areas of development and training needs to attain their goals. A debriefing of the "development" part of the appraisal is being organised in early 2015 with all the managers to put in place the necessary staff training on personal and group development.

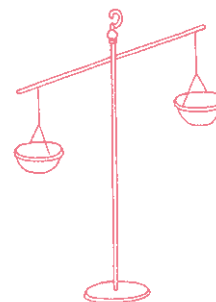
Over the past fiscal year, Befimmo imparted an average of **33 hours' training per staff member** of which more than half are related to language courses.

→ Target

To build on the results of the new appraisal process to improve the organisation of training offer.

Training hours (excluding language courses) broken down by each of the three pillars, by gender and category (2014)





Ethics

Ethical practices in human resource management and recruitment.

Befimmo describes itself as a company open to diversity, respecting everyone's identity.

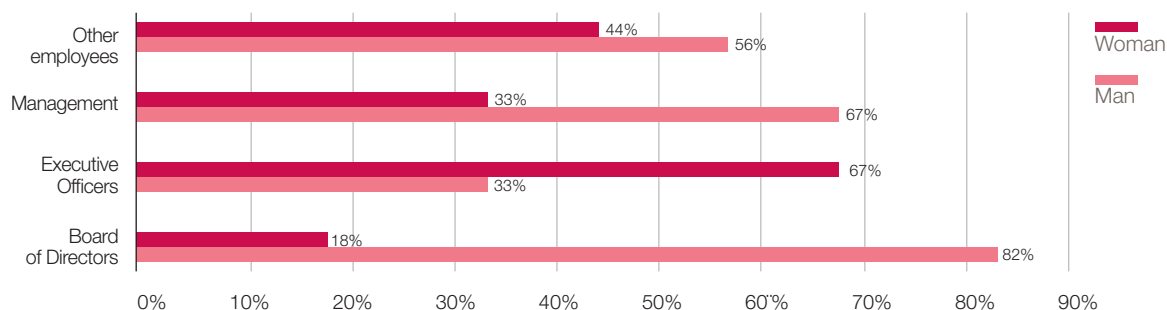
During fiscal year 2014, no complaints were lodged about employment

G4-LA16 G4-10

Social indicators

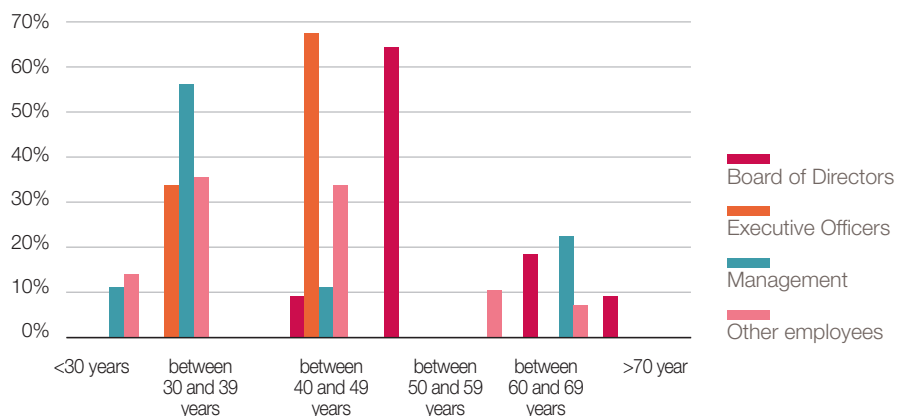
G4-LA12

Composition of governance bodies and breakdown of employees by gender | 31 December 2014



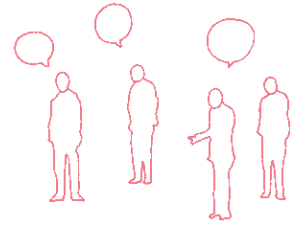
G4-LA12

Composition of governance bodies and breakdown of employees by age | 31 December 2014



Dialogue

Maintaining a regular dialogue with the team.



Befimmo a poursuivi ses efforts en vue d'intensifier et de diversifier les flux de communication au sein de l'équipe.

Main achievements and targets

Awareness-raising in the team

The intranet, which proved popular in the 2013 survey as a useful tool in the Company, has continued to be a key facilitator of communication.

To step up the flow of information, in particular Befimmo organised in-house "breakfast presentations" by team members or departments on a variety of topics highlighting certain areas of the Company's business.

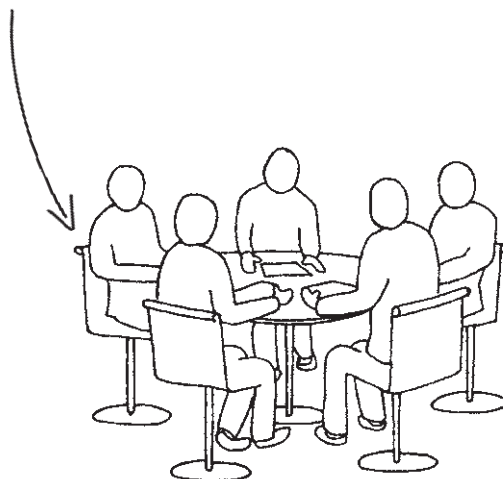
Recognising the potential of its team members, Befimmo also takes every opportunity to put their creativity to good use on specific topics, elicit suggestions, invite dialogue and listen to their opinions. In particular, a standard evaluation form was introduced for assessing training courses, seminars and group and other activities.

→ Ongoing targets

To improve internal communication, facilitate in-house relations and the transmission of information, and stimulate staff creativity and participation.



Central Gate



Tenants

G4-DMA

G4-35

Befimmo attaches great importance to the occupants and users of its property portfolio.

It endeavours to retain its tenants by providing quality spaces that are easily accessible, with good environmental management and affordable.

Befimmo has a team of motivated professionals (commercial and technical staff, managers, etc.), reporting to the Chief Operating Officer (COO), whose goal is to improve the quality of "customer service". Indeed, tenants' satisfaction, **the dialogue between the landlord and tenant and their secu-**

urity and health are priorities for Befimmo and are essential in the eyes of all its stakeholders. Against that background, Befimmo has specific measures that it plans to implement, such as a new help desk, building a communication platform focused on tenants, etc.

Furthermore, the integration in May 2013 of the property management business brought Befimmo into a more direct relationship with its tenants, allowing it to better anticipate their needs and to be more proactive in its efforts to raise their awareness of environmental issues. As a result of this integration, it has become the tenant's everyday point of contact.

Main topics raised by stakeholders



Dialogue

- > Raise tenants' awareness - "green lease"
- > Joint project with tenants and community
- > Satisfaction survey
- > Retaining tenants
- > Use the property manager and maintenance company as a link between the landlord and the tenant
- > New ways of working
- > 24/7 help desk

Befimmo undertakes to:

- > **develop** an approach focused on "rental customers"
- > **educate** its tenants on aspects of Social Responsibility
- > **improve** dialogue with tenants and follow up their requests and implement specific measures



Health & Safety

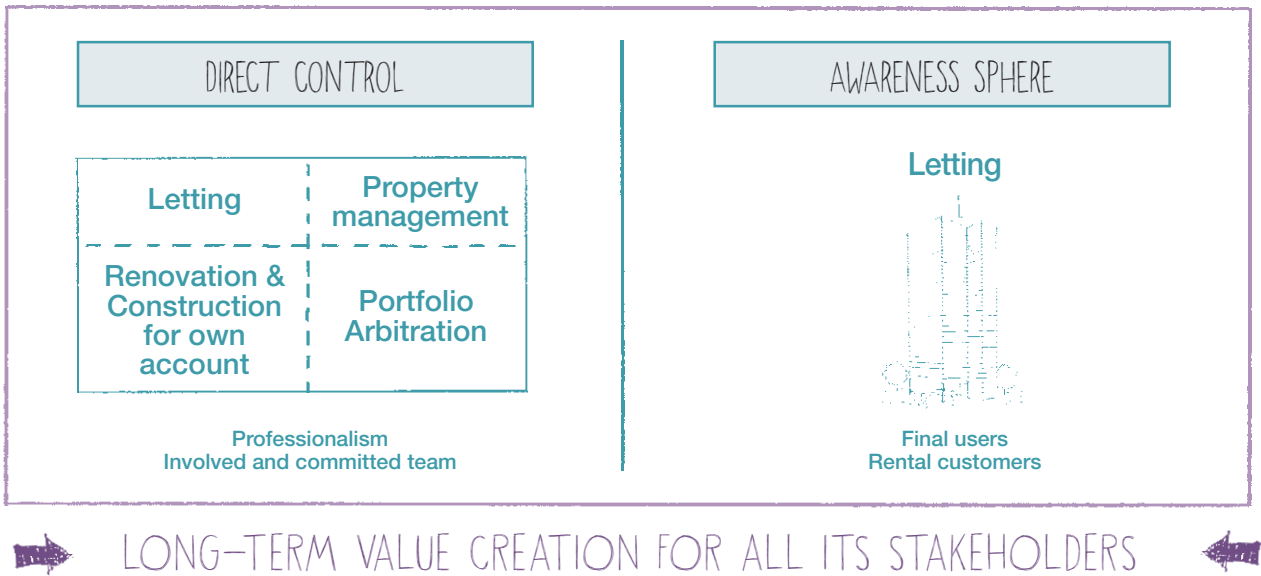
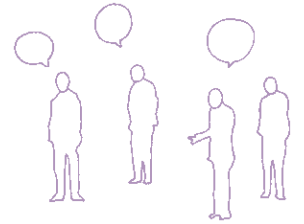
- > Indoor air quality
- > Building security
- > Reliable and compliant materials

Befimmo undertakes to:

- > **ensure** the safety of its tenants in the buildings, with a focus on construction sites in occupied buildings
- > **ensure** good air quality in the buildings in the portfolio
- > **use** good quality and durable materials

Dialogue

Maintain a regular dialogue with tenants (existing and potential).



Main achievements and targets

G4-EN27

Provision of an environmental cooperation agreement

Associated with each lease, Befimmo offers its tenants an environmental cooperation agreement (formerly known as the green lease). This agreement encourages the landlord and tenant to strive to improve the environmental performance of the building and let spaces (reducing consumption of resources, waste production, carbon emissions, etc.). The agreement is intended for new tenants but is also gradually being brought in for all existing tenants.

➔ Target

The target for 2015 and 2016 is to encourage tenants to sign this agreement so that we can educate, support and advise them as part of a joint search for solutions to cut their consumption, and provide annual monitoring to check the impact of measures taken. This target is therefore linked to the target of reducing consumption in private areas by -1% a year during 3 years. This document, drafted in cooperation with the property management, will be sent by the Environmental Technical Team (ETT) to new tenants and existing tenants alike.

A list was made of the buildings with the highest private electricity consumption and the objective is to meet the tenants of 6 buildings (with a single tenant) in 2015 and those of 8 buildings (with multiple tenants) by the end of 2016.

G4-EN27

Provision of a Building User Guide (BUG)

The BUG is a guide for the tenants of the building to the proper operation of the installations and for limiting its environmental footprint. So far, a BUG has been drafted for 15 buildings in one of the two national languages. A translation is scheduled for June 2015. A list of priority buildings was drawn up for new BUG to be drafted and distributed to tenants.

→ Target

The target for 2017 is to finalise and distribute BUG for all Befimmo buildings managed by the property management. There are 53 buildings in total. The property manager will send this document to new and existing tenants alike.

G4-EN27

Provision of a Facility Management Information System (FMIS)

A powerful FMIS will be provided for tenants of the Befimmo portfolio. This tool will help the property manager to optimise management and allow tenants to monitor their requests effectively. It is an automated system that covers the entire operational management of the buildings and allows the property manager to plan, implement and monitor services.

→ Target

This collaborative online FMIS platform will provide secure round-the-clock external access to tenants (and suppliers) and should be made available to them by the end of 2015.

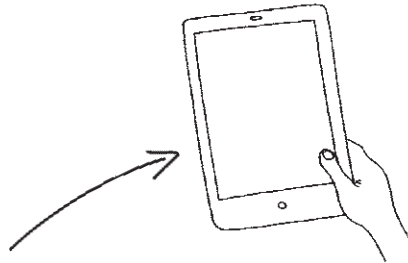
G4-EN27

Setting-up and provision of a communication platform

Befimmo intends to improve the dialogue with tenants by providing them with an extranet-type communication platform for publishing documents from property management, environmental documents, access to monitoring for each building, the BUG, the environmental cooperation agreement, etc., and also for exchanging private information.

→ Target

This platform will be set up at a later stage, after the completion of the FMIS, and so should be made available to tenants by the end of 2016.

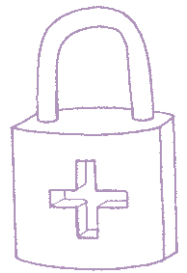


Wiertz



Health & Safety

Accountability for the health and safety of tenants.



Main achievements and targets

Befimmo is naturally retaining its targets for monitoring compliance with safety regulations on building sites, and providing healthy and perfectly safe buildings. Befimmo also checks that all statutory controls are properly implemented and that any observations and/or infringements arising from reports by inspectors on its portfolio are remedied.

Incidents G4-PR2 G4-PR9

No major incidents were reported during the 2014 fiscal year.

A property manager was recently recruited and works part-time as Risk Coordinator. His responsibilities include regular monitoring of quality and risks related to the operational, technical and administrative management of the buildings and any renovation and upgrade projects carried out by property management.

WTC IV project



Governance

G4-DMA G4-35 G4-46 G4-57

Befimmo abides by the applicable legal requirements on governance and has devised a Code of ethics setting out the values that are to govern relations with its stakeholders.

In terms of governance, Befimmo applies the Belgian Corporate Governance Code, which is its reference code, and pays particular attention to developments in this area.

For the prevention of conflicts of interest and market abuse, Befimmo is governed by the legal provisions applicable as a listed company and a B-REIT, and by the additional rules it has laid down in its corporate governance charter. Befimmo therefore imposes stricter requirements than the legislation where it deems appropriate.

The General Counsel & Secretary-General (member of the Executive Management Committee) is responsible for updating and compliance with the Code of ethics and the corporate governance charter. She also holds the position of Compliance

Officer and, in that capacity, ensures compliance with internal rules and procedures to prevent the risk of market abuse.

→ “Corporate governance statement”

Befimmo also pays particular attention to the reliability of the reporting process, and rigorous, accurate and transparent financial and non-financial communications.

Befimmo is aware that a significant part of its environmental and also societal impact is upstream in its value chain, and it wants to go beyond responsibility for its own activities by educating its suppliers through responsible management of its supply chain.

The main priorities related to this topic are **dialogue** and communication with **stakeholders, ethics, compliance** and the **supply chain**.

Main topics raised by stakeholders



- > Programme of specific measures that are realistic, simple, consistent and understandable
- > Clear vision, long-term objectives
- > Ambition / courage
- > Devised in cooperation with all stakeholders
- > Be an example / pioneer
- > Regular, targeted and relevant communication
- > Driven by management, use of benchmarks
- > Establish governance integrated with overall strategy, transparency

- > Business culture
- > Values
- > Code of ethics

Befimmo undertakes to:

- > **establish** procedures and **take measures** to ensure ethical standards at all levels of Befimmo
- > **prevent** the risk of corruption, anti-competitive behaviour, conflicts of interest, etc.

- > Go one step further
- > Anticipate
- > Proactivity / Dialogue with authorities

Befimmo undertakes to:

- > **ensure** compliance with regulations in force
- > **anticipate** and be proactive in dialogue with the Belgian and European public authorities, and trade associations, notably regarding future regulations

- > extend beyond its own business
- > dialogue with stakeholders

Befimmo undertakes to:

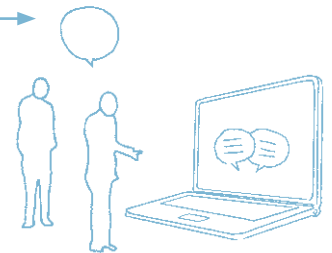
- > **dialogue** with its “core” and corporate suppliers
- > **analyse** its supply chain
- > **improve** its existing terms of sustainable procurement

Befimmo undertakes to:

- > **maintain** an ongoing dialogue with stakeholders and intensify the dialogue with investors/ shareholders
- > **adopt** best practices, analyse their relevance and take the necessary actions
- > **involve** the Executive Officers and the Board of Directors and maintain a regular dialogue with them
- > continually **develop** a realistic programme of specific measures that are measurable and meet stakeholder expectations
- > **communicate** transparently and adapt the communication to the various stakeholders (type, means, frequency, etc.)

Dialogue & Communication

Maintain a dialogue with the individuals and entities affected by the Company's business and communicate transparently on initiatives taken, and follow them up.



Main achievements and targets

G4-26

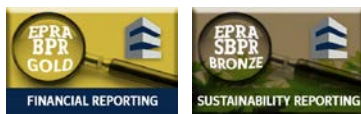
Dialogue

In a process of continuous improvement of its Social Responsibility policy, in late 2013 Befimmo conducted a materiality study and initiated a process of regular dialogue with all its stakeholders (employees, tenants, investors, public authorities, suppliers, directors, etc.).

→ Target

Befimmo's objective is to continually improve the regular dialogue with all its stakeholders, enhancing the communication tools, adapting them to each stakeholder (website for investors, intranet for the team, presentations, reports, future extranet available to tenants, etc.) but also to continue responding to the CDP, GRESB and other questionnaires published by institutional investors.

? "CDP, GRESB"



G4-PR7 G4-32

Transparent communication

Befimmo also pays particular attention to the reliability of the reporting process, and rigorous, accurate and transparent financial and non-financial communications.

In recent years, Befimmo has followed the trend towards standardisation of financial reporting and also reporting on Social Responsibility by subscribing to the indicators published by EPRA, the GRI guidelines and those for the real-estate sector, GRI-CRESS. This year, Befimmo decided to comply with the new version of GRI, "G4" for the whole of its report ("In accordance" – Essential criteria).

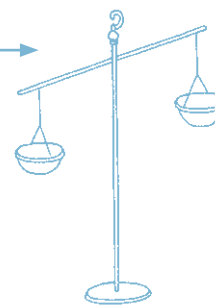
Acknowledgements G4-15

For reporting, the following acknowledgements and prizes were awarded during the 2014 fiscal year:

- > Befimmo was awarded the Best Belgian Sustainability Report prize by the Institut des Réviseurs d'Entreprises (Institute of Company Auditors) for its 2013 report;
- > Befimmo was awarded the "EPRA Gold Annual Report" for its Annual Financial Report 2013 and the "EPRA Bronze Sustainability Report" for its Social Responsibility report;
- > Befimmo achieved a score of 70%, equivalent to GRESB "Green Star" status;
- > Befimmo further improved its score with the CDP to 83B (Disclosure & Performance score) for the CDP 2014 questionnaire, above average for the real-estate sector.

→ Target

To pursue and continually improve communication in line with the current reference standards.



Ethics

G4-56

G4-57

Prevention of the risks of corruption, anti-competitive behaviour, conflicts of interests, risk to reputation and raising awareness of ethics and compliance with the law.

Main achievements and targets

G4-S04

Code of ethics, dealing code and governance charter

The dealing code was updated during 2014. It was then posted on the Company's intranet for the whole team. This update will be followed by a briefing session for the team about the content of this document. They must then be approved and signed by each employee. The dealing code is now sent to each new employee.

→ Target

The information sessions will be held by the end of December 2015 by the General Counsel. The content of the Code of ethics, published on the Company's website, will also be reviewed to determine whether it should be updated.

G4-EN27

Raising awareness in maintenance companies

→ Target

To offer training to all maintenance companies working for Befimmo, to add a sustainable development/energy performance addendum to existing contracts and devise new environmental performance terms for new contracts.

Compliance

Compliance with legislation in force and a proactive attitude towards the authorities.



Main achievements and targets

G4-EN29

Energy performance certificates (EPB)

The Befimmo portfolio complies with the EPB regulations and each building in Brussels (except for those on leasehold) has had an energy performance certificate since 2011.

The majority of the buildings in the Fedimmo portfolio are occupied by public bodies that display energy performance certificates for the buildings they occupy. Befimmo is gradually assembling and collating this information.

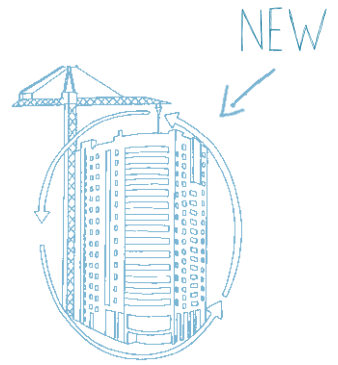
→ Target

When major works are carried out, Befimmo ensures that the certificates are updated, as was previously the case following renovations in various buildings. Although theoretical, the data on the certificates are also compared with the actual specific consumption figures.

Supply chain

G4-SO10 G4-LA14 G4-LA15 G4-EN32 G4-EN33 G4-HR10 G4-HR11

Responsible management of the supply chain, sustainable procurement policy and dialogue with suppliers.



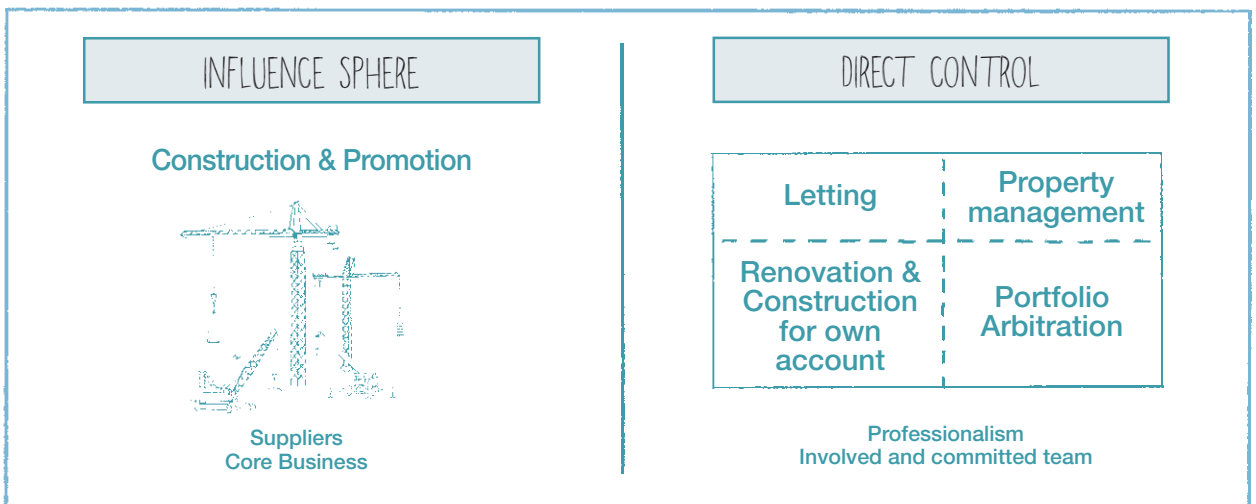
Main achievements and targets

Sustainable procurement policy

Befimmo aims to improve and update the existing sustainable procurement conditions, communicate them to suppliers as soon as possible and ensure monitoring and compliance. At a second stage, Befimmo will produce a sustainable procurement charter and make an inventory of suppliers

Analysis of suppliers

Befimmo is aware that a significant part of its environmental and also societal impact lies upstream in its value chain, and that its responsibility extends beyond its own business. As far as possible it must educate and inspire all of its stakeholders, especially its suppliers, to achieve its qualitative and quantitative targets. Accordingly, Befimmo aims to undertake a comprehensive review of its supply chain by producing, as a first step, an analysis and evaluation of its existing core and corporate suppliers, taking account of the main economic, societal and environmental aspects. This study is expected to start in the first half of 2015.



➡ LONG-TERM VALUE CREATION FOR ALL ITS STAKEHOLDERS ⬅

Internal organisation

G4-17 G4-34 G4-35 G4-36 G4-42 G4-44 G4-48 G4-49

Befimmo's Social Responsibility is now fully integrated into its day-to-day management. Befimmo staff are increasingly involved in this strategy, one way or another depending on their field of expertise, and are aware of the major impact of the real-estate sector on the environment.

At **strategic level**, the Social Responsibility (CRS) team consists of five people including three Executive Officers: the **Chief Executive Officer (CEO)**, the **Chief Financial Officer (CFO)**, the **Chief Operating Officer (COO)**, the Senior Environmental Manager (SEM) and the Corporate Social Responsibility Manager (CSRSM). This team is responsible for devising and monitoring the CSR Programme, releasing sufficient human resources, and conducting the annual management review. The team meets every quarter. The **Directors of Befimmo** also take part in defining and approving budgets and taking major decisions on Social Responsibility, especially at the strategy meetings held each year and at the meetings scheduled every quarter when the results are published.

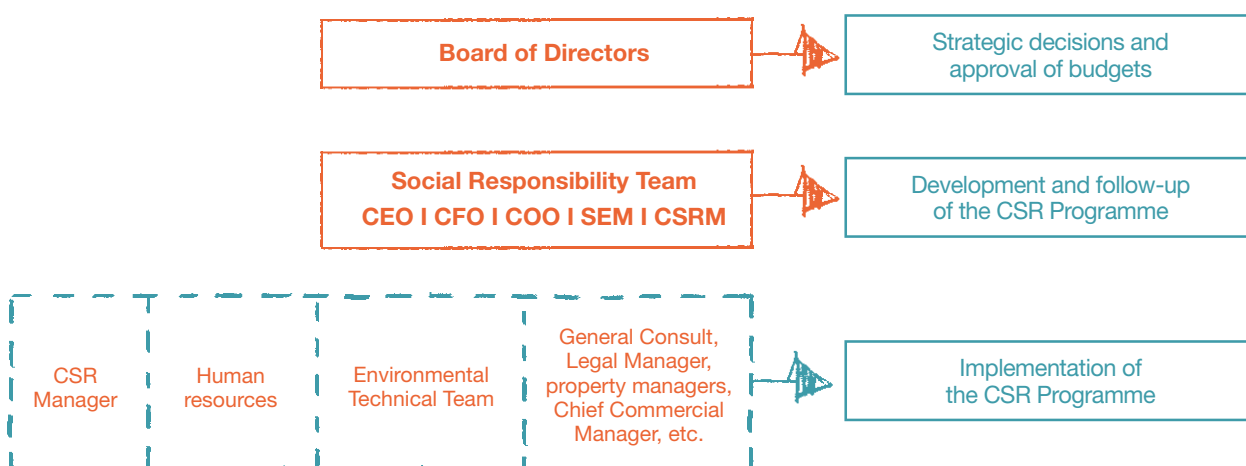
At **operational level**, the Environmental Technical Team (ETT) – which meets regularly – is responsible for assessing

the implementation of the Environmental Management System and implementing the CSR Programme.

The CSR Manager, a member of the Social Responsibility team, reports directly to the CEO. Her role is both **strategic** (developing CSR strategy, managing relations with stakeholders) and **operational** (coordinating CSR projects, managing the CSR Programme, and acting as in-house consultant for other departments).

Regarding **human resources** the Human Resources Officer (HRO) is responsible for educating all members of the team to take more account of Social Responsibility, to follow up initiatives put in place and to keep developing the strong corporate culture that exists within Befimmo. The HRO works with the CSR Manager and reports to the Social Responsibility team.

Other staff members also have responsibilities specifically defined in the EMS: Legal Manager, General Counsel, Chief Commercial Officer, property managers, Chief Investment Officer, Internal Audit, project managers, etc.



General information G4-32

Contact person & further information G4-31	Emilie Delacroix - CSR Manager e.delacroix@befimmo.be - +32 2 679 38 63 Social Responsibility FAQs Since Befimmo joined the BEL20 index, the Company has noticed growing interest by external stakeholders in its sustainable development approach. In order to give answers that are as clear as possible and to provide this information to all stakeholders at the same time, Befimmo has posted frequently asked questions (FAQs) on Social Responsibility. This document is available on the Befimmo website at www.befimmo.be , together with important new data and the main issues raised by stakeholders.
Reference to external standards	In recent years, Befimmo has followed the trend towards standardisation of financial reporting and also reporting on Social Responsibility by adopting the indicators published by EPRA , the GRI-G4 guidelines ("In accordance" – Essential criteria) and those for the real-estate sector, GRI-CRESS . The summary table of all the EPRA indicators can be found on page 98 of this Report, while the index of GRI content is published on the Company's website at www.befimmo.be/en/reporting-gri
Reporting period G4-28 G4-29 G4-30	This report covers activities over the 2014 fiscal year. It follows the Annual Financial Report 2014. The perimeter is as at 31 December 2014.
Reporting perimeter and changes since 1 January 2014 G4-13 G4-22 G4-23	The floor area of the Company's portfolio was changed during fiscal year 2014 by the following events: ➤ the sale of the Pépin 5, Rennequin-Sualem, Pepin 22, Pepin 31 and Henri Lemaître buildings; ➤ the addition to the portfolio of the "Rue aux Choux 35" building. The reporting perimeter for sustainable development activities covers the activities of Befimmo SA and its subsidiaries, Fedimmo SA, Meirfree SA, Vitalfree SA and Axento SA. Befimmo's commitments to sustainable development apply to its whole portfolio. We would point out, however, that the policy implemented by Befimmo at operational level cannot yet be fully applied to the Fedimmo portfolio. The agreement with the Buildings Agency stipulates that most of the recurring work is its responsibility, so Befimmo does not have absolute control over those activities. Nevertheless, through regular dialogue and consultation with the Buildings Agency, the environmental performance of the buildings is gradually being improved. The Environmental Management System (EMS) covers the activities under Befimmo's direct control. Initially, the operational aspects of the EMS are being deployed for the common areas of the buildings. This does not preclude the implementation of activities for aspects over which Befimmo has less direct influence, notably tenants' management of private areas.
External assurance G4-33	Befimmo commissioned Deloitte to carry out a limited assurance review. Data marked with the V symbol have been audited by Deloitte as part of this limited assurance review. The Deloitte report can be found in this chapter on page 130.
Content Index Service GRI G4	As part of its GRI G4 reporting, Befimmo used the GRI Content Index Service to help improve the accuracy in the GRI content index and ensure that it tallies with GRI G4-32. This service is designed to improve transparency in GRI reporting.
Methodology	The reporting methodology is described on pages 112 to 113 of this Report.

Further information

Befimmo's website (www.befimmo.be) provides additional information that may be a helpful supplement to the Social Responsibility chapter of this Annual Financial Report. This includes:

- index table of GRI content;
- interaction with stakeholders;
- analysis of stakeholder expectations;
- Social Responsibility Policy (March 2014);
- the Social Responsibility chapter from previous Annual Financial Reports, as well as this one;
- previous Annual Financial Reports;
- ISO 14001 certificate;
- BREEAM certificates;
- Environmental passports;
- CSR Programmes;
- external stakeholders' answers to questionnaires;
- questionnaire for external stakeholders.



To facilitate the reading of this chapter, a glossary is provided in this Report on page 220.

Limited assurance report

Statutory Auditor's report on the limited review performed on selected environmental performance indicators published in the Annual Financial Report of Befimmo SA as at 31 December 2014

To the Board of Directors

As statutory auditor we have been engaged to perform limited review procedures to express a limited assurance on selected environmental performance indicators ("the Data") published in the annual financial report of Befimmo SA for the year ended the 31 December 2014 ("the Annual Financial Report"). The environmental performance indicators have been defined following the guidelines of the "Global Reporting Initiative" (GRI) G4 and EPRA Best Practice Recommendations (BPR) (2nd version, September 2014). The Data have been selected by Befimmo SA and are identified with the symbol **V** in the tables as mentioned on pages 98 to 111 and 245 to 254 of the Annual Financial Report.

The scope of our work has been limited to the Data covering the years 2012 to 2014 and including only the selected environmental performance indicators of the buildings of Befimmo SA, Fedimmo SA and Axento SA. The limited review was performed on the data gathered by Befimmo SA and retained in the reporting scope of the Annual Financial Report. Our conclusion as formulated below covers therefore only these Data and not all indicators presented or any other information included in the chapter "Social Responsibility" of the Annual Financial Report.

Responsibility of the Board of Directors

The Board of Directors of Befimmo SA is responsible for the Data and the references made to it presented in the Annual Financial Report as well as for the declaration that its reporting meets the requirements of the "Global Reporting Initiative" (GRI) G4 and the EPRA BPR (2nd version, September 2014), as described in chapter "Social Responsibility" of the Annual Financial Report.

This responsibility includes the selection and application of appropriate methods for the preparation of the Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the Data.

The choices made by the Board of Directors, the scope of the chapter "Social Responsibility" of the Annual Financial Report and the reporting policies, including any inherent limitations that could affect the reliability of the information are set out on pages 112 to 113 of the Annual Financial Report.

Nature and scope of works

Our responsibility is to express an independent conclusion on the Data based on our limited review. Our assurance report has been made in accordance with the terms of our engagement letter.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information".

We planned and performed the procedures deemed necessary for expressing a limited assurance on the fact that the Data are not materially misstated. A limited assurance engagement provides less assurance than an audit.

The scope of our work included, amongst others the following procedures:

- > Assessing and testing the design and operating effectiveness of the systems and procedures used for data-gathering, classification, consolidation and validation, and that for the methods used for calculating and estimating the 2012 to 2014 environmental performance indicators identified with the symbol **V** in the tables as mentioned on pages 98 to 111 and 245 to 254 of the Annual Financial Report;
- > Conducting interviews with responsible officers;
- > Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these data.

Conclusion

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the Data related to Befimmo SA, Fedimmo SA and Axento SA identified with the symbol **V** in the tables as mentioned on pages 98 to 111 and 245 to 254 of the Annual Financial Report have not been prepared, in all material respects, in accordance with (GRI) G4 guidelines and the EPRA BPR (2nd version, September 2014).

Diegem, 20 February 2015

The Statutory auditor

DELOITTE
Reviseurs d'Entreprises
SC s.f.d. SCRL
Represented by

Rik Neckebroeck

Science-Montoyer



Corporate governance statement

G4-38

G4-39

This chapter of the Report contains information on Befimmo's practice of THE PRINCIPLES OF GOVERNANCE over the past fiscal year.

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Principles G4-15

Befimmo applies the Belgian Corporate Governance Code, which entered into force on 1 January 2005 and was revised for the first time on 12 March 2009 (hereinafter, the "2009 Code"), which is the reference Code within the meaning of article 96(2)(1) of the Code of Company Law. It is available on the website of the Belgian Official Gazette and on the website: www.corporategovernancecommittee.be. The Board of Directors declares that to its knowledge, the corporate governance practised by Befimmo complies with the 2009 Code.

The following documents, which give a detailed overview of the Company's governance, are all published on the Befimmo website: the corporate governance charter, code of ethics and the annexes to the charter:

- > the terms of reference of the Board of Directors;
- > the terms of reference of the Audit Committee;
- > the terms of reference of the Appointment and Remuneration Committee;
- > the terms of reference of the Executive Officers;
- > the terms of reference of the internal audit;
- > the remuneration policy.

These documents were amended most recently on 13 November 2014, when Befimmo SA adopted the status of Société Immobilière Réglementée (Regulated Real-Estate Company – B-REIT (SIR/GVV))¹.

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1. Until that date it had the status of a fixed-capital real-estate investment company (Sicafi/Vastgoedbevak).



Management structure

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Board of Directors

Composition of the Board of Directors

Principles

In accordance with the articles of association of Befimmo SA, the Board of Directors is composed of at least three Directors, appointed for no more than four years by the General Meeting, and must include at least three independent Directors who meet the criteria of article 526 ter of the Code of Company Law. Directors may be re-elected.

The composition of the Board of Directors of Befimmo SA reflects a triple degree of independence in that, in accordance with the corporate governance charter, it must be composed of:

- > a majority of non-executive Directors;
- > at least three Directors who are independent within the meaning of the Code of Company Law and the Belgian corporate governance charter;
- > and a majority of Directors not linked to the Company's shareholders.

As regards the composition of the Board, the Company values complementary skills, experience and know-how and intends to comply with the provisions of article 518 bis of the Code of Company Law regarding gender diversity on the Board.

Each Director should also have personal qualities that enable him to carry out his duties in a collective manner, but with a fully independent mind. He must have an impeccable reputation for integrity (notably in terms of confidentiality, and prevention of conflicts of interest and insider trading) and have a critical mind, a business sense and the ability to develop a strategic vision. He must also have the time to prepare and attend meetings of the Board and meetings of any specialist Committees of which he is a member.

In accordance with article 14(1)(2) of the law of 12 May 2014 on B-REITs (SIR/GVV), members of the Board of Directors, or their permanent representatives, must at all times have the necessary professional integrity and expertise appropriate to the exercise of their duties and may not be subject to the prohibitions referred to in article 20 of the law of 25 April 2014 on the status and control of credit institutions.

Composition of the Board of Directors as at 31 December 2014

At 31 December 2014, the Board consisted of 11 Directors, specifically:

- > 1 executive Director;
- > 10 non-executive Directors, including 5 independent Directors meeting the criteria of article 526 ter of the Code of Company Law and 3 Directors linked to a shareholder.

The reader is reminded that, until 20 December 2012, the Company had the form of a Partnership Limited by Shares and was managed by its managing agent, which was a legal person. The Directors who were appointed for the first time by the Company's Extraordinary General Meeting of 20 December 2012, after its was transformed into a Limited Liability Company, therefore began a directorship in a separate legal entity. However, the Company considered it appropriate to take account of the mandates of the Directors who previously sat on the Board of Directors of the former managing agent of the B-REIT¹ (whether as individuals or

as representatives of a Director legal person), before it was transformed into a Limited-Liability Company. Accordingly, the Directors of the first Board of the Company, after the transformation, were appointed for a term up to the end of the mandate they were serving with the former managing agent of the Company, at the time the Company was transformed into a Limited-Liability Company.

Similarly, when considering the criterion of a maximum of three consecutive terms lasting no more than 12 years, in the same Board of Directors (article 526 ter of the Code of Company Law), the Company takes account of terms served as an independent Director and the years elapsed as a non-executive Director of the former managing agent.

A brief description of the career of each of the Directors or, in the case of companies acting as Director, of their permanent representatives, and a list of posts held – other than in the B-REIT – by the Directors over the previous five calendar years, is set out hereafter.



1. Until 12 November 2014, Befimmo was a Sicaf/Vastgoedbevak.

The Board of Directors met 16 times during the fiscal year

	Name and mandate on the Board of Directors	First appointed	Expiry of current mandate	Board meetings attended over the 2014 fiscal year
1	Alain Devos SPRL represented by its permanent representative, Alain Devos, Chairman, non-executive Director	December 2012 ²	April 2015	16
2	BDB Management SPRLu represented by its permanent representative, Benoît De Blicq, executive Director	December 2012 ³	April 2015	16
3	A.V.O. Management BVBA represented by its permanent representative, Annick Van Overstraeten, independent non-executive Director	April 2014	April 2016	11 of 11 meetings (from 29 April 2014)
4	Hugues Delpire independent non-executive Director	December 2012 ⁴	April 2015	16
5	Etienne Dewulf SPRL represented by its permanent representative, Etienne Dewulf, independent non-executive Director	December 2012 ⁵	April 2015	16
6	Sophie Goblet independent non-executive Director	April 2013	April 2017	15
7	Benoît Godts non-executive Director, linked to a shareholder	December 2012 ⁶	April 2015	13 ⁷
8	Kadees BVBA represented by its permanent representative, Kurt de Schepper, non-executive Director, linked to a shareholder	April 2014	April 2016	10 of 11 meetings (from 29 April 2014)
9	MarcVH-Consult BVBA represented by its permanent representative, Marcus Van Heddeghem, non-executive Director	December 2012 ⁸	April 2015	16
10	Roude BVBA represented by its permanent representative, Jacques Rousseaux, independent non-executive Director	December 2012 ⁹	April 2015	16
11	Guy Van Wymersch-Moons non-executive Director, linked to a shareholder	September 2013	September 2017	14 ¹⁰

2. Mr Alain Devos was first appointed Director of the former managing agent of Befimmo in October 2002.

3. Mr Benoît De Blicq was first appointed Director of the former managing agent of Befimmo in August 1999.

4. Mr Hugues Delpire was first appointed independent Director of the former managing agent of Befimmo in March 2011.

5. Etienne Dewulf SPRL, represented by its permanent representative, Mr Etienne Dewulf, was first appointed an independent Director of the former managing agent of Befimmo in March 2011.

6. Mr Benoît Godts was first appointed Director of the former managing agent of Befimmo in November 1995.

7. Under the rules to prevent conflicts of interest, contained in the Company's corporate governance charter, Mr Benoît Godts did not attend three Board meetings, during which certain investment projects were discussed.

8. Mr Marcus Van Heddeghem was first appointed independent Director of the former managing agent of Befimmo in July 2004.

9. Roude BVBA, represented by its permanent representative, Mr Jacques Rousseaux, was first appointed an independent Director of the former managing agent of Befimmo in March 2006.

10. Under the rules to prevent conflicts of interest, contained in the Company's corporate governance charter, Mr Guy Van Wymersch-Moons did not attend two Board meetings, during which certain investment projects were discussed.

ALAIN DEVOS SPRL, represented by its permanent representative, Mr ALAIN DEVOS (1953)

Alain Devos SPRL, represented by its permanent representative, Mr Alain Devos, is Chairman of the Board of Directors of Befimmo SA. He is also a member of the Appointment and Remuneration Committee. After studying as a Solvay sales engineer at ULB (1975), Mr Devos began his business career as a budget analyst at Sperry New Holland-Clayson. From 1978 to 1989, he held the post of director of the real-estate development department of CFE and went on to join Générale de Banque as head of real-estate finance within the corporate & investment banking department. From 1990 to 2003, he held a number of posts in AG Insurance (formerly Fortis AG), his last post as a member of the executive committee. Next, he was CEO of AG Real Estate SA (formerly Fortis Real Estate) from 2003 to April 2012, and held various directorships in companies affiliated to AG Real Estate SA, as shown in the list below.

Positions held at 31 December 2014

Alain Devos is manager of Alain Devos SPRL; Member of the Board of Trustees of Guberna; Director of Compagnie Het Zoute NV; Director of Equilis SA, non-statutory managing agent of A3 Management, manager of Allfin Group; Fellow member of the Royal Institution of Chartered Surveyors (FRICS).

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Alain Devos was permanent representative of Alain Devos SPRL, CEO of AG Real Estate SA; Director of the Professional Union of Real-Estate Sector (UPS); Permanent representative of Alain Devos SPRL on the board of directors of the following companies: Director of Ascencio SA; Managing agent of the B-REIT Ascencio SCA; Director of Access SA; Director of AG Finance SA; Director of AG Real Estate Asset Management SA; Director of AG Real Estate Development SA; Director of AG Real Estate Finance SA; Director of AG Real Estate Group Asset Management SA; Director of AG Real Estate Management SA; Director of AG Real Estate Property Management SA; Director of Association for Actions Countering Exclusion in Brussels; Director of Beheercentrale SA; Director of Centre 58 SA; Chairman of Citymo SA; Director of Crystal-Cortenberg SA; Director of DBFM Scholen van Morgen SA; Director of FScholen SA; Director and vice-chairman of Interparking Group; Director of North Light SA; Director of North Star SA; Director of Nouvelles Galeries du Boulevard Anspach SA; Director of Parc de l'Alliance SA; Director of Parc des Louvresses I SA; Director of Parc des Louvresses II SA; Director of Parc des Louvresses III SA; Director of Parc des Louvresses IV SA; Director of Pole Star SA; Director

of Shopimmo SA; Director of Société de Développement Commercial d'Anderlecht pour 2000 SA; Chairman of Société de Développement Immobilier Conseil SA; Chairman of Société Hôtelière du Wiltcher's SA; Chairman of Toleda Invest SA; Chairman of Warehouse and Industrial Properties SA.

BDB MANAGEMENT SPRLu, represented by its permanent representative, Mr BENOÎT DE BLIECK (1957)

BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blicke is Managing Director of Befimmo SA. He is a civil engineer (ULB, Ecole Polytechnique, 1980), and a postgraduate (Cepac) of the Solvay Business School (ULB, 1986). He began his career in 1980 at Entreprises Ed. François & Fils, later to become CFE, in charge of a number of building sites in Saudi Arabia (1980-1985) and project studies (1985-1988). He was then responsible for real-estate project development, first at Codic (1988-1990) and later at Galliford (1990-1992). From 1992-1999 he was a member of the management committee of Bernheim-Comofi SA (then a subsidiary of Groupe Bruxelles Lambert), responsible for international development. He was then appointed Managing Director of Befimmo in August 1999 and of its subsidiary Fedimmo in December 2006.

Positions held at 31 December 2014

BDB Management SPRLu, represented by its permanent representative, Mr Benoît De Blicke, holds the following positions: Managing director of Fedimmo SA, a subsidiary of Befimmo SA; Managing director of Axento SA, a subsidiary of Befimmo SA; Director of Meirfree SA and Vitalfree SA, subsidiaries of Befimmo SA; Managing director of Befimmo Property Services SA, a subsidiary of Befimmo SA; Managing director of Noblicke SA; Managing agent of B.V.R. SPRL. Mr Benoît De Blicke is also: Manager of BDB Management SPRLu; Director of the Professional Union of Real-Estate Sector (UPS); Fellow member of the Royal Institution of Chartered Surveyors (FRICS).

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr. Benoît De Blicke was director of the Chambre Belgo-Luxembourgeoise in France; Member of the management board of the European Public Real Estate Association (EPRA).

A.V.O. Management BVBA, represented by its permanent representative, Mrs ANNICK VAN OVERSTRAETEN (1965)

A.V.O. Management BVBA, represented by its permanent representative, Mrs Annick Van Overstraeten, has been an independent Director of Befimmo SA since 29 April 2014 and a member of the Appointment and Remuneration Committee since 13 May 2014.

Mrs Van Overstraeten has a degree in Economics (KUL – 1987) and obtained a master's in Management-IAG (UCL – 1992). She began her career in 1987 at Philips, as Project Leader within the Human Resources department. She continued her career in retail, specifically in the textile sector, in various companies and then moved into world of chocolate at Confiserie Leonidas, where she held the post of Commercial Marketing Director from 1999 to 2004. In 2004, she was appointed Director-General of Operations at Quick Restaurants BELUX SA. She left the company in late 2009. Since 2010, Mrs Van Overstraeten has been Chief Executive Officer and member of the board of directors of the Lunch Garden Group.

Positions held at 31 December 2014

Mrs Van Overstraeten is permanent representative of A.V.O. Management BVBA on the board of directors of Lunch Garden VOF.

MRS SOPHIE GOBLET (1964)

Mrs Sophie Goblet has been an independent Director of Befimmo SA since 30 April 2013. Mrs Goblet has a degree in economics from IAG (University of Louvain-La-Neuve). She began her career in 1988 with ABN AMRO Bank in Amsterdam and London, where she held various positions in corporate finance. In 1993, she joined Income International (a company of the Deficom Group) as a senior consultant in financial and corporate communication. Mrs Goblet was appointed Group Treasurer of GIB Group in 1993, and went on to become Financial Director of GIB IMMO SA in 1997. In 1999, she moved into the real-estate sector, joining the executive committee of Codic International, where she served as Chief Financial Officer and Corporate Secretary until 2012.

Directorships expired as at 31 December 2014, held during the period 2010-2014

In Belgium: Director of Codic Belgium SA; Director of Société Financière SA; Director of Espace Beaulieu SA; Director of Les Jardins d'Ostende SA; Director of Les Portes d'Ostende SA; Director of Boreas Development SA; Director of EOS Development SA; Director of La Hulpe Campus Management SA; Director of La Hulpe Campus Development SA; Director of Immo Charle Albert SA; Director of Vesta Invest SA; Manager of IJB SPRL; Manager of Phoenix SPRL; Director of Codic Hongrie SA; Director of Codic Roumanie SA; in Luxembourg: Director of Codic Luxembourg SA; Director of Codic Development SA; Director of Certificate Étoile SA; Director of Espace Monterey SA; Director of K2 A SA; Director of K2 B SA; Director of K2 C SA; Director of K2 D SA; Director of K2 E SA; Director of K2 F SA; Director of L2 A SA; Director of L2 B SA; Director of Tosco SA; Director of Carré d'Or Invest SA; Director of Espace Carré d'Or SA; In France: Director of Tosniop SA; In Spain: Director of Codic Promotions SL; in Romania: Director of Codic RO SPRL; Director of Espace Sighisoara SRL; Director of Espace Ploiesti SRL; in Hungary: Director of Codic Hungary KFT; Director of V48 KFT; Director of Pro Due KFT; Director of Maxima III KFT; Director of TOC KFT.

MR HUGUES DELPIRE (1956)

Mr Hugues Delpire is an independent Director of Befimmo SA and has been a member of its Audit Committee since March 2011. Mr Delpire is a sales engineer and graduate of the Brussels Tax College. He began his career in 1979 at Zurich Assurances Belgique and became head of the Finance Department in 1987. In 1991 he was appointed administrative and financial director and member of the management committee of Besix, listed BTP group, responsible notably for financing and international risk management. After taking part in the structuring of Artesia Banking Corporation (Bacob, Paribas Belgique and AP Assurances) as administrator and financial director of the insurance cluster, as managing director he launched the activities of AXA Real Estate Investment Manager Benelux. From December 2000, he was managing director and Chief Legal & Finance Officer of the Décathlon group. Since January 2015, he has been acting as financial advisor to Décathlon SA and its subsidiaries in France and abroad. Since January 2015, he has also been the deputy finance director of Mobilis SAS (Family Office of the Mulliez Family Association). Alongside this business career, Mr Delpire also taught finance in several Belgian universities for more than 15 years.

Positions held at 31 December 2014

Managing director of Weddell SA; Chairman of the board of directors of Alsolia SA; Director of ALCOPA SA; Member of the supervisory board of Décathlon International Shareholding Plan SCA; Member of the supervisory board of Oxyval, company mutual investment fund under French law.

Directorships expired as at 31 December 2014, held during the period 2010-2014

General manager and member of the executive board of Décathlon SA; Director of Ansimmo SA; Director of OGEA SAS.

ETIENNE DEWULF SPRL, represented by its permanent representative, Mr ETIENNE DEWULF (1955)

Etienne Dewulf SPRL, represented by its permanent representative, Mr Etienne Dewulf, has been an independent Director of Befimmo SA and a member of its Appointment and Remuneration Committee since March 2011; he has been chairing that committee since 13 May 2014. Mr Dewulf is a graduate in Commercial and Financial Science (ICHEC). He began his career in sales functions at GB-INNOBM (1981-1983) and Materne Conflux (1983-1985), before moving into corporate banking at Crédit Général (1985-1987). He then found his vocation in the building industry, where he held a number of posts from 1987 to 2010: executive assistant at Maurice Delens SA (later Valens SA) in 1987, then managing director of Soficom Development (1989) and, from 1995 to 2010, managing director of Eiffage Benelux SA. Acting on behalf of Etienne Dewulf SPRL, Mr Dewulf currently works in consulting and daily management, mainly in real estate and building.

Mandats exercés au 31 décembre 2014

Mr Etienne Dewulf is chairman of the Professional Union of the Real-Estate Sector (UPS); Permanent representative of Etienne Dewulf SPRL; Managing director of Thomas & Piron Bâtiment SA (mandate via Etienne Dewulf SPRL); Honorary chairman of the not-for-profit Association des Entrepreneurs Belges de Grands Travaux; Director of the Confédération Construction; Director of the not-for-profit Association Paroles d'Ados; Director of Maison de la Route et du Génie Civil SCSA; Director of Foncière Kerkedelle SA and Bavière Développement SA. Etienne Dewulf SPRL is also managing director of Foncière Invest SA and Cœur de Ville SA, and director of Bureau Cauchy SA and BTA Construct SA.

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Dewulf was chairman and managing director of Eiffage Benelux SA and held 46 directorships in companies affiliated to Eiffage Group Benelux.

MR BENOÎT GODTS (1956)

Mr Benoît Godts has been a Director of Befimmo SA since November 1995 and is a member of its Audit Committee. He was also a director of Fedimmo until January 2013. Master of law (UCL 1983), he holds several directorships in companies affiliated with AG Real Estate SA. He is a director and member of the audit committee of the managing agent of the B-REIT Ascencio SCA, as well as chairman of the board of Immo Nation SPPICAV.

Positions held at 31 December 2014

Mr Benoît Godts is a director and member of the executive committee of AG Real Estate Group Asset Management SA; Director and member of the audit committee of Ascencio SA, manager of the B-REIT Ascencio SCA; Director of Investissement Foncier Westland Shopping Center SA; Director of Wolf-Safco NV; Chairman of the board of directors of Immo Nation SPPICAV; Director of the SPPICAV Technical Property Fund 2; Director of Devimo-Consult SA.

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Benoît Godts was director of the following companies: Fedimmo SA, AG Real Estate Asset Management SA, AG Real Estate Management SA, Investissement Foncier Machelen Kuurne SA, Investissement Foncier Woluwé Shopping Center SA, Investissement Foncier Cortenbergh-Le Corrége SA, Investissement Foncier Kortrijk Ring Shopping Center SA, Investissement Foncier Auderghem SA, Investissement Foncier Chaussée de la Hulpe SA, Investissement Foncier Boulevard de Waterloo SA, Investissement Foncier Woluwé Extension SA, Patrimoine Immobilier SA, and Conseil Belgo-Luxembourgeois des Centres Commerciaux.

KADEES BVBA, represented by its permanent representative, Mr KURT DE SCHEPPER (1956)

Kadees BVBA, represented by its permanent representative, Mr Kurt De Schepper, has been a Director of Befimmo SA since 29 April 2014. Mr De Schepper is an actuary. He began his career over 30 years ago at AG Insurance, where he joined the Management Team responsible for the "Employee Benefits" channel in 1990. Between 1995 and 2004, he was General Manager Europe at Fortis Insurance International, responsible, among other things, for the CaiFor and Fortis Insurance UK joint venture. In 2004, he was appointed Chief Pension Officer at Fortis Holding; in mid-2005, he became Business Operating Officer at AG Insurance, and in September 2008 he was also responsible for financial assets management. From September 2009 to 1 July 2014, Mr De Schepper was Chief Risk Officer of Ageas, in charge of the Risk, Legal and Compliance departments and Support Functions (Human Resources, IT and Facility).

Positions held at 31 December 2014

Mr Kurt De schepper is chairman and director of Millenniumbcp Ageas, Grupo Segurador, SGPS SA; Chairman and director of Médis, Companhia Portuguesa de Seguros de Saude SA; Chairman and director of Ocidental, Companhia Portuguesa de Seguros SA; Chairman and director of Ocidental, Companhia Portuguesa de Seguros de Vida SA; Chairman and director of Pensoesgere, Societale Gestora de Fundos de Pensoes SA.

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Kurt De Schepper was member of the board of directors of AG Real Estate SA.

MARCVH-CONSULT BVBA, represented by its permanent representative, Mr MARCUS VAN HEDDEGHEM (1949)

MARCVH-CONSULT BVBA, represented by its permanent representative, Mr Marcus Van Heddeghem, is a Director of Befimmo SA. Mr Van Heddeghem began his career in 1972 as an industrial engineer with a variety of building contractors. He was a director of various companies working in real-estate investment and/or development. He went on to become director of Investment, Development and Real-Estate Holdings at Groupe Royale Belge (1984-1998). From 1998 to 2003 he was managing director of Wilma Project Development SA. He was then managing director of Redevco until the end of 2010.

Positions held at 31 December 2014

Mr Van Heddeghem is permanent representative of MARCVH-CONSULT BVBA on the board of directors of the following companies: Director of Compagnie Het Zoute NV, Director of Kinopolis Group NV, Director of Besix Real-Estate Development SA; Mr Marcus Van Heddeghem is also manager of MarcVH-Consult BVBA.

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Marcus Van Heddeghem was director of Leasinvest Real Estate SA (B-REIT); Managing director of Redevco Retail COM; Managing director of Redevco Industrial COM; Managing director of Redevco Offices COM; Director of Mons Revitalisation SA; Director of Bengali SA; Director of Wilma Project Development NV; Director of Wilma Holding NV; Director of Home Invest Belgium NV; Director of Compagnie Het Zoute Real Estate NV.

ROUDE BVBA, represented by its permanent representative, Mr JACQUES ROUSSEAUX (1938)

Roude BVBA, represented by its permanent representative, Jacques Rousseaux, has been an independent Director of Befimmo SA since March 2006 and is Chairman of its Audit Committee. He was also a director of Fedimmo until January 2013.

Mr Rousseaux has acquired management know-how and experience as chairman of the management committee of Crédit Agricole, managing director of the Fédération des Caisses Coopératives of Crédit Agricole, and as a director of companies in the banking, real-estate and insurance sectors. In the public sector, he was a director-general at the Ministry of Finance, deputy head of cabinet of the Minister for Finance, head of cabinet of the Flemish Minister for Economy, head of Cabinet of the Flemish Minister for Finance and the Budget, and director of several semi-public enterprises (including GIMV) and public institutions.

Positions held at 31 December 2014

Mr Jacques Rousseaux is the manager of Roude BVBA and permanent representative of Roude BVBA on the board of directors of the following companies: Private Insurer NV (independent director, chairman of the appointment and remuneration committee and member of the audit committee), The Belgian NV (director), Rogimmo NV (director), Belexim NV (director), Immo Stonehill NV (director), Bremimmo NV (director), and Domein Liedeberg NV (director). Mr Jacques Rousseaux is also a member of the Guberna Board of Trustees.

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Jacques Rousseaux was the permanent representative of Roude BVBA on the board of directors of the following companies: Fedimmo SA (director), Luxafoil NV (director), Immo Foch NV (director) and NewB ECV (director).

Mr Jacques Rousseaux was chairman of the Guberna Alumni Association and director/treasurer of not-for-profit association schoolcomité Sint-Jozef.

MR GUY VAN WYMERSCH-MOONS (1958)

Mr Guy Van Wymersch-Moons has been a Director of Befimmo SA since September 2013. Mr Guy Van Wymersch-Moons was General Manager Real Estate of AXA Belgium SA from 2001 until 30 June 2014. He is currently managing director of AXA REIM Belgium SA. Mr Guy Van Wymersch-Moons began his career with Urbain-UAP in 1986 as a legal adviser on mortgage loans, and later in life-assurance taxation, before moving to Royale Belge as legal adviser to the department of real-estate investment (1990-2001). He holds a law degree, a notary's licence (UCL) and a master in environmental law (Facultés Universitaires Saint-Louis).

Positions held at 31 December 2014

Mr Guy Van Wymersch-Moons is a director of Leasinvest Real Estate Management SA; Director of Leasinvest Immo Lux SA - sicavi-fis (LUX); - Director of the Professional Union of the Real-Estate Sector (UPSI); Fellow member of the Royal Institution of Chartered Surveyors (FRICS); Managing director of AXA REIM Belgium SA; Director of AXA Real Estate Investment Managers Nederland NV (NL); Director of Parc de l'Alliance SA; Director of Beran SA; Director of Blauwe Toren SA; Director of Brustar One SA; Director of Cabesa SA; Director of Cornaline House SA; Director of Froissart Leopold SA; Director of Immo Foire SA; Director of Immo Rac Hasselt SA; Director of Immo Zellik SA; Director of Immobilière du Park Hôtel SA; Director of Instruction SA; Director of La Tourmaline SA; Manager of Leg II Meer 15 SPRL; Manager of Leg II Meer 22-23 SPRL; Manager of Leg II Meer 42-48 SPRL; Director of Lex 65 SA; Director of Messancy Realisation SA; Director of Mucc SA; Director of Parc Leopold SA; Director of QB19 SA; Director of Royaner SA; Director of Royawyn SA; Director of The Bridge Logistics SA; Director of Transga SA; Director of Treves Leasehold SA; Director of Upar SA; Director of Water-Leau SA; Director of Wetinvest III SA; Director of Wijnegem Ontwikkelingsmaatschappij SA; Director of Zaventem Properties SA; Director of Calar Cabesa Partners Sci; Director of Cordelière 4 NV (NL); Chairman of the board of directors of La Maison de l'Assurance SA; Director of Parc de l'Alliance SA; Director of not-for-profit association Quartier des Arts, Director of Galaxy Properties SA; Manager of Jouron SPRL, Managing director of Ligne Invest SA, Managing director of Bull's Eye property Lux II SA; Managing director of Evere Square SA, Managing director of L-Park SA.

Directorships expired as at 31 December 2014, held during the period 2010-2014

Mr Guy Van Wymersch-Moons was chairman and member of the board of directors of Home Invest SA; Director of Parc Louise SA; Director of Sodimco SA; Director of Vepar SA; Director of Fonds Quartier européen (King Baudouin Foundation); Director of Evers Freehold SA; Director of Immo Instruction SA; Director of Zaventem Properties 2 SA; Director of Marina Building SA; Director of Trèves Freehold SA.

Procedure for the appointment of Directors and renewal of their directorships

G4-40

Directors are appointed and their directorships renewed by the General Meeting of shareholders of Befimmo SA, on a proposal of the Board of Directors.

Before putting its proposals for appointing a Director or renewing his directorship to the General Meeting, the Board of Directors considers the opinions and recommendations of the Appointment and Remuneration Committee, notably regarding:

- > the number of Directors that it deems appropriate, subject to the legal minimum;
- > the suitability to the needs of the Board of the profile of the Director whose directorship is to be renewed, as appropriate;
- > the determination of the profile sought, on the basis of general criteria for the selection of Directors and on the basis of the latest assessment of operation of the Board (stating in particular the skills, knowledge and experience available and needed within the Board) and any specific criteria for the selection of one or more new Directors;
- > the candidates already identified or interviewed by the Appointment and Remuneration Committee.

Before deciding, the Board may opt to interview the candidates itself, examine their curriculum vitae and references, find out about other directorships they hold, and assess them.

The Board ensures that adequate plans are put in place for the succession of the Directors. It ensures that any appointment of a Director or renewal of a directorship, whether for an executive or non-executive Director, will allow the work of the Board and its specialist Committees to continue, and maintain a balance of skills and experience therein.

Where one or more directorships fall vacant, the remaining Directors may fill them temporarily, subject to the opinion of the Appointment and Remuneration Committee, until the next General Meeting, where a definitive election will take place.

Election of the Chairman of the Board of Directors

G4-39

Election of the Chairman of the Board of Directors

The Board elects its Chairman from among the non-executive members, on the basis of their knowledge, skills, experience and mediation abilities.

The terms of reference of the Board of Directors explicitly state that the same person may not hold the posts of both Chairman and Managing Director.

Duties of the Chairman of the Board of Directors

The Chairman steers the activities of the Board. In his absence, Board meetings are chaired by a Director designated by the other Directors.

The Chairman encourages the Directors to reach a consensus, while discussing the items on the agenda in a critical and constructive manner, and takes the measures necessary to develop a climate of trust within the Board of Directors by contributing to open discussions, constructive dissent and support for the Board's decisions.

Finally, he strives to develop effective interaction between the Board of Directors and the Managing Director.

Changes in the composition of the Board of Directors during the 2014 fiscal year

The directorship of Arcade Consult BVBA, represented by its permanent representative, Mr André Sougné reached maturity after the Ordinary General Meeting of 29 April 2014.

The Annual General Meeting of 29 April 2014 appointed two new Directors:

1. A.V.O. Management BVBA, represented by its permanent representative Mrs Annick Van Overstraeten, was appointed as an independent Director for a two-year term, expiring at the close of the Annual General Meeting in 2016;
2. Kadees BVBA, represented by its permanent representative Mr Kurt De Schepper, was appointed as a Director, linked to the shareholder AG Real Estate (Ageas group), for a two-year term, expiring at the close of the Annual General Meeting in 2016.

The same General Meeting renewed the directorship of MarcVH-Consult BVBA, represented by its permanent representative Mr Marcus Van Heddeghem, as a Director for a one-year term, expiring at the close of the Annual General Meeting in 2015.

Duties of the Board of Directors

The Board of Directors of Befimmo SA is empowered to perform all acts necessary or useful for the achievement of the Company's aims, except those reserved by law or the articles of association to the General Meeting. The Board of Directors of Befimmo SA makes decisions on strategy, investments, disinvestments and long-term financing.

It closes the annual accounts and prepares the quarterly and half-yearly accounts of the B-REIT; it draws up the management report, which includes in particular the corporate governance statement; it rules on the use of the authorised capital and convenes Ordinary and Extraordinary General Meetings of shareholders.

It ensures the relevance, accuracy and transparency of communication to the shareholders, financial analysts and the general public, such as prospectuses, Annual Financial Reports, half-yearly and quarterly statements, and press releases.

It is also the body that decides on the Company's executive management structure and determines the powers and duties of the Company's Executive Officers.

Functioning of the Board of Directors

The Board of Directors is organised so as to ensure that it exercises its powers and responsibilities in the best possible way. In accordance with its terms of reference, it meets at least four times a year and as often as necessary.

The Company's articles of association lay down the following rules concerning the decision-making process of the Board of Directors:

- > except in case of force majeure, the deliberations and resolutions of the Board of Directors shall be valid only if at least half of its members are present or represented. If this condition is not met, a new meeting must be convened which, provided at least three directors are present or represented, may make valid deliberations and resolutions on the topics on the agenda of the preceding meeting;
- > every decision of the Board is taken by absolute majority of the Directors present or represented and, where one or more of them abstain, by a majority of the other Directors. In the event of a tied vote, the person chairing the meeting has the casting vote;
- > in exceptional cases, duly justified by urgency and the corporate interest, the Board of Directors may pass resolutions by means of a written decision. This procedure may however not be used to close the annual accounts or for any use of the authorised share capital.

Decisions must be passed unanimously by the Directors. Decisions of the Board of Directors are recorded in the minutes, approved by the Board and signed by at least two Directors, and all Directors who so wish.

Activities of the Board of Directors during the 2014 fiscal year

G4-35

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The Board of Directors met 16 times during the 2014 fiscal year. In addition to items falling within its ordinary powers (monitoring results, approval of the budget, appraisal and remuneration of Executive Officers, and convening Ordinary and Extraordinary General Meetings), it made decisions on the following subjects in particular:

- > monitoring the implementation of the strategy;
- > investment and disinvestment projects;
- > bids under tendering and public procurement procedures;
- > the terms of the most important rental deals;
- > construction, redevelopment and renovation projects (particularly the Paradis Tower in Liège);
- > key investments in the consolidated Befimmo portfolio, notably in sustainable development;
- > adoption by the Company of the status of B-REIT and, in particular, the FSMA approval procedure;
- > the interest-rate risk hedging policy;
- > the contribution in kind of the Rue aux Choux 35 building by AXA Belgium SA;
- > monitoring of the main disputes;
- > Befimmo's Social Responsibility policy;
- > update of the dealing code and the adoption of new risk-management regulations.

The Board was regularly informed of the activities of the Audit Committee and the Appointment and Remuneration Committee.

The Board of Directors carried out a capital increase within the limits of the authorised capital on 25 November 2014, following the contribution of the Rue aux Choux 35 building by AXA Belgium SA to Befimmo. It also decided to distribute an interim dividend in December 2014, in the form of an optional dividend, and to increase the B-REIT's capital, again within the limits of the authorised capital.

The Board of Befimmo SA also decided on its position as a shareholder of Fedimmo, notably on the following dossiers:

- > the building of the new Finance Centre at rue Paradis in Liège: monitoring progress on the construction of a building to house the Federal Public Finance Service in Liège; monitoring of appeals to the Council of State for the suspension and annulment of the single permit and progress in the ongoing legal proceedings;
- > preparation of Phase 2 of the Paradis project in Liège: launch of a call for proposals for a mixed real-estate project, on the remainder of the plot of some 1.3 hectares, adjacent to the new Finance Centre, also owned by Fedimmo;
- > the sale of certain small buildings which it considers no longer fit its strategy;
- > the introduction of the company's new institutional B-REIT status;
- > participation of Fedimmo in public procurement procedures.

Self-assessment

G4-44

In accordance with its terms of reference, every three years at least, the Board assesses its own composition, size, effectiveness and operation, and its interaction with the Managing Director, the other Executive Officers and its specialist committees. The Board's self-assessment exercise is carried out under the leadership of its Chairman and, where appropriate, with the support of the Appointment and Remuneration Committee. This self-assessment has four main objectives:

- > to appraise the operation of the Board of Directors;
- > to check whether important issues are properly prepared and discussed;
- > to assess whether each Director makes an effective contribution by attending meetings of the Board of Directors and making a constructive commitment to the discussions and decision-making; and
- > to check whether the composition of the Board of Directors is in line with requirements.

When the issue of the renewal of a directorship arises, the Board assesses the contribution of each Director in same way.

The Board may call upon external experts to assist in this assessment exercise.

The Board carried out its most recent self-assessment at the end of the 2012 fiscal year. The main conclusions of the self-assessment report were published on page 101 of the Annual Financial Report 2012.

Advisory and specialist Committees

Principles

The Board of Directors may set up one or more committees, choosing members from within or outside the Board.

In accordance with the articles of association, it must establish at least an Audit Committee, an Appointment Committee and a Remuneration Committee (the Appointment Committee and the Remunerations Committee may be combined), lay down their tasks, powers and composition in accordance with the provisions of the law and recommendations of the Belgian Corporate Governance Code on the composition and functioning of these Committees.

The Board lays down the terms of reference of these Committees, and designates the members and chairmen of the Committees from among the Board members, on a proposal of the Appointment and Remuneration Committee. When making these appointments, the Board ensures that the overall composition of each Committee embodies the skills required for carrying out its duties.

Specific duties may also be assigned to one or more members designated by the Board; they report to the Board on the conduct of their duties.

In accordance with the above, the Board has set up two specialist standing committees: the Audit Committee and the Appointment and Remuneration Committee. The composition, duties and operating methods of these committees are described in their respective terms of reference, available on the Befimmo website and summarised hereafter.

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Audit committee

Composition

The Committee is composed of three members, appointed by the Board of Directors, on a proposal of the Appointment and Remuneration Committee, from among the non-executive Directors of Befimmo SA, at least two of whom are independent and satisfy the criteria of article 526 ter of the Code of Company Law.

All members of the Audit Committee have expertise in accounting, auditing and finance.

On a proposal of the Appointment and Remuneration Committee, the Board of Directors appoints the Chairman of the Audit Committee, who may not be the Chairman of the Board of Directors.

The term of office of Audit Committee members may not exceed that of their directorship. Committee members' terms of office may be renewed at the same time as their directorships.

As at 31 December 2014, the composition of the Audit Committee was as follows:

- > **Roude BVBA**, represented by its permanent representative, Mr Jacques Rousseaux, independent Director and Chairman of the Audit Committee;
- > **Mr Hugues Delpire**, independent Director;
- > **Mr Benoît Godts**, non-executive Director, linked to a shareholder.

Duties

Without prejudice to any other tasks assigned to it, the Audit Committee assists the Board of Directors and the Executive Officers in ensuring the accuracy and truthfulness of the accounts and financial information of Befimmo SA. In terms of internal control, the Audit Committee checks the relevance and effectiveness of the Company's internal-control and risk-management systems. It also monitors internal auditing and the external controls by the Statutory Auditor, is involved in appointing the latter and in supervising the tasks entrusted to him over and above its defined by law duties. It delivers opinions and recommendations to the Board of Directors and Executive Officers on these matters.

The Audit Committee meets at least four times a year and whenever circumstances require, at the request of its Chairman, one of its members, the Chairman of the Board of Directors, the Chief Executive Officer or the Chief Financial Officer. It decides if and when the Chief Executive Officer, the Chief Financial Officer, the Statutory Auditor or other people should attend its meetings.

It meets the Statutory Auditor institutional of Befimmo SA at least twice a year to exchange views on any issue relating to its duties and any issue raised by the auditing process. At least twice a year the Committee meets the person(s) responsible for internal auditing in the Company.

After each Committee meeting, the Chairman of the Committee (or, in his absence, a specially designated member of the Committee) gives an oral report on its work to the next meeting of the Board of Directors, notably after the meetings on the preparation of the quarterly accounts and on the preparation of the financial statements for publication. When reporting to the Board of Directors, the Audit Committee identifies the issues on which it considers that action or improvement is necessary, and makes recommendations on the measures to be taken. Minutes of meetings must also be forwarded to the Board of Directors.

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Operation and activities during the 2014 fiscal year

During the 2014 fiscal year, the Committee met six times and the members of the Committee attended all meetings. The following main dossiers and issues were considered:

- > quarterly, half-yearly and annual accounts;
- > accounting treatment for specific operations and application of IFRS (e.g. IFRIC 21);
- > financing policy;
- > consideration of the terms of the refinancing operations;
- > interest-rate and currency risk hedging policy;
- > review of internal audit mission reports and recommendations and multi-annual audit plan;
- > impact of investment projects on financing and key ratios;
- > review of budgets and outlook for future years (including stress tests);
- > risk management: monitoring developments in the main disputes, monitoring of internal control, analysis of an external audit report on cyber security, etc.;
- > distribution of an interim dividend with stock option;
- > relations with the Statutory Auditor, check of the independence, assessment and reappointment of the Statutory Auditor for Befimmo SA and its subsidiaries;
- > changes in the regulatory framework applicable to Befimmo.

Self-assessment

Every three years at least, the Committee assesses its own effectiveness, operation and interaction with the Board of Directors, reviews its terms of reference and recommends any necessary amendments to the Board of Directors.

The previous self-assessment of the Audit Committee was conducted in late 2011 and completed in early 2012¹. The Committee decided to carry out a new self-assessment in 2014.

In December 2014, the Committee members received and completed a detailed questionnaire, specific to the role and functioning of an audit committee. Based on the responses to the questionnaire, an analysis of the legal rules and recommendations relevant to the role and functioning of an audit committee and, secondarily, the findings of the self-assessment exercise carried out in 2011, the Committee Audit completed its self-assessment report on 13 February 2015 and presented it to the Board of Directors on 27 February 2015.

The key findings of this report are as follows:

- > after reviewing its terms of reference, the Audit Committee considers that their content is appropriate to the actual composition and functioning of the Committee.
- > overall, the Audit Committee is satisfied with its composition, its functioning, the work done by the Executive Officers and its relationship with the Statutory Auditor.
- > the Audit Committee considered that there is room for improvement in the following areas:
 - >> regarding financial reporting, it would be appropriate to have the opportunity to discuss in advance any changes in the application of accounting principles, reporting and valuation rules, if necessary with the Statutory Auditor;
 - >> regarding internal control and risk management, special attention should continue to be paid to the issues of cyber security and prevention of the risks of internal and external computer fraud.

The Committee also decided to carry out, by the end of the first half of 2015, an overall assessment of the adequacy of the present internal audit system, to take account of the development of Befimmo's activities and the creation of other internal control functions (risk management and compliance) since the implementation of that function in the Company.

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Appointment and Remuneration Committee

Composition

The Appointment and Remuneration Committee is made up of at least three Directors, appointed by the Board of Directors on a proposal of the Committee, from among the non-executive Directors, the majority of whom must be independent Directors within the meaning of article 526 ter of the Code of Company Law.

The Board of Directors appoints the Chairman of the Committee, who may also be the Chairman of the Board of Directors.

The term of office of Committee members may not exceed that of their directorship. Committee members' terms of office may be renewed at the same time as their directorships.

If the Chairman of the Board of Directors of Befimmo SA is not a member of the Committee, he may, but is not obliged to, attend meetings of the Committee. He may not attend if the Committee is discussing or voting on the Chairman of the Board's remuneration or the renewal of his mandate (in his capacity as Chairman or Director).

He may take part in the discussion, but may not chair the Committee when it is voting on the appointment of his successor.

The Managing Director takes part in meetings of the Committee when it has to discuss the appointment or remuneration of the other Executive Officers of the Company.

Up to 12 May 2014, the composition of the Committee was as follows:

- > **MarcVH-Consult BVBA**, represented by its permanent representative, Mr Marcus Van Heddeghem, independent Director² and Chairman of the Appointment and Remuneration Committee;
- > **Alain Devos SPRL**, represented by its permanent representative, Mr Alain Devos, non-executive Director, Chairman of the Board of Directors;
- > **Etienne Dewulf SPRL**, represented by its permanent representative, Mr Etienne Dewulf, independent Director.

Since 13 May 2014, the membership of the Committee has been as follows:

- > **Etienne Dewulf SPRL**, represented by its permanent representative, Mr Etienne Dewulf, Chairman of the Appointment and Remuneration Committee, independent Director;
- > **A.V.O. Management BVBA**, represented by its permanent representative, Mrs Annick Van Overstraeten, independent Director;
- > **Alain Devos SPRL**, represented by its permanent representative, Mr Alain Devos, non-executive Director, Chairman of the Board of Directors.

1. The key findings of the report are published on the Annual Financial Report 2012 (page 107).

2. MarcVH-Consult - as well as its permanent representative, Mr Marcus Van Heddeghem - meet the independence criteria set out in article 526 ter of the Code of Company Law until it was renewed by the Ordinary General Meeting of 29 April 2014, for a fourth term with a duration of one year.

Duties

Regarding appointments and renewals of mandates, the Committee assists the Board of Directors in:

- > drawing up profiles for Directors, chairmen and members of the committees of the Board of Directors, the Chief Executive Officer (CEO) and the other Executive Officers of Befimmo SA;
- > seeking candidates for positions to be filled in the Board of Directors and specialist committees of Befimmo SA and the Board of Directors of Fedimmo; it then delivers an opinion and makes a recommendation on the candidates;
- > the process of appointing or re-electing the Chairman of the Board of Directors of Befimmo SA;
- > procedures for the appointment, renewal and periodic appraisals of the Directors, the CEO and Executive Officers.

Regarding remuneration, the Committee assists the Board of Directors by making proposals on:

- > remuneration policy;
- > the remuneration policy for non-executive Directors, members of the Board's committees, the Chief Executive Officer and the other Executive Officers, and on any periodic revisions of that policy;
- > on the individual remuneration of the non-executive Directors, members of the Board's Committees, the CEO and the other Executive Officers, including variable remuneration, the various benefits and length-of-service bonuses, related to shares or otherwise, severance grants and on any resulting proposals which the Board has to submit to the General Meeting of Shareholders;
- > on the setting of performance objectives for the Managing Director and other Executive Officers, and the assessment of performance in relation to those objectives;
- > on the proposals made each year by the Managing Director on the overall budget for increasing (apart from indexing) the remuneration laid down for the Company's staff, and on the overall budget for the variable remuneration of the staff.

The Committee also prepares the remuneration report, which is included in Befimmo SA's corporate governance statement, and is presented to the General Meeting of shareholders.

The Committee meets at least twice a year, and in any case:

- > prior to the approval of the agenda for any General Meeting of Befimmo SA which has draft decisions that concern directorships on the agenda;
- > to draft the annual remuneration report.

After each meeting of the Committee, the Chairman (or, in his absence, a Committee member designated to that end) gives an oral report to the Board of Directors on the exercise of its duties and, in particular, submits the Committee's opinions and recommendations to the Board for decision.

Operation and activities during the 2014 fiscal year

During the 2014 fiscal year, the Committee met 11 times and all members of the Committee attended all meetings. Its meetings covered the following main topics:

- > drafting of the remuneration report published in the Annual Financial Report 2014;
- > changes in the Company payroll from 1 January 2015 and award of variable remuneration for the 2014 fiscal year;
- > composition of the Board of Directors, taking account of the need to ensure that directors' profiles are complementary in terms of knowledge and experience, and of the gender diversity targets;
- > proposals for appointments to the Board of Directors and renewals of directorships;
- > benchmark analysis of variable remuneration packages for executives of listed companies;
- > appraisal of the Executive Officers, determining the objectives and performance criteria of the Managing Director and other Executive Officers;
- > assessment of the remuneration policy (including a benchmark analysis) and formulation of proposals to stagger the payment of variable remuneration to Executive Officers;
- > analysis and benchmarking of the supplementary pension plan policy put in place for Befimmo employees.

Self-assessment

Every three years at least, the Committee assesses its own effectiveness, operation and interaction with the Board of Directors, reviews its terms of reference and recommends any necessary amendments to the Board of Directors.

The Appointment and Remuneration Committee conducted its first self-assessment during the second half of the 2012 fiscal year. Its self-assessment report was presented to the Board of Directors in December 2012 and on the Annual Financial Report 2012 (page 108).

Executive Officers

Appointment

Pursuant to article 14(3) of the law of 12 May 2014 on B-REITs, the executive management of Befimmo SA is entrusted to at least two individuals, known as Executive Officers.

They are appointed by the Board of Directors.

At 31 December 2014, the Executive Officers were four in number:

- > the Managing Director of Befimmo SA, BDB Management SPRLu, the Chief Executive Officer of Befimmo, represented by its permanent representative, Mr Benoît De Blicq;
- > Mrs Martine Rorif, Chief Operating Officer of Befimmo;
- > Mr Laurent Carlier, Chief Financial Officer of Befimmo; and
- > Mrs Aminata Kaké, General Counsel and Secretary-General of Befimmo.

With effect from 5 January 2015, the Board of Directors appointed Mrs Diane Zygass as Chief of Business Development and Executive Officer. Mrs Zygass began her career in the audit department of Arthur Andersen (1983-1985), before moving to the ING Group where she held various commercial and management posts, notably Regional Director Mid-Corporate, Real Estate and Institutional Brussels (1985-2012). She then joined the CFE group as a member of the executive committee and director of the International Building Business as well as the Public-Private Partnership and Concessions unit (2012-2014).

The duties and working methods of the Executive Officers are laid down in the terms of reference of the Executive Officers, published on the Company's website.

@ www.befimmo.be

Duties

The Executive Officers take part in internal aspects of the running of the Company and its policy-making under the leadership of the Managing Director.

Within this context, they are mainly responsible for:

- > in general, implementing the decisions of the Board of Directors;
- > analysing the Company's overall policy and strategy and making appropriate proposals in that regard to the Board of Directors;
- > implementing the Company's overall policy and strategy, as decided by the Board of Directors;
- > identifying possibilities and needs in terms of investments, disinvestments and financing, and making any appropriate proposals in that regard to the Board of Directors;



1. Benoît De Blicq
2. Laurent Carlier
3. Aminata Kaké
4. Martine Rorif
5. Diane Zygass



- > running and leading the Company management team in accordance with the decisions of the Board of Directors and the Managing Director;
- > supervising the complete, timely, truthful and accurate preparation of financial statements in accordance with accounting standards and the Company's assessment rules; presenting the financial statements to the Board of Directors;
- > making a balanced and clear assessment of the Company's financial situation, budget and business plan; submitting this assessment to the Board of Directors;
- > implementing internal controls (systems to identify, assess, manage and monitor financial and other risks), without prejudice to the monitoring role of the Board of Directors and the Managing Director;
- > reporting to the Board of Directors, the FSMA and Statutory Auditor(s);
- > preparing the publication of the financial statements and other financial and non-financial information.

The Executive Officers of the Company perform their duties without prejudice to the powers of the Board of Directors.

Operation

The Executive Officers meet at least twice a month and as often as necessary. The meetings are chaired by the Managing Director.

They act in the interest of the Company and organise their personal and professional affairs in such a way as to avoid any direct or indirect conflict with the interests of the Company. They undertake to comply with the provisions of the Belgian Code of Corporate Governance and the Company's corporate governance charter, in particular regarding the rules to prevent conflicts of interest and the rules to prevent market abuse.

They must take the necessary steps to develop a climate of trust and close cooperation between themselves, contributing to open discussions and the constructive expression of differing viewpoints. They perform their duties as a collective body, together forming the “Executive Management Committee” of Befimmo SA.

In 2014, the Executive Management Committee met once a week on average.

The Executive Officers lead a team of 70 staff members (as at 31 December 2014) and endeavour to keep operating costs at an optimum level.

The **heads of the operational departments** are Mr Cédric Biquet (Chief Investment Officer), Mr Marc Geens (Chief Commercial Officer) Mrs Martine Rorif (COO and Chief Technical Officer ad interim¹), Mrs Caroline Kerremans (Investor Relations and External Communication Manager) and Mrs Emilie Delacroix (Corporate Social Responsibility Manager).

Befimmo’s Corporate Social Responsibility is fully integrated into its day-to-day management. At the strategic level, the **Corporate Social Responsibility** team (CSR) consists of five people including three Executive Officers: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Senior Environmental Manager (SEM) and the Corporate Social Responsibility Manager (CSRM). This team is responsible for developing and monitoring the Corporate Social Responsibility Programme, releasing sufficient human resources, and organising the annual management review.

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Remuneration Report

Remuneration policy

During fiscal year 2009/2010, the Appointment and Remuneration Committee drafted a document describing the remuneration policy for the Company’s Directors and Executive Officers. This document was approved by the Board of Directors on 15 October 2010 and updated most recently on 28 February 2014. It is an integral part of the corporate governance charter and is published on the Befimmo website.

@ www.befimmo.be

Befimmo’s remuneration policy was established in accordance with the provisions of the law of 6 April 2010 to strengthen corporate governance in listed companies, and with the recommendations of the Belgian Corporate Governance Code (the “2009 Code”).

In strict compliance with this framework, the policy is designed to reward those involved in running the Company in a way that allows it to attract, retain and motivate selected staff, taking account of the Company’s characteristics and challenges, while properly and effectively managing risks and keeping the costs of the various remunerations under control.

The Company aims to pay its staff at a level that compares well with the remuneration paid by other companies for similar posts. To keep informed of market pay levels, it contributes to benchmarks organised by specialist consultants and social administration agencies. It also occasionally consults these specialists for reasons unconnected with benchmark operations.

The Appointment and Remuneration Committee makes proposals on any periodic reviews of the remuneration policy, which are submitted to the Board of Directors for approval.

The remuneration report is included in each year’s Annual Financial Report. It sets out the main principles of the remuneration policy and how they were applied during the year in question, and includes detailed information on the remuneration of the directors and Executive Officers. Any significant deviation from the remuneration policy during the fiscal year, and any significant changes to the policy are also mentioned in the remuneration report.

The Company’s General Meeting of shareholders holds a separate vote each year on the remuneration report.

Changes in the remuneration policy for subsequent years

In order to align the interests of executive management with those of the Company and its shareholders, Befimmo’s current remuneration policy provides for an appropriate proportion of the remuneration of the CEO and other Executive Officers to be linked to their individual performance and that of the Company: the criteria for allocating the variable remuneration of the CEO and other Executive Officers consist of a combination of personal qualitative targets and financial and qualitative targets of Befimmo SA, to which a weighting is applied. The Board avoids setting performance criteria that could encourage the CEO and other Executive Officers to give preference to short-term goals that influence their variable remuneration and would have an adverse impact on the Company in the medium and long term.

1. Since 1 April 2014.

From the 2014 fiscal year, the Board decided to further align the remuneration of the CEO and other Executive Officers with the interests of shareholders of the Company, by implementing staggered payment of their variable remuneration. The final allocation of the variable portion of the remuneration, which is a time-deferred payment, is subject to predetermined and objectively measurable medium- and long-term performance criteria. Payment of the variable remuneration will now be spread over three years. The variable portion of the remuneration earned during year "N" (fiscal year of the appraisal) to be paid the first year (N+1) may not exceed 50% of the total amount of variable remuneration awarded. Payment of 25% of the variable remuneration is deferred for one year and will be payable in year N+2 provided that the performance indicators for the Company's results are sustained throughout years N and N+1. The remaining 25% of the variable remuneration will be deferred for two years and will be payable in year N+3, again provided that performance is sustained over years N to N+2 (inclusive).

The Company's remuneration policy has been adapted to allow the variable remuneration of the Executive Officers to be spread in this way. This scheme was applied for the first time to the variable remuneration for the 2014 fiscal year, with the first instalment being payable in 2015, and will continue to apply to subsequent years.

Procedure

The remuneration of the **non-executive Directors** of Befimmo SA is set by the General Meeting of Befimmo SA, on a proposal of its Board of Directors, which in turn receives proposals from the Appointment and Remuneration Committee. The proposals of the Appointment and Remuneration Committee are based on benchmark analyses of companies comparable to Befimmo in terms of size and business, and studies conducted by external consultants on the remuneration of Directors of Belgian listed companies.

The non-executive Directors of Befimmo SA receive, in that capacity, a fixed annual remuneration and attendance tokens for meetings of Befimmo's Board of Directors and its specialist committees that they attend as members or Chairman.

They do not receive any performance-related pay, such as bonuses or long-term incentives, nor do they receive any benefits in kind or benefits from pension schemes.

In accordance with the law, Directors may be dismissed summarily, without compensation.

The Managing Director of Befimmo SA is the only **Executive Director** of Befimmo SA and is not remunerated in that capacity.

He is also an Executive Officer of Befimmo SA and holds the position of **Chief Executive Officer** (CEO) and is remunerated in that capacity.

The CEO's remuneration is set by the Board of Directors of Befimmo SA, on a proposal of the Appointment and Remuneration Committee. It consists of a fixed portion and a variable portion.

> **Fixed portion:** the amount of the fixed annual remuneration is determined on the basis of comparisons with the fixed remunerations on the market for a comparable post in a company of comparable size. The fixed annual remuneration is paid monthly, in twelfths, at the end of the month.

On a proposal of the Appointment and Remuneration Committee, the Board of Directors considers the amount of the fixed remuneration at regular intervals, at the end of each calendar year, in order to decide whether this amount should be changed and, if so, by how much.

> **Variable portion:** the target amount of the annual variable remuneration corresponding to a quality service that meets expectations in terms of results, professionalism and motivation is predetermined by the Board of Directors when setting objectives. It is a combination of personal qualitative objectives and financial and qualitative targets for Befimmo SA, and a weighting is applied. The Board avoids setting performance criteria that could encourage the CEO to give preference to short-term goals that influence his variable remuneration and would have an adverse impact on the Company in the medium and long term. The Board also determines the maximum amount of variable remuneration, which may be awarded only if the performance targets are exceeded.

In determining how much variable remuneration to award, at the end of each calendar year the Board of Directors, on a proposal of the Appointment and Remuneration Committee, assesses the CEO's performance during the fiscal year in question against the targets for that year.

Befimmo reimburses expenses incurred by the CEO in the course of his routine management, on presentation of supporting documents to the Chairman of the Board of Directors or any other person he designates for that purpose.

The Managing Director does not receive any benefits in kind.

The Board of Directors of Befimmo SA decides on the recruitment, promotion and fixed and variable remuneration of each of the **other Executive Officers** of Befimmo SA, on a proposal of the Appointment and Remuneration Committee, after it has first consulted the CEO. They are paid under a contract of employment with Befimmo SA. Their remuneration consists of a fixed portion and a variable portion, and supplementary benefits, as described below.

- > **Fixed portion:** the amount of the fixed remuneration of the other Executive Officers is determined on the basis of information on levels of remuneration offered for comparable posts, and for profiles comparable to those of the other Executive Officers of the Company, in comparable businesses, notably in finance and real estate. This information is gathered by the Appointment and Remuneration Committee. The fixed remuneration is paid monthly at the end of the month and is indexed in January. Any change in the fixed remuneration of the Executive Officers is decided by the Board of Directors on a reasoned recommendation of the CEO and the Appointment and Remuneration Committee.
- > **Variable portion:** the target amount of the variable annual remuneration corresponding to a quality performance meeting expectations, in terms of results, professionalism and motivation. This amount, which is in principle a maximum unless otherwise justified, is predetermined by the Board of Directors when the targets are set. These are a combination of personal qualitative targets (performance of special duties, performance of their team or department) and financial and qualitative targets for Befimmo SA, to which a weighting is applied. The Board avoids setting criteria that might encourage the Executive Officers to give preference to short-term goals that influence their variable remuneration and would have an adverse impact on the Company in the medium and long term. In determining how much variable remuneration to award, at the end of each calendar year the Board

of Directors – on a proposal of the Appointment and Remuneration Committee after it has first consulted the CEO – assesses the performance of the Executive Officers during the fiscal year in question against the targets set for them for that year.

- > **Miscellaneous benefits:** the other Executive Officers have a pension plan (defined-benefits scheme) which cost the Company €154,077 for the 2014 fiscal year. They also have hospitalisation insurance, a flat-rate monthly entertainment allowance, meal vouchers and “ecocheques”. They have a company car (with the usual accessories) and a mobile phone. The cost to the Company of all these benefits is given under the heading “Other components of remuneration and miscellaneous benefits” in the table here after.

Positions held in subsidiaries

The Directors and Executive Officers may hold a directorship in the subsidiaries of Befimmo SA. Any remuneration received for holding those position are integrated in the Befimmo SA remuneration report.

Remuneration and benefits in 2014 and 2015

The remuneration and benefits listed below are in accordance with the provisions of the above-mentioned law of 6 April 2010, the 2009 Code and the Company's remuneration policy described before. There is no share option plan or share benefit plan for the non-executive Directors, CEO or other Executive Officers.

Directors - Remuneration for the 2014 fiscal year

(in €)	BEFIMMO				Total
	Annual fixed remuneration	Attendance tokens			
		Board of Directors	Board of Directors	Audit Committee Appointment and Remuneration Committee	
Alain Devos SPRL - Alain Devos	50 000	56 250		15 000	121 250
A.V.O. Management BVBA - Annick Van Overstraeten ¹	15 000	25 000		10 500	50 500
Hugues Delpire	20 000	37 500	12 000		69 500
Etienne Dewulf SPRL - Etienne Dewulf	20 000	37 500		18 500	76 000
Sophie Goblet	20 000	35 000			55 000
Benoît Godts	20 000	32 500	12 000		64 500
Kadees BVBA - Kurt De Schepper ¹	15 000	25 000			40 000
MarcVH-Consult BVBA - Marcus Van Heddeghem	20 000	37 500		6 000	63 500
Roude BVBA - Jacques Rousseaux	20 000	37 500	15 000		72 500
Guy Van Wymersch-Moons	20 000	32 500			52 500
Arcade Consult BVBA - André Sougné ²	5 000	10 000			15 000
Total Directors	225 000	366 250	39 000	50 000	680 250

1. Appointed on 29 April 2014.

2. Directorship expired on 29 April 2014.

The Company's Annual General Meeting of 30 April 2013 set the following remuneration for the non-executive Directors:

- > each non-executive Director, apart from the Chairman of the Board of Directors, receives a fixed annual remuneration of €20,000 and attendance tokens worth €2,500 per Board meeting attended;
- > the Chairman of the Board of Directors receives a fixed annual remuneration of €50,000 and attendance tokens worth €3,750 per Board meeting attended;
- > the members of the Audit Committee receive an attendance token worth €2,000 per meeting, apart from the Chairman of the Committee who receives attendance tokens worth €2,500;
- > the members of the Appointment and Remuneration Committee receive an attendance token worth €1,500 per meeting, apart from the Chairman of the Committee who receives attendance tokens worth €2,000 per meeting.

These amounts, applicable from the 2013 fiscal year, are based on a benchmark analysis of comparable companies and two external studies on the remuneration of directors of listed Belgian companies. In particular, they reflect the increased workload and technical complexity of the matters that have had to be handled by the Board and its specialist Committees in recent years, and the role of the Chairman in preparing and coordinating the work of the Board of Directors.

The remuneration of non-executive Directors for the 2014 fiscal year will be paid in May 2015 after the 2015 Ordinary General Meeting.

Objectives and performance criteria for the CEO and Executive Officers for fiscal years 2014 and 2015

On a proposal of the Appointment and Remuneration Committee, on 28 February 2014 the Board of Directors laid down the following recurring criteria – related to the performance of the Company – for assessing the performance of the **CEO**, and the applicable weighting:

- > net current result per share (30%);
- > operating margin (15%);

- > occupancy rate of properties (15%);
- > financing costs (20%);
- > human-resource management (20%).

Supplementary targets, in relation to the above-mentioned main targets and specifically related to the 2014 fiscal year, were set for the CEO. The target amount for his variable annual remuneration for the 2014 fiscal year was set at €200,000, with a ceiling of €250,000.

The Board of Directors set the same recurring criteria for assessing the performance of the **other Executive Officers**. Additional personal targets were set for each of them, in line with their specific operational responsibilities. The maximum overall target variable remuneration was set at €162,500 for the other Executive Officers (total amount for the three Executive Officers).

During its meeting of 27 February 2015, the Board of Directors, on a proposal of the Appointment and Remuneration Committee, decided to award the CEO and the other Executive Officers variable remuneration for the 2014 fiscal year on the basis of the above-mentioned assessment criteria, of the amounts set out in the table hereafter.

In accordance with Befimmo's remuneration policy, the payment of any variable remuneration awarded was staggered over time and the portion of the time-deferred remuneration is subject to the achievement of predetermined performance criteria that are objectively measurable over three years, as follows:

- > 50% of the variable compensation earned in 2014 was paid in 2015;
- > 25% of the variable remuneration was deferred for one year and will be payable in 2016 provided that the performance indicators for the Company's results are sustained throughout 2014 and 2015;
- > the remaining 25% of the variable remuneration will be payable in 2017, again provided that performance is sustained throughout 2015 and 2016.

? "Glossary"

Executive Officers - Remuneration for the 2014 fiscal year

(in €)	Fixed remuneration	Variable remuneration ³	Post-employment benefits	Other components of remuneration and miscellaneous benefits	Total	Contractual severance grant
SPRLu BDB Management ¹	515 000	200 000	-	-	715 000	650 000
Other Executive Officers ²	681 626	248 852	154 077	58 535	1 143 090	-
Total Executive Officers	1 196 626	448 852	154 077	58 535	1 858 090	650 000

1. These sums include the remuneration gained by BDB Management SPRLu for the directorships it exercises, as representative of Befimmo SA, respectively as managing director of Befimmo Property Services SA and chairman of the board of directors of Axento SA, both subsidiaries of Befimmo SA.

2. Social charges and all other charges included.

3. The payment of the variable remuneration is staggered over a period of 3 years, pursuant to the rules set up in the remuneration policy.

For the 2015 fiscal year, the award of variable remuneration to the CEO and other Executive Officers will depend on achieving the same recurring criteria as those set for 2014, with the same weighting. Additional personal targets, in relation to the above-mentioned targets, were also set in keeping with the specific operational responsibilities of the CEO and each of the other Executive Officers.

The target amounts of the variable annual remuneration for the 2015 fiscal year were set as follows:

- for the CEO: a target variable remuneration of €200,000 with a maximum of €250,000; the amount includes the variable remuneration which would be allocated by Befimmo SA and/or one of its subsidiaries;
- for the other Executive Officers: a target variable remuneration of €267,500 with a maximum of €307,625; these amounts are net of social charges and any other expenses borne by the Company.

After appraisal, the payment of any variable remuneration awarded will be staggered over time and the portion of the time-deferred remuneration is subject to the achievement of predetermined and objectively measurable performance criteria over three years.

Terms of severance grants

Should Befimmo SA terminate the contract between the CEO and Befimmo SA before expiry, and not in any of the cases provided for in the contract where no compensation is due, the CEO is entitled to a severance grant under that contract.

Pursuant to article 554(4) of the Code of Company Law and the recommendations of the Belgian Corporate Governance Code, Befimmo's remuneration policy provides that this severance grant may not in principle exceed 12 months' remuneration (fixed and variable, based on the 12 months preceding termination) or 18 months (on a reasoned opinion of the Appointment and Remuneration Committee). Furthermore, if in future the Company were to make an agreement providing for severance grants exceeding these limits, the exemption clause regarding severance grants would require prior approval at the first Ordinary General Meeting following that agreement.

The management agreement of 20 December 2012 between Befimmo SA and its CEO, BDB Management SPRLu, established a contractual severance grant of €650,000. This grant is less than 12 months of the Managing Director's total remuneration. Befimmo therefore did not avail itself of the above exemptions.

The indefinite contracts of employment of the Executive Officers (except for the Managing Director) do not contain any specific severance provisions.

Right of recovery

The Company has not provided for a right to recover all or part of any variable remuneration awarded to the CEO or other Executive Officers on the basis of incorrect information.

Report on internal control and risk-management systems

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Befimmo has organised the management of internal control and corporate risks by defining its control environment (general framework), identifying and classifying the main risks to which it is exposed, analysing its level of control of those risks and organising "control of control". It also pays particular attention to the reliability of the financial reporting and communication processes.

Control environment

Company organisation

The Board of Directors has set up two internal committees (the Audit Committee and the Appointment and Remuneration Committee).

The Company is organised into a number of departments as set out in an establishment plan.

Each person has a job description. A procedure for delegating powers of attorney embodies the principle of double signatures. The support functions are the accounts, IT, legal, human resources and communication departments and the general secretariat.

Of the control functions, the compliance function is exercised by the Secretary-General. Management control is the responsibility of the controlling team. The CFO is responsible for the risk-management function.

For the annual closure, the Company's Directors and Executive Officers fill in an individual questionnaire so that any transactions they have carried out with the Company as "related parties" can be identified.

The human resources department ensures that the skills required for each post are defined and that the procedures are observed, notably for annual performance appraisal and pay review.

External players

Some external stakeholders also play a role in the control environment. The main ones are the FSMA, the Statutory Auditor and the independent real-estate experts.

Organisation of internal control

The Audit Committee, composed of a majority of independent Directors, has a specific duty in terms of internal control and corporate risk management. In carrying it out, the Audit Committee makes use in particular of the work of the internal auditor, who reports directly to it. The role, composition and activities of the Audit Committee are described in this chapter and in the terms of reference of the Audit Committee, which can be accessed on the Company website.

Ethics G4-56

The Board of Directors has drafted and approved a corporate governance charter and a code of ethics. They can also be consulted on the Company's website.

 www.befimmo.be

Risk analysis and control activities

This analysis is based on an update of a study to classify the Company's major risks, in order of importance and estimated frequency of occurrence, and to determine the extent to which it controls these risks. During the 2013 fiscal year, a new version of the matrix of risks and the extent to which they are controlled was produced. This matrix provides the framework for the work of the internal audit service, reviewed annually as part of a three-year plan by the Audit Committee. Risk analysis is reviewed annually by the Audit Committee. The risk factors are described in this report. The relevant chapter also describes the measures taken to control and limit the potential impact of each of the risks identified.

"Risk factors"

Financial information and communication

The process of establishing financial information is organised as follows: a retro planning chart sets out the tasks to be completed for the quarterly, half-yearly and annual closures of the Company and its subsidiaries, with deadlines. Befimmo has a check list of actions to be followed up by the Finance Department. The accounts team produces the accounting figures using Lisa accounting software, under the supervision of the chief accountant. Integrated software (Property V4) was installed for the administrative and accounting management of the property management business.

The controlling team checks the validity of the figures provided by accounts and produces the quarterly reports. The figures are checked using the following techniques:

- > coherence tests by comparison with historical or budget figures;
- > sample checks of transactions according to their materiality.

After validation by management, the quarterly report and the press release/corresponding report are then presented to the Audit Committee and thereafter to the Board of Directors.

Data are protected, depending on their type, by redundant architecture (disk mirroring), daily backups on-line (external service provider) and weekly backups onto tape.

Players involved in the supervision and evaluation of internal control

The quality of internal control is assessed throughout the fiscal year by:

- > internal audit: two internal audits were carried out in 2014, on the "project management risk" and "invoicing & collection risk"; an audit of cyber security was also commissioned from an external consultant.
- > the Audit Committee: over the 2014 fiscal year, the Audit Committee reviewed the quarterly closures and the specific accounting methods. It reviewed the disputes and main risks facing the Company and considered the recommendations of internal auditing;
- > the Statutory Auditor in the context of its review of the half-yearly and annual accounts: over the 2014 fiscal year, the Statutory Auditor made recommendations in particular concerning the keeping of the financial statements; It also conducted an audit of IT security.

The Board of Directors supervises the performance of the duties of the Audit Committee in that connection, notably through that Committee's reporting.

During the 2014 fiscal, the Board of Directors approved new risk-management regulations.

Others involved

Statutory Auditor

The Statutory Auditor is appointed with the prior approval of the FSMA. It exercises two kinds of control. Firstly, in accordance with the Code of Company Law, it checks and certifies the financial information in the annual accounts.

Secondly, in accordance with the law, it cooperates with the FSMA's controls. The FSMA may also ask it to confirm the accuracy of other information sent to the FSMA.

The General Meeting of Befimmo SA of 29 April 2014 renewed the mandate of the Company's Statutory Auditor, Deloitte Réviseurs d'Entreprises SC s.f.d.SCRL, with its registered office at Berkenlaan 8B, 1831 Diegem, entered in the trade register under number 0429.053.863, RPM Brussels, represented by Mr Rik Neckebroek, business auditor, for three fiscal years.

The Statutory Auditor's fees for the 2014 fiscal year amount to €72,450 excluding VAT. In the 2014 fiscal year it also provided additional services as part of its statutory duties for a fee of €57,250 excluding VAT. In addition to its statutory role,

during the 2014 fiscal year, Deloitte and its affiliated companies also provided services related to other non-auditing duties for a fee of €81,340 excluding VAT.

Deloitte, represented by the same auditor, has also been appointed as Statutory Auditor of most Befimmo SA subsidiaries. The fees of the Statutory Auditor for auditing the financial statements for the 2014 fiscal year of Fedimmo SA, Befimmo Property Services SA, Meirfree SA and Vitalfree SA totalled €55,200 excluding VAT.

Auditing for the Luxembourg subsidiary, Axento SA, is performed by Deloitte SA, with its registered office at Rue de Neudorf 560, 2220 Luxembourg, entered in the Luxembourg register of commerce and companies under number B 67.895 and with establishment licence No 88607, represented by Christiane Chadoeuf, Partner. The fees for auditing the accounts of Axento SA for the 2014 fiscal year amount to €11,100 excluding VAT.

The method of calculating the remuneration of the Statutory Auditor depends on the type of work performed:

- > for auditing the accounts of companies in the group, a lump sum is established;
- > for other work, the fees are determined on the basis of the number of hours worked multiplied by an hourly rate depending on the seniority of the employee involved in the work.

The “one-to-one” rule regarding the work of the Statutory Auditor was observed.

Real-estate experts

In accordance with the Royal Decree of 13 July 2014, Befimmo SA calls on external experts for regular or periodic valuations of its property assets. For a 3-year period, starting at 1 January 2012, Befimmo SA designated 3 real-estate experts who have an excellent market knowledge and an international reputation:

- > DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans), which values the properties in the portfolio of Fedimmo SA;
- > PricewaterhouseCoopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme), which surveys Befimmo SA's property portfolio, rented principally to long-term tenants mainly from the public sector;
- > Jones Lang LaSalle (represented by Mr Rod P. Scrivener), which is responsible for valuing all the properties of Befimmo SA that are not included in the expert mission of PricewaterhouseCoopers and which are generally let on conventional 3/6/9-year leases to corporate tenants, mostly from the private sector; and who as coordinator, has included in its summary report the valuations established by DTZ-Winssinger & Associés and PricewaterhouseCoopers using their respective valuation methods.

Since the mandates of the three experts mentioned above expired on 31 December 2014, for three years from the 2015 fiscal year, Befimmo has entrusted the valuations of its portfolio to two real-estate experts which have an excellent knowledge of the market and an international reputation, namely:

- > Jones Lang LaSalle (represented by Mr Rod P. Scrivener) which will value the part of the Befimmo and Fedimmo property portfolio on long or potentially long leases (i.e. let for >9 years in Brussels and its Hinterland and >6 years in the regions);
- > CBRE (represented by Mr Pierre van der Vaeren) which will value the part of the Befimmo and Fedimmo property portfolio mostly rented on conventional 3/6/9-year leases. Jones Lang LaSalle will have the task of coordinating these valuations.

These new mandates were granted in accordance with the requirements of the Royal Decree of 13 July 2014, with a view in particular to introducing a system of rotation between the real-estate experts valuing the portfolio.

Befimmo has also appointed two reserve experts:

- > DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans);
- > PricewaterhouseCoopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme).

For the 2014 fiscal year, the fees paid to these experts for their quarterly valuations amounted to:

- > DTZ-Winssinger & Associés: €124,301 excluding VAT;
- > PricewaterhouseCoopers: €80,202 excluding VAT;
- > Jones Lang LaSalle: €115,200 excluding VAT.

Additional fees paid to these experts in 2014 for occasional valuations amounted to:

- > DTZ-Winssinger & Associés: N.A.;
- > PricewaterhouseCoopers: €1,500 excluding VAT;
- > Jones Lang LaSalle: N.A.

The fees of the independent real-estate experts are calculated based on the number of properties assessed, their size (in m²) or their rental situation (single or multiple tenants). The fees are not related to the fair value of the properties.

Financial service

The Company's financial service is provided by ING Belgium, which received remuneration of €88,339.42 (including VAT) on that account in 2014. This remuneration consists of a fixed portion plus a variable portion based on the amount of the dividend paid.

Research and development

Befimmo did not carry out any research or development activities during the period.

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Rules for preventing conflicts of interest

Principles

For the prevention of conflicts of interest, Befimmo is governed simultaneously by:

- > the applicable legal provisions, common to listed companies, as per articles 523 and 524 of the Code of Company Law;
- > a specific regime provided for by article 37 of the law of 12 May 2014 on B-REITs, which provides in particular for the obligation of prior notification to the FSMA of certain transactions planned with persons covered by that provision, to carry out such operations at normal market conditions and to make them public;
- > and also by the additional rules specified in its charter of corporate governance.

These rules and their application in the 2014 fiscal year are described hereafter.

Article 523 of the Code of Company Law

Pursuant to article 523 of the Code of Company Law, if a Director has a direct or indirect interest that conflicts with a decision or transaction that falls to the Board of Directors, he must notify the other members before it is discussed by the Board. His statement, and the reasons for the conflicting interest affecting him, must be included in the minutes of the meeting of the Board of Directors in which the decision is to be taken. The Company's Statutory Auditor must be informed and the director concerned may not participate in the discussions of the Board of Directors relating to the transactions or decisions concerned, or take part in the vote. The relevant minutes are then reproduced in the management report.

However, this article provides for some exceptions to its application, in particular with regard to routine transactions concluded subject to normal market guarantees for transactions of the same type.

Article 524 of the Code of Company Law

If a listed company is considering a transaction with an affiliated company (subject to certain exceptions), article 524 of the Code of Company Law requires the establishment of an ad hoc committee consisting of three independent Directors; this Committee, assisted by an independent expert, must provide a reasoned assessment of the proposed transaction to the Board of Directors, which may take its decision only after reading the report. The Statutory Auditor must deliver an opinion as

to the accuracy of the information contained in the opinion of the committee and the minutes of the Board of Directors. The Board of Directors then states in the minutes whether the procedure has been followed and, if appropriate, the reasons why the committee's opinion was overruled. The Committee's decision, the extract from the minutes of the Board meeting and the Statutory Auditor's opinion are to be included in the management report.

Article 37 of the law of 12 May 2014 on B-REITs and article 8 of the Royal Decree of 13 July 2014 on B-REITs

This article requires in particular, subject to certain exceptions, public B-REITs to inform the FSMA in advance of any transaction that they propose to carry out with an affiliated company, a company in which the B-REIT has a shareholding¹, other shareholders of a subsidiary of the B-REIT, or the Directors, managers or Executive Officers of the public B-REIT. The Company must establish that the proposed transaction is in its interest and is in line with its strategy, and the transaction must be carried out under normal market conditions. If the transaction involves a property, the independent real-estate expert must determine its fair value, which is the minimum price at which the asset may be sold or the maximum at which it may be bought. The B-REIT must inform the public at the time the transaction is entered into and comment on this information in its Annual Financial Report.

Additional rules provided for in Befimmo's corporate governance charter

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Confidentiality rules

Wherever it would be contrary to the interests of the shareholders of Befimmo SA for the Director concerned to be informed of the terms on which Befimmo SA plans to complete a transaction, he will not be sent the preparatory notes and the item will be covered by an appendix to the minutes of the Board meeting, which will not be sent to him; these rules cease to apply when they are no longer relevant (i.e. generally after Befimmo SA has completed the transaction or decided not to pursue it).

Policy concerning transactions with directors not covered by article 523 of the Code of Company Law

If Befimmo SA intends to carry out a transaction with a Director or a company controlled by that director or in which he has a shareholding other than a minority one that is not covered by article 523 of the Code of Company Law (for example, because it is a routine transaction subject to normal market conditions and guarantees), Befimmo SA nevertheless imposes the following requirements:

- > that Director must declare his interest to the other Directors before the transaction is discussed in the Board meeting;
- > his declaration and the reasons why article 523 of the Code of Company Law does not apply must be set down in the minutes of the Board meeting at which the decision is to be taken;

1. As a reminder, please note that, under the Code of Company Law, such a link is presumed to exist, in particular, unless proven to the contrary, when a shareholding represents at least one tenth of the Company's capital.

- > the Director concerned must refrain from being present at the Board's debate on the transaction or taking part in the relevant vote;
- > whenever it would be contrary to the interests of Befimmo SA shareholders for the Director concerned to be informed of the conditions under which Befimmo SA would be prepared to carry out the transaction concerned, he must not be sent the preparatory notes and the item must be reported in an appendix to the minutes not sent to him.

In any case, the transaction must be carried out at arm's length. However, the minutes reporting the transaction concerned need not be reproduced in the Annual Financial Report.

This policy also applies mutatis mutandis to transactions between a Director of Befimmo SA and one of its subsidiaries.

Policy regarding transactions with an Executive Officer

This policy also applies mutatis mutandis to transactions between the Company and its subsidiaries and the Executive Officers. The Executive Officer concerned must declare the conflict of interests to the Board of Directors, his declaration must be set down in the minutes of the Board meeting at which the decision is to be taken, and the transaction must be concluded at normal market conditions.

Directors and "corporate opportunities"

Since Befimmo SA's Directors are appointed in particular for their skill and experience in real estate, it often happens that they hold directorships in other real-estate companies or companies controlling real-estate companies. Therefore, it may happen that a transaction proposed to the Board of Directors (such as the purchase of a property at auction) could interest another company in which a Befimmo Director holds a position. In that case, which may in certain circumstances give rise to a conflict of interests, Befimmo SA has decided to apply a procedure modelled closely on article 523 of the Code of Company Law relating to conflicts of interest. In particular, the Director concerned must immediately notify the Chairman of the Board of Directors and the Managing Director of any such situation.

Once the risk has been identified, the Director concerned and the Managing Director consider together whether the "Chinese walls" procedures adopted within the organisation that the director belongs to are sufficient to allow him to attend, unchallenged and at his sole responsibility, the meetings of the Board of Directors. Where no such procedures have been put in place or where the Director concerned or the Board of Directors takes the view that it would be wiser for that Director not to attend, then he must withdraw from the discussion and decision-making process. The preparatory notes will not be sent to him, he must withdraw from the Board meeting when the topic is discussed and the topic will be recorded in an appendix to the minutes, which will not be sent to him.

The minutes of the Board of Directors must record that this procedure has been complied with or state the reason why it has not.

This procedure ceases to apply as soon as the risk no longer exists (for example, because either the Company or the competing company has decided not to make an offer).

If necessary, this procedure should be combined with article 523 of the Code of Company Law where applicable (for example, because the Director has a financial interest conflicting with that of the Company for the transaction to be entered into by a company other than Befimmo). In the latter case, all of the relevant extracts from the minutes of the Board of Directors must be reproduced in the management report.

Obligatory information pursuant to the Code of Company Law (articles 523 and 524)

During the 2014 fiscal year, a decision has led to the application of article 523 of the Code of Company Law.

At its meeting of 28 February 2014, the Board discussed (i) the determination of variable remuneration of the Managing Director of the Company, BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blicck, and of the other Executive Officers for the 2013 fiscal year, and (ii) the determination of the fixed remuneration and performance criteria for the award of the remuneration of the Managing Director and other Executive Officers for the 2014 fiscal year. In accordance with article 523 of the Code of Company Law, Mr De Blicck did not take part in the discussions or decision of the Board of Directors on the remuneration and determination of the performance criteria of BDB Management SPRLu. The relevant extract from the minutes is reproduced hereafter.

Extract from the minutes of the meeting of the Board of Directors of Befimmo SA of 28 February 2014.

"3.3.1 Notification of a conflict of interests and application of article 523 of the Code of Company Law

Before the discussion on this agenda item opened, BDB Management SPRLu, represented by its permanent representative, Mr Benoît De Blicck, announced that, in the context of that decision, there was a potential conflict of interests of a financial nature within the meaning of article 523 of the Code of Company Law. The Director said that the conflict of interests arose from the fact that the decision related to the setting of his variable remuneration as CEO and Executive Officer of Befimmo SA for the years 2013 and 2014. The Board of Directors took note of this statement and noted that he left the meeting during the discussions and decisions concerning the CEO's remuneration.

(Mr Benoît De Blieck, Permanent Representative of BDB Management SPRLu, left the meeting).

3.3.2 Determination of the variable remuneration of the CEO and Executive Officers for the year 2014

The Board discussed the proposals for the variable remuneration of the Managing Director and other Executive Officers.

Decisions: After discussion, the Board of Directors, except for BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blieck, who did not take part in the discussion or decision on this item, approved the proposal of the Appointment and Remuneration Committee to award BDB Management SPRLu, in its capacity as CEO in 2013, a variable remuneration of €171,000.

The Board went on to approve the proposals of the Appointment and Remuneration Committee for the fixed remuneration of the other Executive Officers.

(...)

3.4 Performance criteria and determining the variable remuneration to the year 2014 – Staggered payment of the variable remuneration

The Chairman of the Appointment and Remuneration Committee presented the performance criteria proposed by the Committee for awarding the variable remuneration of the CEO and other Executive Officers in 2014, the amounts of fixed and variable remuneration proposed and a proposal for staggering the payment of the variable remuneration with a view to bringing the remuneration of the CEO and other Executive Officers more into line with the interests of the Befimmo shareholders.

The proposed staggering is the outcome of discussions in the Appointment and Remuneration Committee, following votes on the remuneration report by certain institutional shareholders and a benchmark analysis of practices in this area by companies in the Bel 20, Bel Mid with a business similar to Befimmo's: the final allocation of the variable portion of the remuneration, which would be a time-deferred payment, would be subject to predetermined performance criteria that are objectively measurable in the medium and long term.

It is now proposed to spread the payment of the variable remuneration of Executive Officers over three years. The variable portion of the remuneration earned during year "N" (fiscal year of the appraisal) to be paid the first year (N+1) may not exceed 50% of the total amount of variable remuneration awarded. Payment of 25% of the variable remuneration would be deferred for one year and would be payable in year N+2 provided that the performance indicators for the Company's results are sustained throughout years N and N+1. The remaining 25% of the variable remuneration would be deferred for two years and would be payable in year N+3,

again provided that performance is sustained over years N to N+2 (inclusive).

Decision: Having discussed the matter, and on a proposal of the Appointment and Remuneration Committee, the Board, except for BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blieck, who did not take part in the discussions or vote on the decision, set the following key objectives and performance criteria for the CEO in 2014 and their weighting:

- net current result per share (30%)
- operating margin (15%)
- occupancy rate of properties (15%)
- financing cost (20%)
- human-resource management (20%).

The Board decided that the main award criteria for variable remuneration were also to be applied to the other Executive Officers. Additional personal targets, in relation to the above-mentioned targets, were also set in keeping with the specific operational responsibilities of the Managing Director and each of the other Executive Officers.

On a proposal of the Appointment and Remuneration Committee, the Board, except for BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blieck, who did not take part in the discussions or vote on the decision, decided to set the target amount of the annual variable remuneration of the CEO for 2014 as follows: target variable remuneration of €200,000 with a maximum of €250,000. For other Executive Officers the Board decided to an overall maximum target variable remuneration of €162,500.

The Board, except BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blieck, who did not take part in the discussions or vote on the decision, decided to set up a system to stagger the payment of the variable remuneration of the Executive Officers, as proposed by the Appointment and Remuneration Committee. After appraisal, the payment of any variable remuneration awarded will therefore be staggered over time and the portion of the time-deferred remuneration is subject to the achievement of predetermined and objectively measurable performance criteria over three years, as follows:

- the portion of the variable remuneration earned in 2014 and payable in 2015 may not exceed 50% of the total amount of variable remuneration awarded;
- 25% of the variable remuneration is deferred for one year and payable in 2016 provided that the performance indicators for Befimmo's results are sustained throughout 2014 and 2015;
- the remaining 25% of the variable remuneration will be payable in 2017, again provided that performance is sustained throughout 2016 and 2017.

The principle of staggering will continue to apply for the payment of variable remuneration to be awarded for the following years."

Over the 2014 fiscal year, no decision or transaction gave rise to the application of article 524 of the Code of Company Law.

Application of article 37 of the law of 12 May 2014 to B-REITs

Over the fiscal year, that article was applied in respect of two cases, which were notified to the FSMA:

- > to the extent necessary in the context of an optional dividend, the Company also declared that certain Directors of Befimmo SA and Executive Officers of Befimmo SA, as well as Ageas SA and certain of its subsidiaries, and AXA Belgium SA, in their capacity as shareholders, would have the opportunity to subscribe to new shares;
- > the second statement was notified in the context of the contribution by AXA Belgium SA, of the building located at Rue aux Choux 35 to Befimmo SA.

These operations were carried out at normal market conditions.

Transactions not covered by the statutory provisions on conflicts of interest but covered by Befimmo's charter of corporate governance

Pursuant to the rules for the prevention of conflicts of interest contained in the Company's governance charter:

- > Mr Benoît Godts, Director linked to AG Real Estate SA, did not take part in the discussions or decisions relating to three investment projects and three tenders considered by Befimmo;
- > Mr Guy Van Wymersch-Moons, Director linked to AXA Belgium SA, did not take part in the discussion or decisions relating to two investment projects and one tender considered by Befimmo;
- > Mrs Sophie Goblet, independent Director, did not take part in the discussions or decisions relating to two investment projects.

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Rules to prevent market abuse

Principles

The corporate governance charter embodies rules designed to prevent market abuses, applicable to Directors, Executive Officers and anyone else who may have access to privileged information through their involvement in the preparation of a particular transaction. These rules have been supplemented by an internal document setting out the main relevant legal obligations, taking account in particular of the Royal Decree of 5 March 2006 on market abuses, with a view to raising awareness among the persons concerned of their obligations.

The Compliance Officer is responsible for ensuring that these rules are complied with in order to reduce the risk of market abuses by insider trading. To that end, he or she shall make and keep up-to-date lists of persons having access to privileged information and who know or cannot reasonably fail to know that it is privileged information. Where such persons plan to carry out transactions on financial instruments issued by Befimmo SA, they must first notify the Compliance Officer in writing of their intention to carry out the transaction. Within 48 hours of receiving such notice, the Compliance Officer shall inform the person concerned whether there is any reason to believe that the planned transaction would amount to insider trading. If so, he or she will be advised not to carry out the transaction. Such persons must notify the FSMA of transactions carried out on their own behalf and affecting the Company stock within five working days of the transaction concerned taking place; notification may be lawfully postponed until such time as the total of transactions carried out during the current calendar year exceeds the threshold of €5,000.

During so-called "closed periods", such persons may not carry out transactions on the financial instruments of Befimmo SA.

Application

Mrs Aminata Kaké holds the position of Compliance Officer of Befimmo SA.

The Befimmo Dealing Code was updated in 2014.

The above-mentioned rules were applied without giving rise to any difficulties.

Stock ownership or stock options plan

To date, Befimmo has not implemented a share ownership plan or stock option plan or granted such shares or options to members of its bodies or its employees.

Shares held by the Directors and the Executive Officers

At 31 December 2014, the following non-executive Directors and other Executive Officer of Befimmo SA (or their permanent representatives) held shares in Befimmo SA:

- > Mr Benoît Godts (998 shares),
- > Mr Jacques Rousseaux (232 shares),
- > Mr Benoît De Blicq (1,473 shares), and
- > Mr Laurent Carlier (174 shares).

Factors liable to have an influence in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 on the obligations of financial option writers admitted to trading on a regulated market (hereinafter the "Royal Decree"), requires them to disclose and, if appropriate, explain in the management report how the factors listed by that provision might have an influence in the event of a takeover bid. Most of the powers of Befimmo SA's administrative body in that respect are restricted to a large extent by the Company's status as a B-REIT.

- > Capital structure, indicating any different categories of shares and, for each category of shares, the rights and obligations associated with it and the percentage of total share capital that it represents (Royal Decree, article 34(1)); Holders of any securities involving special control rights and a description of those rights (Royal Decree, article 34(3)); Rules applicable to the appointment and replacement of the members of the administrative body (Royal Decree, article 34(7)); Powers of the administrative body (Royal Decree, article 34(8)).

The Board of Directors of Befimmo SA has certain powers concerning the right to issue or purchase shares (authorised capital clause and authorisation for the purchase and disposal of treasury shares).

These powers were not designed specifically for the case of a takeover bid: the authorised capital clause basically allows opportunities to be taken rapidly without the time constraints associated with convening two general meetings (experience shows that the first general meeting convened is consistently inquorate) while the authorisation to buy its own shares provides for a mechanism that could be used to stabilise the share price in the event of abnormal movements. These clauses could nevertheless be used in that context. More specifically, these clauses provide as follows:

- > Pursuant to article 7 of the articles of association of Befimmo SA, the Board of Directors is authorised to increase the company capital, in one or more stages, by contributions in cash or in kind or by incorporating reserves, on such dates, terms and conditions as it may decide, by a maximum amount of €253,194,780.59. This authorisation was granted for a period of five years from the publication in the Annexes to the Belgian Official Gazette of the minutes of the General Meeting of 22 June 2011 or 5 July 2011; the use of this clause may result in a significant strengthening of the capital, higher than the above-mentioned amount in that the subscription price of the new shares set by the Board of Directors comprises an issue premium. Since the contribution in kind of the Rue au Choux building by AXA Belgium SA, recorded by the notarial deed dated 25 November 2014 and the capital increase carried out in the context of the distribution of an interim dividend in cash or in new shares, recorded by notarial deed on 16 December 2014, the residual authorised capital currently amounts to €184,656,365.82;

- > pursuant to the same provision and subject to the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights (this authorisation was also granted for a period of five years from 5 July 2011);
- > in accordance with articles 620 and following of the Code of Company Law and article 11 of the articles of association of Befimmo SA, the Board of Directors is authorised to acquire fully paid-up shares in Befimmo SA (within the statutory limits). This authorisation is valid for five years as from 5 July 2011 (the date of publication of the minutes of the General Meeting of 22 June 2011 in the annexes to the Belgian Official Gazette, and is renewable for further five-year periods;
- > pursuant to article 11 of the articles of association of Befimmo SA, the Board of Directors is also "authorised to dispose of the Company's own shares that it has acquired in the following cases: 1) on the stock market or off the stock market where these shares are admitted for trading on a regulated market pursuant to article 4 of the Code of Company Law; 2) when the disposal takes place in a stock exchange or as a result of a public sale offer addressed to all shareholders under the same conditions, in order to prevent serious and imminent damage to the Company, the authorisation being valid for a period of three years from the date of publication of the minutes of the Meeting of 22 June 2011 (or 5 July 2014) and has not been renewed since; 3) in all other cases allowed by the Code of Company Law."
- > Restriction of voting rights by law or the articles of association (Royal Decree, article 34(5))

No provision of the articles of association restricts the voting rights of Befimmo SA shareholders.

Moreover, we would point out that, in accordance with article 28.1 of the articles of association, "Any shareholder may participate in a general meeting and exercise his right to vote: (i) if his shares are registered in his name by the fourteenth day prior to the shareholders' meeting at midnight (Belgian time); - by registration of the shares in the company's registered shares register, - by registration of the shares in the account of an authorised holder or settlement institution; - or by producing the bearer shares to a financial intermediary. The aforementioned day and time shall be the record date, (ii) and if the company has been informed, no later than the sixth day prior to the date of the meeting, of the shareholder's intention to take part in the shareholders' meeting, as the case may be, directly by the shareholder for holders of registered shares or by a financial intermediary, authorised account holder or settlement institution for holders of bearer or dematerialised shares."

These provisions of the articles of association were not conceived with takeover bids in mind but, by laying down formalities for admission to the General Meeting, they may have an indirect influence to that effect.

> Rules applicable to changes in the option writer's articles of association (Royal Decree, article 34(7))

In accordance with article 12 of the law of 12 May 2014 on B-REITs, any proposed amendment to the articles of association must first be approved by the FSMA.

This rule may have an influence in the event of a takeover bid, as the bidder may not amend the Company's articles of association at its discretion but would have to have any draft amendment approved by the FSMA.

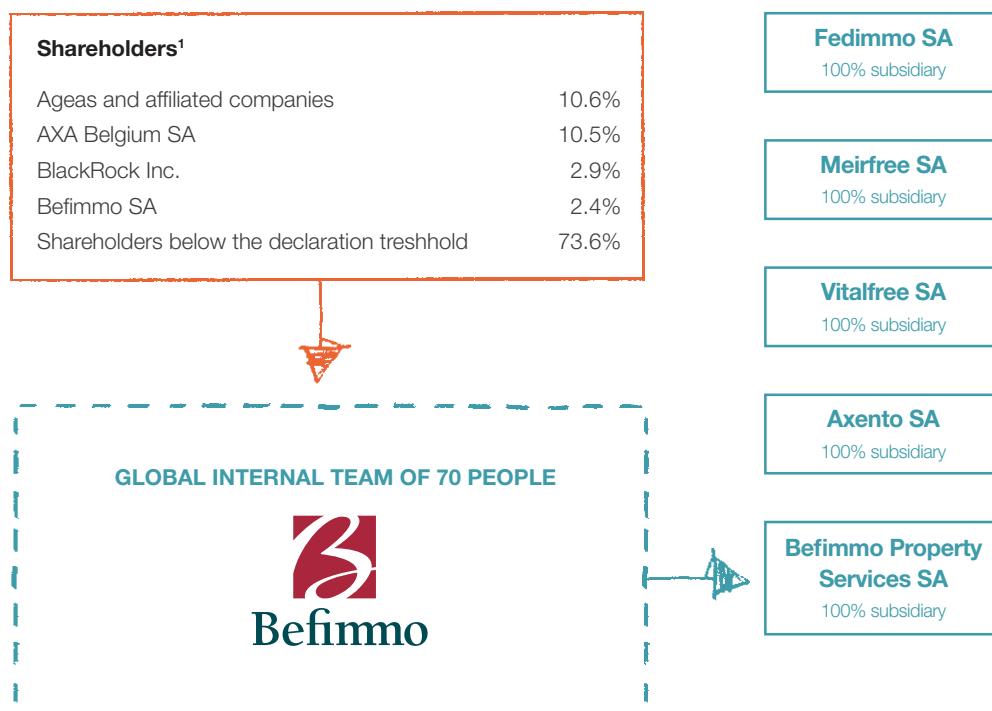
> Important agreements to which the Company is a party and which can take effect, be amended or lapse in the event of a change in the control of the Company as a result of a takeover bid (Royal Decree, article 34(9))

It is standard practice to include a "Change-of-control" clause in financing agreements, entitling the bank to ask for the loan to be repaid if a change in the control of the Company were to have a material adverse effect on the Company.

The following banks have such a change of control clause: BayernLB, Banque Européenne du Crédit Mutuel, Belfius, BNP Paribas Fortis, ING, KBC and Royal Bank of Scotland.

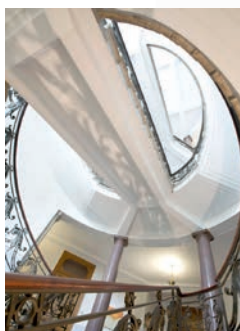
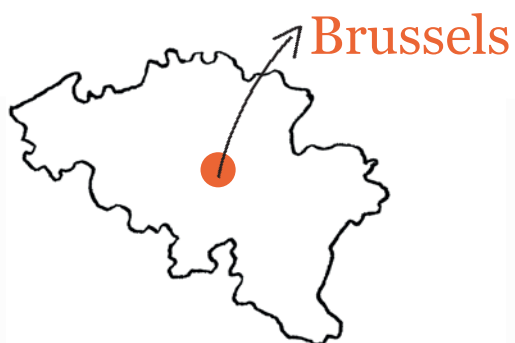
Moreover, in Befimmo's two bond issues in 2011, similar clauses provided for payment of a higher coupon in the event of a change of control of the Company leading to a rating downgrade. Likewise, the agreement on the private bond placement made in the United States in May 2012 includes a similar clause entitling each investor to request early redemption of his notes at par in the event of a change of control.

Structure and organisation G4-3 G4-17



1. As at 10 February 2015. Based on the transparency declarations or based on the information received from the shareholder.

Brederode 13



BREDERODE 13 WAS RATED "VERY GOOD" IN THE BREEAM DESIGN PHASE

Location	Rue Brederode 13 1000 Brussels
Architects	LD2 - Architecture SPRL
Area	13,400 m ²
Investment	€26 million
Current rent	€2.7 million
Duration of lease	15 years
Tenant	Linklaters law firm



**An ideal location in
the centre of Brussels**

**A prestige listed
building**

**Optimal energy
performance**

12  

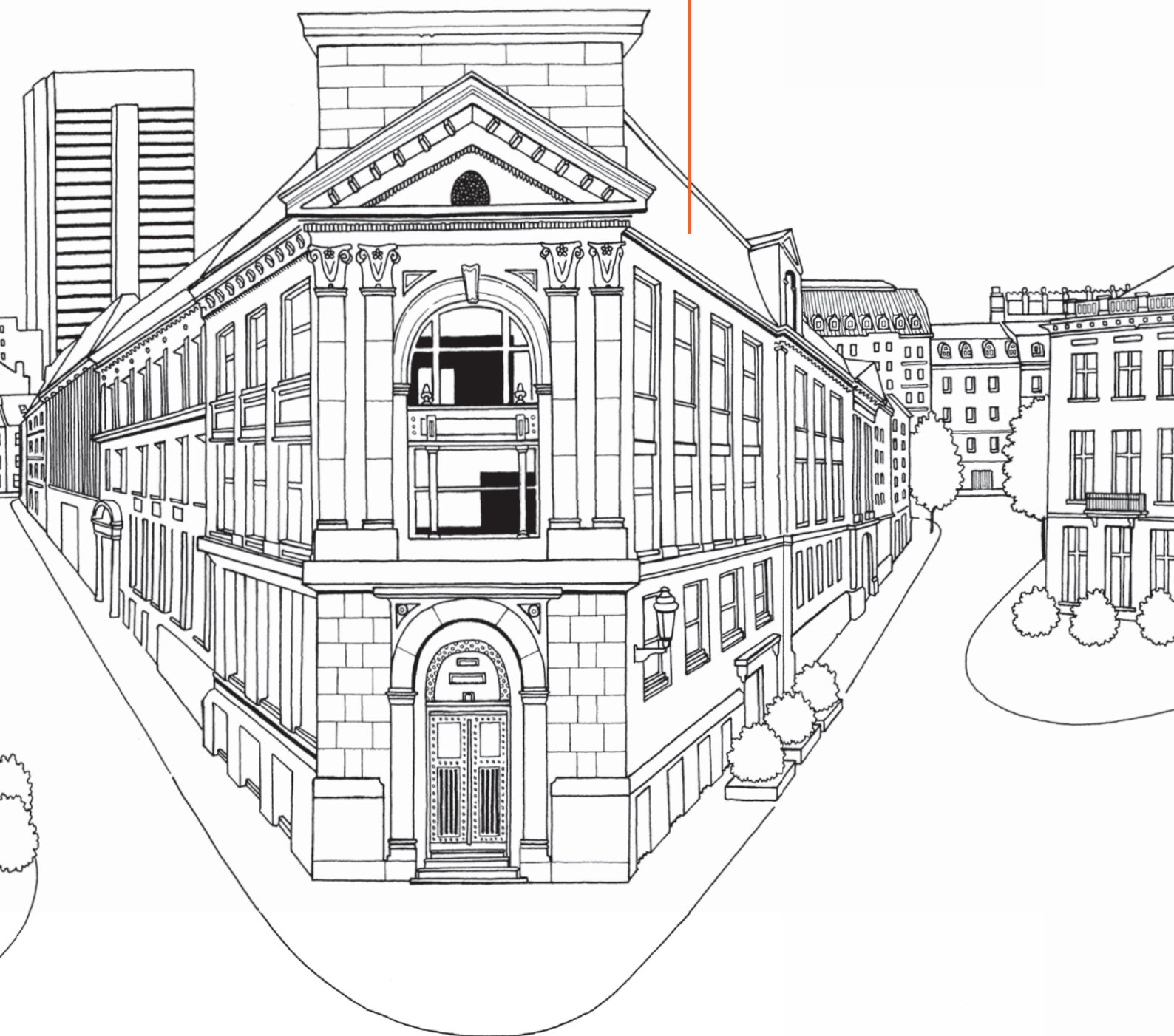
parking spaces and
14 bicycle spaces

±250

employees  

13.400

square metres 



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Consolidated statement of total comprehensive income (€ thousand)

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	Notes	31.12.14	31.12.13
I. (+) Rental income	5	139 690	137 803
III. (+/-) Charges linked to letting	6	- 995	-1 038
NET RENTAL RESULT		138 695	136 765
IV. (+) Recovery of property charges	7	11 525	7 194
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	8	26 309	27 948
VII. (-) Rental charges and taxes normally paid by tenants on let properties	8	-25 834	-26 677
VIII. (+/-) Other revenue and charges for letting		224	41
PROPERTY RESULT		150 919	145 271
IX. (-) Technical costs	7	-14 300	-9 542
X. (-) Commercial costs	7	-1 092	- 491
XI. (-) Charges and taxes on unlet properties	7	-3 586	-3 514
XII. (-) Property management costs	7	-2 828	-1 999
XIII. (-) Other property charges	7	-5 923	-4 351
(+/-) Property charges		-27 729	-19 898
PROPERTY OPERATING RESULT		123 189	125 373
XIV. (-) Corporate overheads	9	-11 110	-10 973
XV. (+/-) Other operating income and charges	10	1 289	- 663
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		113 369	113 737
XVI. (+/-) Gains and losses on disposals of investment properties	11	632	293
XVIII. (+/-) Changes in fair value of investment properties	12	9 278	-11 643
OPERATING RESULT		123 280	102 388
XX. (+) Financial income	13	128	86
XXI. (-) Net interest charges	13	-25 574	-26 284
XXII. (-) Other financial charges	13	-2 657	-2 728
XXIII. (+/-) Changes in fair value of financial assets and liabilities	13	-25 194	6 555
(+/-) Financial result		-53 298	-22 371
PRE-TAX RESULT		69 982	80 016
XXV. (-) Corporation tax	14	-1 119	- 860
(+/-) Taxes		-1 119	- 860
NET RESULT	15	68 863	79 156
BASIC NET RESULT AND DILUTED (€/share)		3.19	3.97
Other comprehensive income - actuarial gains and losses - non-recyclable	33	- 530	287
TOTAL COMPREHENSIVE INCOME		68 333	79 443

Consolidated statement of financial position (€ thousand)

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ASSETS		Notes	31.12.14	31.12.13
I.	Non-current assets		2 322 040	2 222 859
A.	Goodwill	16	14 808	15 774
C.	Investment properties	17	2 283 268	2 184 142
D.	Other property, plant and equipment	18	709	746
E.	Non-current financial assets	19	21 461	20 300
F.	Finance lease receivables	20	1 794	1 897
II.	Current assets		31 891	26 500
A.	Properties held for sale	17	1 967	-
B.	Current financial assets	19	1 740	1 775
C.	Finance lease receivables	20	128	125
D.	Trade receivables	21	20 529	15 239
E.	Tax receivables and other current assets	22	3 562	4 744
F.	Cash and cash equivalents	23	82	1 524
G.	Deferred charges and accrued income	24	3 883	3 092
TOTAL ASSETS			2 353 931	2 249 359
SHAREHOLDERS' EQUITY AND LIABILITIES				
		Notes	31.12.14	31.12.13
TOTAL SHAREHOLDERS' EQUITY			1 195 448	1 165 614
I.	Equity attributable to shareholders of the parent company		1 195 448	1 165 614
A.	Capital	25	319 066	310 293
B.	Share premium account	25	688 688	662 080
C.	Reserves	25	175 070	170 252
D.	Net result for the fiscal year		12 624	22 989
LIABILITIES			1 158 483	1 083 744
I.	Non-current liabilities		557 623	726 418
B.	Non-current financial debts	26	534 261	709 560
	a. Credit institution		175 880	274 123
	c. Other		358 381	435 436
	<i>Bond issues</i>		161 842	271 850
	<i>EUPP</i>		30 000	18 000
	<i>USPP</i>		164 579	143 502
	<i>Guarantees received</i>		1 960	2 084
C.	Other non-current financial liabilities	27	23 362	16 858
II.	Current liabilities		600 859	357 327
A.	Provisions	28	2 854	5 004
B.	Current financial debts	26	514 301	269 103
	a. Credit institution		30 763	13 853
	c. Other		483 538	255 250
	<i>Bond issues</i>		110 038	-
	<i>Commercial papers</i>		373 500	255 250
C.	Other current financial liabilities	27	161	508
D.	Trade debts and other current debts	29	57 277	61 268
E.	Other current liabilities	30	4 607	1 513
F.	Accrued charges and deferred income	31	21 659	19 932
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			2 353 931	2 249 359

Consolidated cash flow statement

(€ thousand)

	31.12.14	31.12.13
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	1 524	2 314
Net result for the fiscal year	68 863	79 156
Operating result	123 280	102 388
Interest paid	-34 267	-32 380
Interest received	10 777	10 558
Taxes paid	-1 124	- 855
Changes in fair value of non-current financial assets/liabilities booked to income statement (+/-)	-25 194	6 555
Other income	-4 609	-7 110
Items with no effect on cash flow to be extracted from earnings	19 578	14 514
Loss of (gain in) value on trade receivables (+/-)	451	720
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	782	542
Fair value adjustment for investment buildings (+/-)	-9 278	11 643
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	25 194	-6 555
Net interest charges accrued (+/-)	1 550	3 723
Adjustments of provisions and other receivables	698	3 524
Adjustments of the pension liabilities without treasury impact	- 119	287
Other items	299	630
Items with cash flow effects to be extracted from the operating result	- 632	- 118
Capital gain realised on disposal of investment property	- 632	- 293
Capital loss realised on disposal of hedging instrument	-	175
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	87 809	93 552
Change in working capital requirements	-21 084	-1 817
Change in assets items	-3 383	209
Change in liabilities items	-17 700	-2 026
CASH FLOW FROM OPERATING ACTIVITIES	66 725	91 735
Investments (-) / Disposals (+)		
Investment properties		
Investments	-68 229	-38 426
Disposals	6 272	8 085
Acquisition of shares	-	-35 193
Acquisition investment property Rue aux Choux 35 (amount in cash)	-4 444	-
Other property, plant and equipment	- 744	- 647
Hedging instruments and other financial assets	- 493	-3 515
CASH FLOW OF INVESTMENT ACTIVITIES	-67 638	-69 697
CASH FLOW BEFORE FINANCING ACTIVITIES	- 913	22 038
Financing (+/-)		
Increase (+)/Decrease (-) in financial debts	48 743	- 759
Purchase of own shares within the framework of the B-REIT status change ¹	- 413	-
Final dividend Befimmo 2013 fiscal year	-17 227	-
Optional interim dividend Befimmo 2014 fiscal year	-31 528	-
Final dividend Befimmo 2012 fiscal year	-	-16 444
Optional interim dividend Befimmo 2013 fiscal year	-	-37 891
Sales of Befimmo shares owned by Vitalfree and Meifree	-	32 436
Costs for capital increase (-)	- 103	- 170
CASH FLOW OF FINANCING ACTIVITIES	- 529	-22 827
NET CHANGE IN CASH AND CASH EQUIVALENTS	-1 442	- 789
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	82	1 524

¹ Change of status in a public B-REIT approved by the Extraordinary General Meeting of shareholders on 21 October 2014.

Consolidated statement of changes in equity (€ thousand)

	Capital	Share premium account	Reserves	Net result of the fiscal year	Total shareholders' equity
EQUITY AS AT 31.12.12	267 720	548 168	182 350	-	998 239
Purchase of own shares	-	-	32 436	-	32 436
Dividend distributed	-	-	-16 444	-	-16 444
Befimmo 2012 final dividend	-	-	-16 444	-	-16 444
Capital increase linked to the contribution in kind of the AMCA building	29 469	80 405	-	-	109 874
Capital increase - merger by absorption of BTL SA	7 657	20 699	-28 379	-	- 23
Interim dividend	5 446	12 808	-	-56 167	-37 912 ²
Befimmo 2013 interim dividend	-	-	-	-56 167	-56 167
Capital increase	5 446	12 808	-	-	18 255
Total comprehensive income	-	-	287	79 156	79 443
EQUITY AS AT 31.12.13	310 293	662 080	170 252	22 989	1 165 614
Appropriation of the result	-	-	22 989	-22 989	-
Dividend distributed	-	-	-17 227	-	-17 227
Befimmo 2013 final dividend	-	-	-17 227	-	-17 227
Purchase of own shares within the framework of the B-REIT status change ¹	-	-	- 413	-	-413
Capital increase linked to the contribution in kind of the Rue aux Choux 35 building	2 638	8 057	-	-	10 695
Interim dividend	6 135	18 551	-	-56 240	-31 554 ³
Befimmo 2014 interim dividend	-	-	-	-56 240	-56 240
Capital increase	6 135	18 551	-	-	24 686
Total comprehensive income	-	-	-530	68 863	68 333
EQUITY AS AT 31.12.14	319 066	688 688	175 070	12 624	1 195 448

¹ Change of status in a public B-REIT approved by the Extraordinary General Meeting of shareholders on 21 October 2014.

² The amount of -€37,912 thousand is the sum of the portion of the interim dividend paid in cash plus the withholding tax on the whole of the interim dividend (paid in cash or as a contribution to Befimmo's capital).

³ The amount of -€31,554 thousand is the sum of the portion of the interim dividend paid in cash plus the withholding tax on the whole of the interim dividend (paid in cash or as a contribution to Befimmo's capital).

Notes to the consolidated financial statements

1. General business information

Befimmo ("the Company") is a public B-REIT (Société Immobilière Réglementée/Gereguleerde Vastgoedvennootschap). It is organised as a "Société Anonyme" (Limited-Liability Company). Its registered office is at Chaussée de Wavre 1945, 1160 Brussels (Belgium).

The Company closes its fiscal year at 31 December. Befimmo has a 100% holding, directly or indirectly, in its subsidiaries Axento SA, Befimmo Property Services SA, Fedimmo SA, Meirfree SA and Vitalfree SA. All the subsidiaries of Befimmo SA close their fiscal years at 31 December.

The Company is presenting consolidated financial statements as at 31 December 2014. The Board of Directors of Befimmo SA adopted the financial statements for this fiscal year on 17 February 2015 and authorised its publication on 27 February 2015.

The Company's business is the provision of office premises and associated services.

As at 31 December 2014, the premises provided consisted of quality office buildings in Brussels, other Belgian cities, and the Grand Duchy of Luxembourg, two thirds of which are let to public institutions and the remainder to multinationals and Belgian companies.

The Company is listed on Euronext Brussels and is in the Bel 20 index.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. Except where otherwise specified, they are denominated in thousands of euros, rounded to the nearest thousand. Accounting policies have been applied consistently to the fiscal years presented.

In preparing its consolidated financial statements as at 31 December 2014, the Company has analysed and, as the case may be, has applied the following new or amended standards and interpretations which entered force during the fiscal year opening on 1 January 2014:

- > IFRS 10 – *Consolidated Financial Statements*, which defines the principle of control and integrates it into a single model. Applying this new standard did not have any impact on the perimeter of the consolidation.
- > IFRS 11 – *Joint Arrangements* which replaces IAS 31 – *Interests in Joint Ventures*, and in particular requires jointly controlled entities to apply the equity method. This new standard did not have any impact on the consolidated financial statements.
- > IFRS 12 – *Disclosure of Interests in Other Entities*, which requires the disclosure of additional information in the notes concerning consolidated interests and equity. Applying this new standard had no impact on the notes to the consolidated financial statements.
- > Amendments to IAS 27 – *Separate Financial Statements*. The amended standard now covers separate financial statements only and therefore no longer applies to consolidated financial statements.
- > Amendments to IAS 28 – *Investments in Associates and Joint Ventures*, which did not have any impact on the consolidated financial statements.
- > Amendments to IAS 36 – *Impairment of Assets – Recoverable Amounts Disclosures for Non-Financial Asset*, which did not have any impact on the financial statements.
- > Amendments to IAS 39 – *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting*, which did not have any impact on the financial statements.
- > Amendments to IAS 32 – *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, which did not have an impact on the financial statements.

Furthermore, the Company has anticipated the following new or amended standards or interpretations issued before the date that the consolidated financial statements were closed, but with a date of entry into force later than the fiscal period closing at 31 December 2014:

- > IFRIC Interpretation 21 – *Levies Charged by Public Authorities* which relates to the timing of the recognition of such levies. The potential impact of this new interpretation is under review. This interpretation applies to annual periods beginning on or after 17 June 2014.
- > IFRS 9 – *Financial Instruments* and related amendments that restructure the treatment of financial instruments. The impact of these new provisions is under review and could relate in particular to the evaluation model of impairment losses on trade receivables and the fair value option for financial liabilities. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018 but has not yet been adopted at European level.
- > IFRS 15 – *Revenue from Contracts with Customers* which develops the principles of recognition and measurement of revenue by replacing IAS 18 and IAS 11 and related interpretations. The impact of this new standard is under review. However, since the revenue generated by the Group comes mainly from leases that are excluded from the scope of IFRS 15, the potential impacts should be limited. This new standard is applicable for annual periods beginning on or after 1 January 2017 but has not yet been adopted at European level.
- > Annual Improvements to IFRS (2010-2012) which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 February 2015.
- > Annual Improvements to IFRS (2011-2013) which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 January 2015.
- > Annual Improvements to IFRS (2012-2014) which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 July 2014 but have not yet been adopted at European level.
- > Amendments to IAS 19 – *Employee Benefits – Employee Contributions* which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 February 2015.

- > Amendments to IFRS 11 – *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*, which should not have any impact on the financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.
- > Amendments to IAS 16 and IAS 38 – *Property, Plant and Equipment and Intangible Assets – Clarification on Acceptable Methods of Depreciation and Amortisation*, which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.
- > Amendments to IAS 27 – *Separate Financial Statements – Equity Method*. These amendments will have no impact on the financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.
- > Amendments to IFRS 10, IFRS 12 and IAS 28 – *Investment Entities: Applying the Consolidation Exception*, which should not have any impact on the financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.
- > Amendments to IFRS 10 and IAS 28 – *Sales or Contribution of Assets between Investor and its Associate Joint Venture*, which should not have any impact on the consolidated financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.
- > Amendments to IAS 1 – *Presentation of Financial Statements – Disclosure Initiative*. The potential impact of these amendments on the information provided in the notes is under review. These amendments are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.

Most of Befimmo's assets and liabilities are carried at fair value in the IFRS balance sheet.

The balance sheet assets consist primarily of investment properties, valued by independent experts and carried at fair value. Most other asset items are short-term, so their carrying amount is almost equivalent to their fair value.

The balance sheet liabilities consist mainly of financial borrowings. Borrowings at floating rates have a carrying amount equivalent to their fair value, while fixed-rate loans are either recognised at fair value (estimated by calculating an update of future flows. This exception (fair-value option) was chosen for the United States private placement (USPP) debt only, which has its own specific interest-rate and currency hedging also assessed at fair value) or carried in the accounts at amortised cost (this applies to the two bond issues, the European private placements and the debts related to the assignment of future rents and future usufruct fees). The other liabilities items are short-term, so their carrying amount is almost equivalent to their fair value.

2.2. General principles of consolidation

For reading the financial statements, the following definitions apply:

Subsidiary

A subsidiary controls an investee, pursuant to the IFRS 10 standard §7, i.e. when:

- > it has power over the investee;
- > it has the right, or is exposed to variable returns from its involvement with the investee; and
- > it had the ability to use its power to affect the amount of return it acquires over the investee

Subsidiaries are consolidated by full incorporation from the date on which the Company obtains control. They are deconsolidated on the date on which that control ceases.

Jointly controlled entity

A jointly controlled entity is an entity of which the Company and one or more other shareholders have joint control under a contractual arrangement.

A jointly controlled entity is accounted using the equity method from the date the Company has joint control, and until such time as it ceases.

Business combinations

A business combination is an undertaking over which the Company has significant influence but no controlling interest. It is accounted using the equity method.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated in proportion to the Company's interest in such entities.

Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of any impairment.

2.3. Business combinations and goodwill

When the Company takes control of a business as defined in standard IFRS 3 – *Business Combinations*, the assets, liabilities and any identifiable liabilities of the business acquired are recorded separately at fair value.

The difference between the fair value of the consideration transferred to the vendor and the share of the fair value of the net asset acquired is booked under goodwill on the assets side of the balance sheet.

If that difference is negative (often termed “negative goodwill” or “badwill”), after confirmation of the values, it is booked straight to the income statement.

Costs related with acquisition, such as fees paid to consultants, are expensed directly. Goodwill is subject to an impairment test carried out at least once a year in accordance with IAS 36 – *Depreciation of Assets*.

2.4. Foreign currency

Foreign currency transactions

Foreign currency transactions are recorded initially at the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are then remeasured at closing rate when the financial statements are prepared. Any losses or profits from remeasurement are recognised in the income statement.

Profits or losses arising from foreign currency transactions are recorded in the income statement under “Financial loss or gain”.

Foreign operations

In the context of the consolidation, assets and liabilities of operations outside the euro zone are converted into euros at the closing rate when the financial statements are prepared. Income statement items are converted into euros at the average exchange rate for the period.

The resulting translation differences are booked to the equity item “Financial result”.

2.5. Intangible assets

Intangible assets are recognised only when it is probable that the expected future economic benefits associated with the asset will flow to the Company and its cost can be measured reliably. They are initially measured at cost, then evaluated by subtracting accumulated depreciation and impairment losses from that cost.

Intangible assets are amortised using the straight-line method to allocate the cost over the best possible estimate of the useful life of the asset. The useful life and amortisation method of intangible assets are reviewed at least at each financial year end.

2.6. Investment properties

2.6.1. General principles

Properties available for lease and under renovation are classed as investment properties.

Investment property is measured initially at its cost, including related transaction costs and nondeductible VAT. For buildings acquired through a merger, split or contribution of a branch of activity, taxes on the potential capital gains on the companies absorbed are included in the cost of the assets. After initial recognition, investment property is carried at fair value.

Properties that are being constructed or developed for own account, in order to be leased are also valued at fair value.

An independent expert determines the investment value of the property portfolio (also known as “deed-in-hands value”). This valuation is based on the present value of the net rental income in accordance with the International Valuation Standards, established by the International Valuation Standards Committee, as set out in the expert’s report. The fair value of the investment property is obtained by subtracting from this investment value the amount of expenses and taxes (registration duties and/or value added tax, notary’s expenses, etc.) that the investor has to defray in order to acquire ownership of the property. Based on the various transfer methods in use on the market, the average rate of these transaction costs amounts to 2.5%¹ for properties valued at more than €2.5 million and 10% or 12.5% for properties below that value, depending on their location.

¹ Average transactions costs paid, as recorded by experts on the Belgian market. This accounting method is described at length in the BeAMA press release of 8 February 2006.

The independent expert establishes the investment value of the real-estate portfolio in detail at the end of each fiscal year. At the end of each quarter, the expert updates the valuation in line with market developments and the specific characteristics of the properties. Any gain or loss arising from a change in fair value is posted in the income statement, including those arising from the first valuation.

2.6.2. Commissions paid to real-estate agents and other transaction costs

The initial carrying value of the assets includes the fees for the acquisition of investment properties. The same applies to the purchase of shares in a property company, a contribution in kind of a property in consideration for new shares, or a contribution of assets through a merger with or takeover of a property company. However, when the transaction establishes a business combination, the costs associated with the transaction are expensed directly in the income statement.

Commissions relating to property rentals are recorded as costs in the income statement.

2.6.3. Works carried out on investment properties

The accounting treatment of works carried out on investment properties depends on the type of work concerned:

Improvement works

This is occasional work to improve the functionality of a building or significantly improve comfort, in order to increase the rent and hence the estimated rental value.

The cost of this work is capitalised within the asset's carrying amount provided and to the extent that the independent expert recognises an appreciation in the value of the property as a result of the work done.

Example: installation of an air-conditioning system where one did not previously exist.

Major renovation works

This is work done at the end of a building's life cycle to carry out a thorough renovation of the building using modern techniques, generally retaining the existing structure.

These costs are capitalised within the asset's carrying amount.

In accordance with IAS 23 – *Borrowing Costs*, borrowing costs are capitalised and charged to the balance sheet under the heading "Investment properties", provided that the building in question does not generate income during this period. Since investment properties are valued at fair value, this accounting policy has no impact on the net result, only on the presentation of the components of the result.

Maintenance and repair

Expenditure relating to maintenance and repair work which does not add any extra functionality to or increase the standard of comfort of the building is recorded as charges in the income statement.

2.6.4. Investment property occupied by owner

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If the Company occupies only a minimal part of the property it owns, the whole property is recognised as an investment property at fair value.

2.7. Other property, plant and equipment

Other tangible assets are recorded at cost, less accumulated depreciation and impairment losses. This cost includes all direct costs and appropriate allocation of indirect costs incurred to bring the asset to working condition for its intended use.

The straight-line depreciation method is applied through the estimated useful life of the assets. The useful life and depreciation method are reviewed at least at each financial year end.

Useful life is defined as follows per main type of asset:

- > Vehicles: 4 years;
- > Computer equipment: 3 years;
- > Office equipment, furniture and fittings: 5 years;
- > Finance-leased equipment: duration of contract.

2.8. Financial assets

Financial assets are classified in the balance sheet as current or non-current financial assets, based on the intention or probability of realisation within twelve months at the balance sheet date.

There are four types of financial asset: (i) assets held to maturity, (ii) assets at fair value through profit or loss, (iii) assets available for sale and (iv) loans and receivables.

(i) Held-to-maturity assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost using the effective-interest method.

(ii) Assets at fair value through profit or loss

These assets include:

- > assets held for trading, i.e. assets acquired principally for the purpose of selling in the short term;
- > assets designated by management to be recognised based on the fair value option in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*.

These two categories of assets are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value are booked to the income statement in the period in which they arise.

(iii) Assets available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Assets available for sale are carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity. In case of sale or impairment, the accumulated fair-value adjustments already recorded in equity are transferred to the income statement.

(iv) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivable.

Loans and receivables are stated at amortised cost, i.e. their carrying amount less appropriate allowance for irrecoverable amounts, plus or minus the cumulative amortisation using the effective-interest method of any difference between the initial amount and the maturity amount. The amount of the allowance is recognised in the income statement.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to interest-rate and currency risks arising from the financing of its activities. The Company does not hold or issue derivative financial instruments for proprietary trading purposes.

However, derivatives that do not qualify for hedge accounting (IFRS) are recorded as "Permitted hedging instruments to which hedge accounting as defined in IFRS is not applied".

Derivative financial instruments are recognised initially at cost. Subsequently they are stated at fair value. Recognition of any resulting gain or loss depends on whether or not hedge accounting is applied and possibly on the nature of the item being hedged.

At inception of the hedge, the derivative is designated either as (i) a hedge of the fair value of recognised assets or liabilities or of a firm commitment, or (ii) a hedge of future cash flow. Based on these criteria, changes in fair value of derivatives are recorded as follows:

(i) Fair-value hedge

Changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash-flow hedge

The effective portion of changes in the fair value of these derivatives is recognised in equity.

Amounts accumulated in equity are transferred to the income statement of the periods during which the hedged cash flows affect the income statement.

Gains or losses that are related to the ineffective portion are booked directly to the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the commitment or hedged cash flows are ultimately recognised in the income statement.

When hedged cash flows are no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Even if they do result in an effective economic hedge, certain derivative instruments do not qualify for hedge accounting according to IAS 39 – *Financial Instruments: Recognition and Measurement*. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.9. Property held for sale

A property is classified as held for sale if it meets the criteria in IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*. Investment property held for sale is valued on the same basis as other investment property.

2.10. Trade receivables

Trade receivables are stated at amortised cost (see section 2.8 (iv) before).

2.11. Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash, have maturity dates at acquisition of three months or less, and are subject to an insignificant risk of change in value.

These items are carried in the balance sheet at their carrying amount or at cost.

2.12. Impairment of assets

The Company reviews the carrying amount of intangible and tangible assets other than investment property at each balance sheet date to determine whether there is any indication of impairment, in which case an impairment test is carried out.

Such a test is carried out systematically every year on the cash-flow generating units (CGUs) or groups of CGUs to which the goodwill has been allocated in the context of a business combination.

An impairment test consists of comparing the carrying amount of an asset or CGU (group of CGUs) with its recoverable amount being the higher of its fair value less costs to sell or its value in use. The value in use is the present value of the estimated future cash flows from the use of an asset or CGU (group of CGUs).

If the carrying amount of an asset or CGU (group of CGUs) exceeds its recoverable amount, the excess is recognised as an impairment loss recorded directly in costs and charged as a priority as a reduction in the goodwill for the CGU (group of CGUs).

An impairment loss is reversed if the recoverable amount of the asset or CGU (group of CGUs) exceeds the carrying amount, with the exception of impairment of goodwill, which is never reversed.

In addition, at each balance sheet date, the Company reviews the carrying value of its other financial assets and, where appropriate, records an appropriate write-down.

2.13. Capital

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends are recognised as a liability when they are declared by the General Meeting of Shareholders. Own shares held are recorded at their historical value as a debit in the "Own shares (-)" equity account.

2.14. Interest-bearing borrowings

In general, borrowings are initially recognised for the amount of the proceeds received, net of transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the net proceeds and the redemption value is recognised in the income statement using the effective interest method.

In addition, interest-bearing borrowings subject to a designated fair-value hedge are measured at fair value.

2.15. Trade and other payables

Trade and other payables are stated at amortised cost.

2.16. Employee benefits

The Company has a defined-benefit pension plan. The pension plan is funded by contributions paid by the Company into the pension fund of AG Real Estate OFP and by payment of defined contributions into a group insurance.

A defined-benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on his age, years of service and remuneration.

The amount presented in the balance sheet is based on actuarial calculations (using the projected unit credit method). It is the present value of the defined benefit obligation minus the fair value of the plan assets.

If this amount is positive, a provision will be recorded on the liability side of the balance sheet, representing at this time the complement of the amount the Company would have to pay to its employees at their retirement. Conversely, if the amount is negative, in principle an asset is recognised in the balance sheet provided that the Company can benefit in future by over-funding the plan in this way ("asset ceiling"). The current service cost during the fiscal year, together with the financial cost of the obligations and the interest income of the plan assets are recognised in the net result for the fiscal year. Actuarial gains and losses arising from changes in assumptions or related experience, performance of plan assets (net interest amount excluded) as well as the potential impact of the asset ceiling are recognised directly in equity.

Under the group insurance, fixed contributions are paid by the Company and employees to an insurance company. Contributions are recognised as expenses as they fall due, and as such are included in employee costs.

2.17. Provisions

A provision is recognised in the balance sheet when the following three conditions are met:

- > there is a present obligation, legal or constructive, as a result of a past event;
- > it is probable that an outflow of resources will be required to settle the obligation; and
- > a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18. Income

Rental income from operating leases is recognised in income on an accrual basis over the lease term.

Rental gratuities and other incentives granted to customers are recognised over the first firm period of the lease term, on a straight-line basis. This spreading is offset under the heading "Other operating income and expenses" of the income statement.

2.19. Gain or loss on sales of investment property

The result on disposals of investment property represents the difference between sales proceeds net of transaction costs and the latest reported fair value of the property sold. The result is realised at the time of the transfer of risks and rewards.

2.20. Income taxes

Income taxes for the fiscal year include both current tax and deferred tax. Taxes are recorded in the income statement except where they relate to items recorded directly in equity, in which case they too are recorded in equity.

Current tax is the expected tax payable on the taxable income of the year, and any adjustment to tax payable (or receivable) in respect of previous years. It is calculated using tax rates enacted at the balance sheet date.

Deferred taxes are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This tax is measured using the tax rates expected to apply when the asset is realised or the liability settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable earnings will be available against which the temporary differences can be utilised.

3. Significant accounting judgements and main sources of uncertainty regarding estimates

3.1. Significant judgements regarding the Company's accounting policies

For buildings on a long-term let, except for limited expectations, the Company considered that hardly any of the risks and benefits inherent in the ownership of the assets have been transferred to the tenant and, therefore, that these contracts are simple lease agreements pursuant to IAS 17 – *Leases*.

3.2. Main sources of uncertainty regarding estimates

Estimate of the fair value and of the value in use of investment property

The fair value and, if appropriate, the value in use of investment property are estimated by independent experts in accordance with the principles set out in the accounting policies.

Disputes and uncertainties

The Company is a party to legal proceedings and may be involved in others in future. At the time of writing, Befimmo is involved, as defendant or plaintiff, in a number of legal proceedings which, on the whole (according to the information available to the Company at the date of this Report), are unlikely to have a major impact on Befimmo, as the potential losses are highly unlikely to materialise and/or are of insignificant amounts.

4. Segment information

Befimmo owns a property portfolio consisting entirely of offices¹.

In terms of geographical distribution (based on the fair value of the properties, excluding asset held for sale), most of Befimmo's real-estate portfolio is located in Brussels (67.0%), the remaining 33.0% being in Flanders (21.2%), Wallonia (8.1%) and Luxembourg city (3.7%).

In the Brussels market, a distinction can be made between a number of sub-markets that have experienced different trends in recent years: CBD (Central Business District), Brussels decentralised and Brussels periphery.

The consolidated Befimmo portfolio is described in more detail in the "Property portfolio" chapter of the management report.

(€ thousand)	Brussels centre (CBD)		Brussels decentralised		Brussels periphery	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
INCOME STATEMENT						
A. Rental income	79 401	80 288	4 975	6 069	9 326	9 882
B. Property operating result	71 616	75 298	3 146	4 154	6 980	7 661
C. Change in fair value of investment properties	- 2 959	- 10 553	- 1 552	- 7 218	- 14 173	- 701
D. Gains and losses on disposal of buildings	-	-	-	105	-	-
E. SEGMENT RESULT (= B+C+D)	68 657	64 745	1 594	- 2 958	- 7 194	6 960
Percentage by segment	51.6%	56.8%	1.2%	-2.6%	-5.4%	6.1%
F. Corporate overheads						
G. Other operating income and charges						
H. Financial result						
I. Income tax						
NET RESULT (= E+F+G+H+I)						
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
BALANCE SHEET						
Assets						
Goodwill	7 391	7 391	-	-	-	-
Investment properties and assets held for sale	1 289 068	1 254 750	97 053	92 940	144 324	152 442
<i>of which investments and acquisitions during the year</i>	37 277	95 669	5 664	5 635	6 055	6 178
Other assets	-	-	-	-	-	-
TOTAL ASSETS	1 296 459	1 262 141	97 053	92 940	144 324	152 442
Percentage by segment	55.1%	56.1%	4.1%	4.1%	6.1%	6.8%
TOTAL LIABILITIES						
TOTAL SHAREHOLDERS' EQUITY						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY						

¹ Some retail businesses are nevertheless operating on the ground floor of some buildings, but to a very marginal extent.

Wallonia		Flanders		Luxembourg city		Unallocated amounts		Total	
31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
10 489	10 748	30 360	25 768	5 140	5 047	-	-	139 690	137 803
9 175	9 639	27 539	23 839	4 734	4 783	-	-	123 189	125 373
10 616	3 305	15 528	2 172	1 819	1 352	-	-	9 278	- 11 643
632	188	-	-	-	-	-	-	632	293
20 423	13 131	43 066	26 011	6 554	6 135	-	-	133 100	114 024
15.3%	11.5%	32.4%	22.8%	4.9%	5.4%	-	-	100%	100%
						- 11 110	- 10 973	- 11 110	- 10 973
						1 289	- 663	1 289	- 663
						- 53 298	- 22 371	- 53 298	- 22 371
						- 1 119	- 860	- 1 119	- 860
								68 863	79 156
31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
1 707	2 673	5 710	5 710	-	-	-	-	14 808	15 774
184 933	131 938	485 287	469 129	84 571	82 942	-	-	2 285 235	2 184 142
47 401	24 305	630	110 161	- 191	- 243	-	-	96 837	241 705
1 897	2 022	-	-	-	-	51 991	47 421	53 888	49 443
188 537	136 633	490 997	474 839	84 571	82 942	51 991	47 421	2 353 931	2 249 359
8.0%	6.1%	20.9%	21.1%	3.6%	3.7%	2.2%	2.1%	100%	100%
						1 158 483	1 083 744	1 158 483	1 083 744
						1 195 448	1 165 614	1 195 448	1 165 614
						2 353 931	2 249 359	2 353 931	2 249 359

5. Rental income

I. Rental income (€ thousand)	31.12.14	31.12.13
Rents	142 547	136 083
Cost of rent free periods	-2 822	-1 569
Concessions granted to tenants (incentives)	- 180	- 441
Indemnities for early termination of rental contracts	146	3 729
Rental income	139 690	137 803

This table sets out the various components of rental income. Besides rent, rental income also includes:

- > various items relating to the spread of rental gratuities granted and concessions to tenants, booked in accordance with IFRS standards, the effect of which is neutralised in heading XV of the income statement;
- > compensation related to early termination of leases.

(€ thousand)	31.12.14	31.12.13
Less than one year	141 617	143 703
One to five years	438 324	468 009
More than five years	661 915	711 498
Rental income	1 241 856	1 323 210

This table gives details of future rents that Befimmo is certain to receive under ongoing lease agreements. These are unindexed rents that will be received before the next intermediate termination option provided for in the lease agreements.

The amounts Befimmo received for the annual indexing of rents were €1.2 million and €2.6 million for the 2014 and 2013 fiscal years respectively. These amounts depend on the actual level of indexing.

The Befimmo standard lease

The vast majority of Befimmo SA's properties (not including Fedimmo SA's buildings, those let to the Buildings Agency and certain other leases) are let under a standard lease, generally lasting nine years or more and allowing, as the case may be, for early termination at the end of the third or sixth year, subject to six months' notice before expiry.

The leases may not be terminated at any other time and most often may not be tacitly renewed.

Rent is generally payable quarterly or six-monthly in advance. Rents are indexed annually at the anniversary of the contract, with a minimum of the last rent (or, for Buildings Agency leases, the base rent).

In most cases, common and individual charges and insurance premiums are payable by tenants who, in order to cover the amount concerned, pay a quarterly (or half-yearly) provision at the same time as the rent. An account of charges actually incurred is drawn up every year.

Generally speaking, all property and other taxes are also passed on to tenants.

When tenants enter the premises, a detailed inventory is drawn up by a surveyor. At the end of the lease, the tenants have to surrender the premises in the state described in the inventory, with allowance for normal wear and tear. The surveyor draws up a closing inventory. Tenants have to pay compensation covering the amount of any damage to or unavailability of the premises during repair work.

Tenants may not transfer the lease or sublet the premises without the explicit prior agreement of the lessor. If Befimmo agrees to the transfer of a lease, the transferor and the transferee remain jointly and severally liable to Befimmo.

Each lease is registered.

The Fedimmo standard lease

Most of Fedimmo SA's buildings are let to the Belgian State under a standard lease.

Leases may not be terminated before expiry and are generally long-term. Unless notice is given before the expiry of the term, they are tacitly renewed for a period that varies according to the lease.

The rent is payable six-monthly during the period and is subject to annual indexing, with a minimum of the initial rent.

Rental charges are charged to the tenant under the special conditions and all taxes are payable solely by the tenant.

Inventories are drawn up on entry and departure by two experts, one designated by the lessor and the other by the tenant, with a view to determining the amount of any compensation for damage payable by the tenant to the lessor.

The Belgian Government, as tenant, is not required to provide a rental guarantee. If the lease is transferred to anyone other than a Government department, a rental guarantee must be provided.

The premises may be sublet by the tenant only with the lessor's consent, unless to a State department. If the lease is sublet or transferred, the tenant and sub-tenant or transferee remain jointly and severally bound by all the obligations under the lease agreement.

Leases are registered.

As a guarantee of performance of their obligations under the lease, most tenants (except for the Belgian State and certain representations) provide an irrevocable rental guarantee that can be called in on first demand.

6. Charges linked to letting

III. Charges linked to letting (€ thousand)	31.12.14	31.12.13
Rents payable on rented premises	- 544	- 318
Write-downs on trade receivables	- 831	- 882
Write-back of write-downs on trade receivables	379	162
Charges linked to letting	- 995	-1 038

This table includes the following amounts:

- > rent paid for leased premises which were subsequently re-let to customers of the Company;
- > write-downs and write-backs on write-downs on trade receivables, realised and unrealised.

(€ thousand)	31.12.14	31.12.13
At less than one year	467	366
One to five years	1 721	1 281
At more than five years	12 562	12 111
Rent paid	14 750	13 757

This table gives details of future payments that Befimmo is certain to make under ongoing lease agreements signed by Befimmo as lessee (rent of buildings).

The rents shown are assured. The above table takes no account of the annual indexing of the rents. By way of indication, the amounts Befimmo paid related to indexing over the past two years are valued at less than €10,000.

7. Real-estate charges and recovery of real-estate charges

31.12.14 (€ thousand)

AT CHARGE	NET		RECOVERY
IX. Technical costs	-14 300		11 525
<u>Recurrent</u>	<u>-7 180</u>	<u>-2 334</u>	<u>4 846</u>
Repairs	-5 579	-1 048	4 531
Total-guarantee charge	-1 010	- 818	192
Insurance premiums	- 590	- 468	123
<u>Non recurrent</u>	<u>-7 120</u>	<u>-1 915</u>	<u>5 205</u>
Major repairs (building companies, architects, engineering offices, etc.)	-7 032	-1 875	5 157
Damage expenses	- 88	- 40	47
			1
XII. Property management costs	-2 828	-1 353	1 475
Fees paid to (external) managers	- 133	1 342	1 475
(Internal) management fees of properties	-2 696	-2 696	
X. Commercial costs	-1 092	-1 092	
Letting fees paid to real-estate brokers	- 807	- 807	
Advertising	- 26	- 26	
Fees paid to lawyers and legal costs	- 259	- 259	
XI. Charges and taxes on unlet properties	-3 586	-3 586	
XIII. Other property charges	-5 923	-5 923	
Property charges	-27 729	-16 204	11 525
			IV. Recovery of property charges
			<u>Recurrent</u>
			Repairs
			Total-guarantee charge
			Insurance premiums
			<u>Non recurrent</u>
			Recovery of major repair costs and compensation for damage by tenants
			Recovery of damage expenses
			Compensation of damage by insureers
			<u>Property management costs</u>
			Management fees received

31.12.13 (€ thousand)

AT CHARGE	NET		RECOVERY
IX. Technical costs	-9 542		7 194
<u>Recurrent</u>	<u>-6 086</u>	<u>-2 206</u>	<u>3 880</u>
Repairs	-4 318	- 899	3 419
Total-guarantee charge	-1 120	- 894	227
Insurance premiums	- 648	- 413	235
<u>Non recurrent</u>	<u>-3 456</u>	<u>-1 313</u>	<u>2 143</u>
Major repairs (building companies, architects, engineering offices, etc.)	-3 350	-1 265	2 085
Damage expenses	- 106	- 48	0
			57
XII. Property management costs	-1 999	- 828	1 171
Fees paid to (external) managers	- 485	686	1 171
(Internal) management fees of properties	-1 514	-1 514	
X. Commercial costs	- 491	- 491	
Letting fees paid to real-estate brokers	- 330	- 330	
Advertising	- 30	- 30	
Fees paid to lawyers and legal costs	- 130	- 130	
XI. Charges and taxes on unlet properties	-3 514	-3 514	
XIII. Other property charges	-4 351	-4 351	
Property charges	-19 898	-12 704	7 194
			IV. Recovery of property charges
			<u>Recurrent</u>
			Repairs
			Total-guarantee charge
			Insurance premiums
			<u>Non recurrent</u>
			Recovery of major repair costs and compensation for damage by tenants
			Recovery of damage expenses
			Compensation of damage by insureers
			<u>Property management costs</u>
			Management fees received

These tables set out, for the 2013 and 2014 fiscal years, the origins of the net real-estate charges borne by the Company.

In 2014, "Major repairs" include the initial installation work on behalf of tenants in the new Finance Centre in Liège and the Brederode 13 building. They amount to €4.6 million and are fully recoverable.

Note also that "(Internal) charges for property management" and "Other property charges" also include the costs of staff with a position related to the operation and management of the buildings. The increase in these headings is explained by the addition of the property management business during 2013.

8. Rental charges and taxes normally paid by tenants on let properties

(€ thousand)	31.12.14	31.12.13
V. Recovery of rental charges and taxes normally paid by tenants on let properties	26 309	27 948
Rebilling of rental charges invoiced to the landlord	7 805	10 654
Rebilling of withholding taxes and other taxes on let properties	18 504	17 294
VII. Rental charges and taxes normally paid by tenants on let properties	-25 834	-26 677
Rental charges invoiced to the landlord	-6 456	-8 011
Withholding taxes and other taxes on let properties	-19 378	-18 666
Total	474	1 271

Most lease agreements provide for rental charges and taxes to be borne by the tenant. Under some leases, however, the terms provide for flat-rate billing of charges, which the owner pays at its own risk, or make the owner liable for certain taxes.

9. Corporate overheads

XIV. Corporate overheads (€ thousand)	31.12.14	31.12.13
Staff costs	-4 690	-5 046
<i>Staff costs (persons under a contract of employment)</i>	-2 986	-3 827
<i>Remuneration of Directors</i>	-1 703	-1 219
Operating and communication costs	-2 646	-2 461
IT costs	- 671	- 800
Fees (project research, real-estate experts, legal advice, ...)	-1 991	-1 562
FSMA and Euronext costs	- 150	- 161
Taxes and non-recoverable VAT	- 962	- 942
Corporate overheads	-11 110	-10 973

The corporate overheads comprise all costs not directly chargeable to the management, upkeep and maintenance of the properties in the portfolio.

They include the costs of Company staff (remuneration, social contributions, etc. of the people bounded by an employment contract, working in a business support function, and the Directors' remuneration), operating costs (office rents, office supplies, etc.), communication and IT costs, and fees paid to various external consultants (legal, technical, financial, fiscal, etc.), notably in the context of specific projects unrelated to the properties in the portfolio.

This heading also includes costs related to the listing of the Company on a public stock exchange (Euronext Brussels) and the costs of the Financial Services and Markets Authority (FSMA) and the taxes specific to the status of a B-REIT (SIR/GVV).

Company staff ¹	31.12.14	31.12.13
Number of persons under a contract of employment	69	70
Average full-time equivalent during the year	67.70	58.83

Although the number of staff on a contract of employment is stable, the associated staff costs declined by €0.84 million in relation to 2013. This effect is explained by the launch of the property management business within the Company in April 2013 and the reclassification of these expenses under Property charges since that date (see note 7).

¹ Company staff excluding the CEO.

10. Other operating income and charges

XV. Other operating income and charges (€ thousand)	31.12.14	31.12.13
Spread of rent free periods	1 178	- 315
Others	111	- 348
Other operating income and charges	1 289	- 663

This heading includes recurring compensation for the effect of spreading rental gratuities and concessions granted. Spreading of rental gratuities and concessions, recorded in accordance with IFRS standards under rental income, is neutralised here, so that the effect is zero on the Company's net result.

The other items under this heading are non-recurring.

11. Gains or losses on disposals of investment properties

XVI. Gains and losses on disposals of investment properties (€ thousand)	31.12.14	31.12.13
Net sale of properties (selling price - transaction costs)	6 272	14 827
Book value of properties sold	-5 639	-14 535
Gains and losses on disposals of investment properties	632	293

For fiscal year 2013, the gains or losses on disposals of investment properties consisted of the sale of the Mons 1 building in Wallonia and the Triomphe III building located in the decentralised area of Brussels.

Over the 2014 fiscal year, the Company sold five properties in Wallonia (the Rue Pépin 5, 22 and 31 and Rue Henri Lemaître 3 buildings in Namur and the Rue Rennequin-Sualet 28 building in Liège).

12. Changes in fair value of investment properties

XVIII. Changes in fair value of investment properties (€ thousand)	31.12.14	31.12.13
Positive changes in fair value of investment properties	58 208	30 870
Negative changes in fair value of investment properties	-48 930	-42 513
Changes in fair value of investment properties	9 278	-11 643

The changes in fair value of investment properties do not include investments. The "Property portfolio" chapter of the management report contains more information on changes in value.

13. Financial result

(€ thousand)		31.12.14	31.12.13
(+)	XX. Financial income	128	86
(+)	Interests and dividends received	42	10
(+)	Fees for finance leases and similar	85	76
(+/-)	XXI. Net interest charges	-25 574	-26 284
(-)	Nominal interest on loans	-25 353	-26 196
(-)	Reconstitution of the face value of financial debts	- 447	- 658
(-)	Other interest charges	- 57	- 56
(+)	Proceeds of authorised hedging instruments	10 540	10 534
	<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	<i>10 540</i>	<i>10 534</i>
(-)	Charges of authorised hedging instruments	-10 259	-9 909
	<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	<i>-10 259</i>	<i>-9 909</i>
(-)	XXII. Other financial charges	-2 657	-2 728
(-)	Bank charges and other commissions	-2 657	-2 553
(-)	Net losses realised on sale of financial assets	-	- 175
(+/-)	XXIII. Changes in fair value of financial assets and liabilities	-25 194	6 555
(+/-)	Authorised hedging instruments	-4 045	-6 525
	<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	<i>-4 045</i>	<i>-6 525</i>
(+/-)	Others	-21 149	13 080
(+/-)	Financial result	-53 298	-22 371

The financial result (excluding changes in the fair value of financial assets and liabilities) was -€28.1 million as at 31 December 2014, compared with -€28.9 million as at 31 December 2013. *Net interest charges* were slightly down, despite the rise in the volume of the average debt of €49 million, or 5.13% (from €963 million to €1,013 million in 2014). This change is explained by the lower average financing cost, which fell from 3.18% in fiscal year 2013 to 3.16% in fiscal year 2014, and the rise in the amount of interest booked to assets of the balance sheet, and linked to major investment projects carried out in 2014 (mainly the Paradis Tower and the Brederode 13 building).

The fair value of the financial assets and liabilities declined by -€25.2 million over fiscal year 2014 as a result of the downward interest-rate curve. The heading "Permitted hedging instruments" covers losses mainly on the IRS (-€17.5 million) and gains on CCS of €16.5 million. Gains on the CCS offset the losses on the USPP debt, valued at fair value.

As required by IFRS 7 – *Financial Instruments: Disclosures*, the following table allows a distinction to be made between the types of financial assets and liabilities behind the financial charge or revenue reflected in the financial result of the fiscal year closed.

(€ thousand)	TOTAL		Financial assets or liabilities at fair value through profit or loss		Loans and receivables		Financial liabilities valued at amortised cost	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
Financial income	128	86	-	-	128	86	-	-
Net interest charges	-25 574	-26 284	-6 524	-6 594	- 56	- 54	-18 994	-19 636
Other financial charges	-2 657	-2 728	-	- 175	-	-	-2 657	-2 553
Changes in fair value of financial assets and liabilities	-25 194	6 555	-25 121	6 555	- 72	-	-	-
Total result on financial assets/liabilities	-53 298	-22 371	-31 646	- 414	- 1	828	-21 652	-22 786

14. Income taxes

The income tax burden is broken down as follows:

XXV. Corporation tax (€ thousand)	31.12.14	31.12.13
Current taxes for fiscal year	-1 122	- 966
Adjustment of current taxes from previous periods	3	106
Corporation tax	-1 119	- 860

Befimmo is a Limited-Liability Company with the status of public B-REIT. This status entitles the Company to pay Belgian corporation tax (at the standard rate of 33.99%) on a reduced tax base, i.e. mainly on its non-allowable expenses.

The subsidiary Fedimmo SA has the status of institutional B-REIT and is therefore also subject to the same tax regime as Befimmo SA.

Befimmo Property Services SA, Meifree SA and Vitalfree SA are subject to standard Belgian corporation tax. They are subject to the standard rate of corporation tax (33.99%) on their taxable income.

Axento SA is subject to standard Luxembourg corporation tax. It is subject to the standard rate of corporation tax on its taxable income.

The estimated amount of corporation tax payable for the 2014 fiscal year, of €1.12 million, was fully provisioned at that date. The taxable base consists mainly of regional and municipal taxes paid by the Company that are not allowable expenses.

15. Result per share

Result for the fiscal year (€ thousand)	31.12.14	31.12.13
NUMERATOR		
Net result for the fiscal period	68 863	79 156
DENOMINATOR		
Shares not held by the group at the end of the period (in units)	22 138 280	21 534 086
Weighted average of shares in circulation during the period (in units)	21 570 715	19 923 168
Net result per share (basic and diluted) (in €)	3.19	3.97
Dividend for the fiscal year		
Interim dividend (gross)	56 240	56 167
Final dividend (gross)	19 499 ¹	17 227
Gross dividend for the fiscal year	75 739	73 394
Total gross dividend per share not held by the group (in €)	3.4500	3.4546

The result per share is calculated by dividing the net result by the weighted average of the number of shares not held by the group during the fiscal year concerned.

Since Befimmo has no diluting instruments, the basic and diluted results are identical.

16. Goodwill

Befimmo's acquisition of Fedimmo in 2006 generated goodwill from the positive difference between the acquisition cost (including transaction costs) and Befimmo's share of the fair value of the net asset acquired. This goodwill, recorded on the assets side of the consolidated financial statements, represents the future financial advantages associated with the synergies, optimisations and development prospects of a geographically diversified property portfolio. A reduction in goodwill of €618 thousand was recorded on the sale of five buildings (the Rue Pépin 5, 22 and 31 and Rue Henri Lemaître 3 buildings in Namur and the Rue Rennequin-Sualem 28 building in Liège). The goodwill associated with the properties sold was reversed and incorporated into the calculation of the result of the sale. During fiscal year 2014, another reduction in the value of the goodwill of €349 thousand was recorded in Wallonia, following the completion of the Paradis Tower and the old Paradis building reaching the end of its life. The table hereafter illustrates the change in value of the goodwill over the fiscal year:

¹ Maximum amount, subject for approval by the Ordinary General Meeting of shareholders of 28 April 2015.

(€ thousand)	31.12.14	31.12.13
COST		
Opening balance	15 774	15 774
Additional amounts linked to business combinations carried out during the fiscal year	-	-
Reductions linked to assets sold during the fiscal year	- 618	-
Closing balance	15 156	15 774
DECREASE IN VALUE		
Opening balance	-	-
Write-downs posted during the fiscal year	- 349	-
Closing balance	14 808	-
CARRYING AMOUNT		
Opening balance	15 774	15 774
Closing balance	14 808	15 774

The goodwill has been allocated to the groups of cash-flow generating units (CGUs) that will benefit from the synergies of the acquisition. In the case of the Fedimmo portfolio, this corresponds to the groups of properties broken down according to their geographical location. This breakdown of goodwill by geographical segment is illustrated in the table hereafter.

Segment (€ thousand)	Carrying amount (including 100% goodwill)		Value in use	Depreciation
	Goodwill			
Brussels centre	597	30 035	30 110	-
Brussels Leopold district	2 108	116 688	117 220	-
Brussels North area	4 685	243 698	244 490	-
Wallonia	1 707	61 320	61 476	-
Flanders	5 710	265 158	265 885	-
Total portfolio	14 808	716 898	719 181	-

Impairment test

At each balance sheet date, the goodwill is subject to an impairment test (conducted on the groups of buildings to which it was allocated on the basis of geographical segment), comparing the carrying amount of the groups of buildings (including the goodwill allocated at 100%) with their value in use. The value in use of the groups of buildings is assessed by the real-estate expert on the basis of a calculation for updating the cash flows generated by these buildings, based on assumptions in accordance with standard IAS 36 – *Impairment of Assets*.

This value in use is equivalent to the investment value of the properties. The result of this test carried out at 31 December 2014 (illustrated in the table above) shows that no impairment need be recorded as the value in use by segment is higher than the carrying amount.

Sensitivity test

The method for calculating the fair value of investment property by independent experts relies on making several specific assumptions, mainly the rate of updating the cash flows generated by the buildings and the residual value of each building.

The sensitivity was tested of the value of the goodwill to changes in the rates of updating the cash flows generated by the groups of buildings to which the goodwill was allocated. It appears that this rate has to rise by 26.3% before the value of the goodwill recorded begins to be impaired. A further 1% rise in the rate above that level would lead to an impairment of the value of the goodwill of €5,048.

17. Investment properties and assets held for sale

As required by standard IAS 40, properties that are being constructed or developed for own account in order to be leased are included under investment properties. This category covers properties under construction or undergoing a major renovation and earning no income over that period, or those which by their nature do not generate income (land).

C. Investment properties (€ thousand)	31.12.14	31.12.13
Properties available for lease	2 222 603	2 038 099
Properties that are being constructed or developed for own account in order to be leased	60 665	146 042
Investment properties	2 283 268	2 184 142

As at 31 December 2014, "Properties that are being constructed or developed for own account in order to be leased" included the Brederode 9, Namur 48, Mons 2 and the lands Paradis Phase 2 and WTC IV.

A. Assets held for sale (€ thousand)	31.12.14	31.12.13
Investment properties	1 967	-
Assets held for sale	1 967	-

At 31 December 2014, this heading comprised the Izegem building located at Kasteelstraat 15 in Izegem, for which a preliminary sale agreement has been signed.

(€ thousand)		
Carrying value as at 31.12.12		1 968 614
<i>of which: - Investment properties</i>		<i>1 960 718</i>
<i>- Assets held for sale</i>		<i>7 896</i>
Acquisitions		186 871
Other investments		54 834
Disposals		- 14 535
Changes in fair value		- 11 643
Carrying value as at 31.12.13		2 184 142
<i>of which: - Investment properties</i>		<i>2 184 142</i>
<i>- Assets held for sale</i>		<i>-</i>
Acquisitions		15 025
Other investments		81 812
Disposals		- 5 021
Changes in fair value		9 278
Carrying value as at 31.12.14		2 285 235
<i>of which: - Investment properties</i>		<i>2 283 268</i>
<i>- Assets held for sale</i>		<i>1 967</i>

In mid-April 2013, Befimmo acquired the shares of Blue Tower Louise SA, owner of the Blue Tower building (Avenue Louise, Brussels) for a total of €38.9 million. This acquisition has not been considered a business combination as defined in IFRS 3. The Blue Tower building has an investment value of €78.5 million.

In mid-July 2013, Befimmo also acquired the AMCA building in Antwerp, as a contribution in kind. The building has an agreed value of €110 million, in line with the fair value determined by an independent real-estate expert.

In the course of the 2014 fiscal year, Befimmo acquired the Rue aux Choux 35 building in Brussels, by contribution in kind. The building has an agreed value of €15.2 million, in line with the fair value determined by an independent real-estate expert. Since the entry in the portfolio and until the close of the 2014 fiscal year, the building contributed €0.1 million to the property operating result. The annual rent is €1.1 million.

In 2013, Befimmo invested a total of €54.8 million in its buildings, about half of which went towards the construction of the new Finance Centre in Liège (Paradis Tower). In 2014, this amount was €81.8 million, the majority of which was spent building the new Finance Centre in Liège (Paradis Tower) (€47.0 million) and renovating the Brederode 13 building (€10.1 million).

Finally, Befimmo also sold two buildings (Mons I in Wallonia and Triomphe III located in the decentralised area of Brussels) in 2013. In fiscal year 2014, the Company sold five properties in Wallonia (the Rue Pépin 5, 22 and 31 and Rue Henri Lemaître 3 buildings in Namur and the Rue Rennequin-Sualet 28 building in Liège). From 1 January 2014 until they were sold, these five buildings contributed €0.5 million to property operating income.

18. Other property, plant and equipment

D. Other property, plant and equipment (€ thousand)	31.12.14	31.12.13
Property, plant and equipment for own use	709	746
Other property, plant and equipment	709	746

19. Non-current and current financial assets

E. Non-current financial assets (€ thousand)	31.12.14	31.12.13
Assets at fair value through profit and loss	15 284	12 677
Authorised hedging instruments - level 2	15 284	12 677
Option - CAP	258	1 516
Forward - IRS	10 032	11 161
Forward - CCS	4 994	-
Loans and receivables	4 041	5 388
Others	2 136	2 234
Non-current financial assets	21 461	20 300
B. Current financial assets (€ thousand)	31.12.14	31.12.13
Loans and receivables	1 740	1 775
Current financial assets	1 740	1 775

The heading "Assets at fair value through profit or loss" reflects the valuation at fair value of the financial derivatives in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, which have a positive value. Otherwise, their value is entered in the equivalent heading under liabilities (see note 27 to these financial statements). Befimmo does not practice hedge accounting for the financial hedging instruments it holds. Accordingly, these instruments are regarded as trading instruments as per IFRS and the difference in value recorded over the fiscal year is recognised in the income statement under section XXIII of the financial result – "Changes in fair value of financial assets and liabilities". The derivatives were valued as at 31 December 2014 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 32 to these financial statements. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, credit default swaps of counterparty banks and listed Befimmo bonds.

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices quoted on an active market. The IRS, CCS and CAP contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7 – *Financial Instruments: Disclosures*.

The fair value of these contracts is determined at the balance sheet date. Befimmo obtained this information from counterparty financial institutions (fair value excluding CVAs/DVAs) and an independent specialist company. Befimmo also checks them for consistency.

Finally, we note that although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of rising interest rates, and not for speculative purposes.

The heading "Loans and receivables" includes various amounts to be recovered from counterparties of the Company. The main one is linked to the method of payment by the Walloon Region following the sale of the Mons 1 building in 2013.

To cover commitments made in 2012 by Blue Tower Louise SA vis-à-vis Aedifica, notably the commitment to carry out certain alterations to the structure of the basement of the Blue Tower building (see paragraph 35.1.4 hereafter), a guarantee of €2.1 million was set aside in favour of Aedifica and is the principal amount under the heading "Others".

20. Finance lease receivables

This heading relates to finance lease agreements (as per standard IAS 17) and at 31 December 2014 includes mainly the asset embodied in the building in Wandre. The fair value of this asset is €2,102 thousand, compared with its value at amortised cost of €1,897 thousand.

21. Trade receivables

Trade receivables arise through rent or billing of taxes or rental charges. The quantitative description of the principal risks (see note 32.A to these financial statements) includes a section on the credit risk, which analyses the Company's exposure to such debts on account of the counterparty or of the maturity.

22. Tax receivables and other current assets

E. Tax receivables and other current assets (€ thousand)	31.12.14	31.12.13
Taxes	517	2 249
Others	3 044	2 494
Tax receivables and other current assets	3 562	4 744

The amount of the sub-heading "Taxes" consists mainly of VAT to be recovered. The amount of the sub-heading "Others" consists mainly of a receivable of €1.7 million which neutralises a provision related to ongoing litigation, existing prior to the acquisition of Ringcenter SA (Pavilion building), the outcome of which will have no impact on the Company.

23. Cash and cash equivalents

F. Cash and cash equivalents (€ thousand)	31.12.14	31.12.13
Available values	82	1 524

As the Company is structurally indebted, available funds are limited, consisting mainly of positive balances in the Company's various bank accounts.

24. Deferred charges and accrued income

G. Deferred charges and accrued income (€ thousand)	31.12.14	31.12.13
Prepaid property charges	247	77
Prepaid interest and other financial charges	522	170
Others	3 114	2 845
Deferred charges and accrued income	3 883	3 092

This heading covers:

- > real-estate charges paid in advance;
- > interest and other financial charges paid in advance, primarily related to the commercial paper programme;
- > under the sub-heading "Others": mainly receivable financial products related firstly to a receiver's IRS agreed when arranging the bond loan in April 2011 (€2.1 million), and secondly to the CCS agreed when arranging the USPP (€0.6 million). The characteristics of these instruments are set out in the table in note 32 to these financial statements.

25. Capital and reserves

(€ thousand)	31.12.14	31.12.13
A. Capital	319 066	310 293
(+) Subscribed capital	329 413	320 538
(-) Costs of capital increase	-10 347	-10 244
B. Share premium account	688 688	662 080
C. Reserves	175 070	170 252
(+) (a) Legal reserve	1 295	1 295
(+/-) (b) Reserve for the balance of changes in fair value of investment properties	93 634	96 502
(-) (c) Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-37 889	-32 273
(+/-) (e) Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS	-9 039	-5 390
(-) (h) Reserve for own shares	-29 678	-29 265
(+/-) (j) Reserve for actuarial gains and losses for the defined benefit pension plan	- 243	287
(+/-) (m) Other reserves	19 818	19 818
(+/-) (n) Result brought forward from previous years	137 173	119 277

The capital and issue premiums were increased two times this year, on 25 November 2014 in the context of the contribution in kind of the building Rue aux Choux 35 by AXA Belgium (€10.7 million – net of fees), and on 16 December 2014, under the optional interim dividend declared by Befimmo's Board of Directors on 20 November 2014 (€24.7 million – net of fees).

Reserves are presented before the appropriation of the result for the fiscal year. In addition to the appropriation of the result for the previous fiscal year (€23 million) and the payment of the final dividend for 2013 (-€17.2 million), reserves were also impacted in 2014 by:

- > the acquisition of 6,714 Befimmo shares as part of the exit right exercised by shareholders upon the Company's transformation into a public B-REIT worth a total of €0.4 million;
- > the result recognised directly in equity under IAS 19 R representing the actuarial gains and losses of the defined benefit pension plans (impact of -€0.5 million).

Befimmo directly holds 535,329 own shares, amounting to -€29.68 million in the reserves.

26. Current and non-current financial debts

B. Non-current financial debts (€ thousand)	31.12.14	31.12.13
Credit institutions	175 880	274 123
Other	358 381	435 436
<i>Bond issues</i>	161 842	271 850
<i>EUPP</i>	30 000	18 000
<i>USPP</i>	164 579	143 502
<i>Guarantees received</i>	1 960	2 084
Non-current financial debts	534 261	709 560
<hr/>		
B. Current financial debts (€ thousand)	31.12.14	31.12.13
Credit institutions	30 763	13 853
Other	483 538	255 250
<i>Commercial papers</i>	373 500	255 250
<i>Bond issues</i>	110 038	-
Current financial debts	514 301	269 103

Given the financing in place at the time of writing of this Report and the planned investment programme for the years to come, the Company does not need additional funding before the third quarter of 2016, even though financial liabilities are currently relatively high. Indeed, although the commercial paper should be recorded as a current liability as per IAS 1, the Company has confirmed bank lines in excess of one year as a backup for the commercial paper.

The headings "Credit institutions" (non current and current) cover all the bank financing held by the Company. Therefore, these headings also include the three financing deals involving the assignment of credits or future usufructs.

The heading "Other – Bond issues" includes the notional amount of the two bond issues in April and December 2011 of €162 million and €110 million respectively. The bond issue of December 2011 matures in December 2015 and has been classed as "Current financial debt."

In accordance with IFRS, the costs of issuing these bonds are spread over the financing term. Similarly, the differences between the issue price and accountable par are spread over the life of the loan and booked to the financial result.

The heading "Other – EUPP" includes the nominal debt linked to the European private placements of €30 million made in July 2013 and August 2014.

The heading "Other – USPP" covers the USPP debt, arranged in May 2012, measured at fair value.

The heading "Other – Commercial paper" covers the outstanding commercial paper issued by the Company at the balance sheet date.

The heading "Other – Guarantees received" covers the amount of rental guarantees received in cash from tenants in the Company's property portfolio. Their carrying amount is equivalent to their fair value.

As mentioned under Significant Accounting Policies, the value of the recorded assets and liabilities approximates to their fair value, except for:

- > the financing relating to the assignments of receivables from future rents/future usufruct fees, structured at fixed rates, of a residual total at 31 December 2014 of €93.3 million;
- > the two bond issues;
- > the two European private placements.

The fixed rates and margins set for these long-term borrowings may no longer correspond to the current market rates and margins, giving rise to a difference between the carrying amount of the liabilities on the face of the balance sheet and their fair values. The table below compares, for information purposes, the carrying amount of the fixed-rate borrowings (excluding the USPP debt which is already carried at fair value) with their fair value at the end of the 2014 fiscal year.

The fair value of the assigned receivables for future rents/future usufruct fees and for the European private debt placement are estimated by updating the future expected cash flows using the 0-coupon yield curve for 31 December 2014, plus a margin to take account of the Company's credit risk (level 2). The fair value of the bond issues is, in turn, obtained from the quoted market prices (level 1).

The fair value of this financing is given in the table below as an indication.

(€ thousand)	Level in IFRS	Fair value	Book value
Retail bonds	1	284 570	271 880
EUPP	2	34 334	30 000
Sales of receivables	2	102 975	93 301

27. Other non-current and current financial liabilities

C. Other non-current financial liabilities (€ thousand)	31.12.14	31.12.13
Authorised hedging instruments	23 362	16 858
Financial hedging instruments at fair value through profit and loss - level 2	23 362	16 858
Option - CAP and COLLAR	1 548	832
Forward - IRS	21 814	5 817
Forward - CCS	-	10 209
Other non-current financial liabilities	23 362	16 858
<hr/>		
C. Other current financial liabilities (€ thousand)	31.12.14	31.12.13
Authorised hedging instruments	161	508
Financial hedging instruments at fair value through profit and loss - level 2	161	508
Forward - IRS	161	508
Other current financial liabilities	161	508

The headings "Other non-current financial liabilities" and "Other current financial liabilities" reflect solely the fair value of the financial instruments, as per IAS 39 – *Financial Instruments: Recognition and Measurement*, which have a negative value. Otherwise, their value is recognised in the equivalent category of the assets (see note 19 to these financial statements). Befimmo does not practice hedge accounting for the financial hedging instruments it holds. Accordingly, these instruments are regarded as trading instruments as per IFRS and the difference in value recorded over the fiscal year is recognised in the income statement under section XXIII of the financial result – "Changes in fair value of financial assets and liabilities". The derivatives were valued as at 31 December 2014 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 32 to these financial statements. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, credit default swaps of counterparty banks and listed Befimmo bonds.

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices quoted on an active market. The IRS, CCS and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7 – *Financial Instruments: Disclosures*.

The fair value of these contracts is determined at the balance sheet date. We obtained this information from counterparty financial institutions (fair value excluding CVAs/DVAs) and an independent specialist company. Befimmo also checks them for consistency.

Finally, we note that although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of rising interest rates, and not for speculative purposes.

28. Provisions

A. Current provisions (€ thousand)	31.12.14	31.12.13
Pensions	412	-
Others	2 442	5 004
Current provisions	2 854	5 004

In 2014, this heading mainly includes a provision for an ongoing dispute that pre-dates the acquisition of Ringcenter SA (Pavilion building), the outcome of which will have no impact on the Company (a debt of an equivalent amount is recorded in the accounts – note 22 to these financial statements). It also contains a provision for the adjustment of pension liabilities under IAS 19R and a provision for legal compliance work.

29. Trade debts and other current debts

D. Trade debts and other current debts (€ thousand)	31.12.14	31.12.13
Other	57 277	61 268
<i>Suppliers</i>	20 523	25 455
<i>Tenants</i>	16 012	17 752
<i>Tax, salaries and social charges</i>	20 741	18 060
Trade debts and other current debts	57 277	61 268

The heading "Other" consists of three sub-headings:

- > suppliers: this covers the amounts owed to various suppliers of goods and service providers;
- > tenants: relates to amounts received as deposits for provisions for common charges prepaid by tenants, and rent prepaid for later periods;
- > taxes, remuneration and social charges: consists mainly of the amounts of debts related to taxes and withholding charges owed by the Company. As at 31 December 2014, an amount of €14.0 million alone accounts for the withholding tax payable on the interim dividend distributed in late December 2014.

30. Other current liabilities

This heading essentially covers a debt of €2.5 million as part of an agreement related to the impact of an investment project on existing contractual obligations and debts payable related to Befimmo share coupons and attendance tokens of the Company Directors.

31. Accrued charges and deferred income

F. Accrued charges and deferred income (€ thousand)	31.12.14	31.12.13
Property income received in advance	13 728	12 092
Interest and other financial charges accrued and not yet due	7 916	7 836
Others	15	4
Accrued charges and deferred income	21 659	19 932

This heading consists principally of:

- > income from properties collected in advance, in accordance with the terms of the leases;
- > financial interest and charges accrued but not yet due, notably interest on the bonds issued in April 2011 (€4.9 million), on other fixed-rate financing (€1.7 million) and on financial hedging instruments (€0.8 million).

32. Quantitative description of the principal risks of the financial assets and liabilities

The quantitative description of the principal risks below complements the chapter on "Risk factors" on page 2 of the management report.

A. Credit risk

Please see pages 35 and 36 of the management report for a breakdown of Befimmo's portfolio of tenants.

The following tables show the maximum amounts of the Company's exposure to credit risk, at the balance sheet date, by category of counterparty.

31.12.14 (€ thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	21 461	17 415	4	4 041	1
F. Finance lease receivables	1 794	-	-	1 769	25
Current financial assets					
B. Current financial assets	1 740	392	-	1 347	1
C. Finance lease receivables	128	-	-	128	-
D. Trade receivables	20 529	670	9 351	10 508	-
E. Other current assets	3 044	-	1 681	1 363	-
F. Cash and cash equivalents	82	82	-	-	1
Total financial assets	48 778	18 558	11 036	19 157	27

31.12.13 (€ thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	20 300	14 808	4	5 388	99
F. Finance lease receivables	1 897	-	-	1 897	-
Current financial assets					
B. Current financial assets	1 775	358	69	1 347	2
C. Finance lease receivables	125	-	-	125	-
D. Trade receivables	15 239	781	10 360	4 098	-
E. Other current assets	2 494	-	1 699	795	-
F. Cash and cash equivalents	1 524	1 518	-	-	7
Total financial assets	43 355	17 465	12 133	13 650	107

All the financial assets in the above table are in the "Loans and receivables" category, as per IAS 39, except for the heading "Financial hedging instruments" (regarded as trading instruments under IFRS) which accounts for most of the "Non-current financial assets" and which are recognised at fair value through the income statement. Note that the fair value of the financial instruments takes account of Befimmo's credit risk against its counterparty banks and that of its counterparties against Befimmo, as per IFRS 13. Except for the heading "Hedging instruments", the financial assets in the table above are classed as level 2 according to IFRS 13.

To limit the counterparty risk, in the context of its property rental business and also for investment or disinvestment transactions or works, Befimmo has received the following guarantees:

(€ thousand)		31.12.14	31.12.13
Rental guarantees for leases	Blocked accounts/bank guarantees	15 781	14 759
Rental guarantees for leases	Guarantees received in cash	1 960	2 084
Guarantees for investment work	Blocked accounts	27 219	26 163
Guarantees for acquisitions	Bank guarantees	16 000	16 000
Guarantees received at the close of the fiscal year		60 959	59 006

Befimmo regularly monitors the recovery of its receivables. The details of due dates for trade receivables at the balance sheet date are as follows:

Aging balance of trade receivables (€ thousand)	> 3 months	1 to 3 months	< 1 months	Unexpired	Total
Non-doubtful debtors	1 902	1 390	1 101	16 090	20 483
Doubtful debtors	1 231	-	714	-	1 945
Provisions for doubtful debtors	-1 231	-	- 667	-	-1 898
As at 31.12.14	1 902 ¹	1 390	1 147	16 090	20 529
Non-doubtful debtors	1 083	249	1 499	12 280	15 110
Doubtful debtors	837	-	807	-	1 644
Provisions for doubtful debtors	- 746	-	- 769	-	-1 515
As at 31.12.13	1 173 ¹	249	1 537	12 280	15 239

Befimmo bears the final risk of trade debts.

A debt repayment plan has been arranged for certain tenants in arrears. At the end of 2014, there were no significant repayment plans.

Furthermore, write-downs of €830,584 were recorded during the 2014 fiscal year (as against €882,039 in 2013); while €379,450 of write-downs were written back in 2014 (as against €161,597 in 2013).

B. Risks related to financing, financial hedging instruments and their valuation

Please see:

- > page 58 of the management report for a description of Befimmo's financial structure and especially its policy of refinancing and interest-rate and currency hedging; and
- > See page 6 of the management report for an analysis of the sensitivity of the result to changes in interest rates.

(€ thousand)	31.12.14	31.12.13
Variable-rate borrowings	87 326	177 935
<i>Bilateral credit lines</i>	87 326	177 935
Fixed-rate borrowings	444 975	529 541
<i>USPP</i>	164 579	143 502
<i>Bond issue</i>	161 842	271 850
<i>Assignment of future receivables</i>	88 554	96 188
<i>EUPP</i>	30 000	18 000
Guarantees received	1 960	2 084
B. Non-current financial debts	534 261	709 560
Variable-rate borrowings	399 517	264 569
<i>Bilateral credit lines</i>	26 017	9 319
<i>Commercial papers</i>	373 500	255 250
Fixed-rate borrowings	114 784	4 534
<i>Assignment of future receivables</i>	4 746	4 534
<i>Bond issues</i>	110 038	-
B. Current financial debts	514 301	269 103
Total borrowings	1 048 562	978 663

During 2014, Befimmo finished arranging bilateral lines with two banks totalling €138 million. In August 2014 it also made a European private placement of debt to the tune of €12 million. In addition, its two commercial paper contracts were merged into a single contract, the maximum amount of which was raised to €500 million.

At constant perimeter, the Company does not need additional funding before the third quarter of 2016.

As at 31 December 2014, the funding available to the Company consisted primarily² of:

- > a number of bilateral credit lines totalling €696.95 million falling due in November 2015 (€35 million), July/September/November 2016 (€211.95 million), December 2017 (€150 million), March 2018 (€50 million) and January/July/November 2019 (€250 million);
- > a bond issue in April 2011 for €162 million and a term of 6 years;
- > a bond issue in December 2011 for €110 million and a term of 4 years;
- > a United States private placement (USPP) at fixed rates in US Dollar and Pound Sterling arranged in May 2012 for an amount equivalent to €150.3 million maturing in 2019 (€82.77 million) and 2020 (€67.49 million);

¹ Most of this amount is owed by public institutions.

² The amounts given are the notional amounts, excluding the impact of smoothing the cost of issuing debt and recovery of par value.

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- > European private bond placements at fixed rates in € for a total amount of €30 million, of which €15 million maturing in 2018, €3 million maturing in 2023 and €12 million maturing in 2024;
- > various fixed-rate loans, with a residual total of some €93.3 million, corresponding to the assignment of future rents or future usufruct fees (unindexed) on four buildings in the Fedimmo portfolio and two in the Befimmo SA portfolio.

In order to reduce its financing costs, Befimmo has a commercial paper programme for up to €500 million. As at 31 December 2014, €373.5 million were in use under this programme for short term issues. The programme has backup facilities consisting of the various credit lines described above.

In addition, the application of the interest rate hedging policy, described on page 58 of the management report, has led the Company to acquire the following financial hedging instruments (as at 31 December 2014) from financial institutions:

		CURRENCY		€					
	Level in IFRS	Class in IFRS	Notional amount (million)	Interest rate	Notional amount (million)	Interest rate	Period of hedge		Reference interest rate
CAP bought	2	Option			25	3.50%	Jan. 2012	Jan. 2016	Euribor 1 month
CAP bought	2	Option			25	2.00%	Jan. 2013	Jan. 2019	Euribor 3 month
CAP bought	2	Option			25	1.00%	Febr. 2013	Febr. 2017	Euribor 3 month
CAP bought	2	Option			50	1.50%	Sept. 2013	Sept. 2017	Euribor 3 month
CAP bought	2	Option			50	1.50%	Jan. 2014	Jan. 2017	Euribor 3 month
CAP bought	2	Option			25	2.25%	Jan. 2014	Oct. 2018	Euribor 3 month
CAP bought	2	Option			20	1.50%	Febr. 2014	Febr. 2018	Euribor 3 month
CAP bought	2	Option			15	1.30%	May 2014	May 2018	Euribor 3 month
CAP bought	2	Option			15	0.75%	Jan. 2015	Jan. 2020	Euribor 3 month
CAP bought	2	Option			15	0.30%	Jan. 2015	Jan. 2019	Euribor 3 month
CAP bought	2	Option			20	3.50%	Jan. 2012	Jan. 2017	Euribor 3 month
FLOOR ¹ sold	2	Option			20	1.51%	Jan. 2012	Jan. 2017	Euribor 3 month
CAP bought	2	Option			30	2.25%	July 2012	Jan. 2019	Euribor 1 month
FLOOR ¹ sold	2	Option			30	0.82%	July 2012	Jan. 2019	Euribor 1 month
Receiver's IRS	2	Forward			100	3.12%	April 2011	April 2017	Euribor 3 month
Payer's IRS	2	Forward			35	2.04%	Sept. 2011	March 2015	Euribor 1 month
Payer's IRS	2	Forward			25	1.51%	July 2012	July 2021	Euribor 1 month
Payer's IRS	2	Forward			25	1.41%	Sept. 2013	Sept. 2022	Euribor 3 month
Payer's IRS	2	Forward			25	1.57%	Sept. 2013	Sept. 2022	Euribor 3 month
Payer's IRS	2	Forward			15	0.84%	May 2014	May 2019	Euribor 3 month
Payer's IRS	2	Forward			20	1.58%	July 2014	July 2022	Euribor 3 month
Payer's IRS	2	Forward			15	1.40%	July 2014	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			15	1.08%	Sept. 2015	Sept. 2024	Euribor 3 month
Payer's IRS	2	Forward			40	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Receiver's IRS	2	Forward			40	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			40	2.84%	Jan. 2016	Jan. 2021	Euribor 3 month
Payer's IRS	2	Forward			30	2.99%	Jan. 2016	Jan. 2022	Euribor 3 month
CCS	2	Forward	75 USD	4.83%	56	4.54%	May 2012	May 2019	Fix USD for Fix EUR
CCS	2	Forward	22 GBP	4.90%	26	4.53%	May 2012	May 2019	Fix GBP for Fix EUR
CCS	2	Forward	90 USD	5.05%	67	4.77%	May 2012	May 2020	Fix USD for Fix EUR

The hedging policy is implemented by recurring purchases of option or IRS type hedging instruments. We would remind the reader that the CCS were concluded in March 2012 to hedge the currency risk related to the conclusion of the USPP, denominated in Pound Sterling and US Dollar.

As at 31 December 2014, the hedging ratio was 86.2%.

¹ The sale of a FLOOR implies a commitment to pay a minimum interest rate. A FLOOR is sold only at the same time as a CAP is purchased, for the same notional amount and equivalent maturity. The combined purchase of a CAP and sale of a FLOOR is a COLLAR.

Befimmo does not practice hedge accounting for the financial hedging instruments it holds. These instruments are therefore regarded as trading instruments under IFRS, and changes in their fair value are booked entirely to the income statement. Even if the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of rising interest rates, and not for speculative purposes.

The fair value of hedging instruments is defined using data that are indirectly observable, but which are not prices quoted on an active market. The IRS, CCS, CAP and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7 – *Financial Instruments: Disclosures*.

The fair value of these contracts is determined at the balance sheet date. The derivatives were valued as at 31 December 2014 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, Credit Default Swaps of counterparty banks and listed Befimmo bonds.

Befimmo obtained this information from counterparty financial institutions (fair value excluding CVAs/DVAs) and an independent specialist company. The Company also checks them for consistency.

The fair values of the various classes of hedging instruments are set out below:

(in € thousand)		Balance sheet item as of 31.12.14		
Classification by IFRS	Level in IFRS	I.E.b. Assets at fair value through the result	I.C. & II.C. Other current and non current financial liabilities	Market value of the financial hedging instruments per class
Option	2	258	-1 548	-1 290
Forward	2	10 032	-21 975	-11 943
CCS	2	4 994	-	4 994
		15 284	-23 523	-8 240

(in € thousand)		Balance sheet item as of 31.12.13		
Classification by IFRS	Level in IFRS	I.E.b. Assets at fair value through the result	I.C. & II.C. Other current and non current financial liabilities	Market value of the financial hedging instruments per class
Option	2	1 516	- 832	684
Forward	2	11 161	-6 325	4 837
CCS	2	-	-10 209	-10 209
		12 677	-17 365	-4 688

The Company does not offset the value of its financial instruments booked to the assets and liabilities in the balance sheet. The financial assets and financial liabilities shown in the financial situation are therefore gross amounts.

ISDA agreements with counterparties on financial instruments allow hedging instruments recognised as assets to be offset against those carried as liabilities in the event of default. No collateral was exchanged between the parties.

The potential effect of the offsetting contracts on the hedging instruments is set out below:

Effect of enforceable netting agreements (in € thousand)	I.E.b. Assets at fair value through the result		I.C. & II.C. Other current and non current financial liabilities	
	31.12.14	31.12.13	31.12.14	31.12.13
Total financial hedging instruments recognized in balance sheet	15 374	12 907	24 295	18 774
Enforceable netting	-14 639	-7 136	-14 639	-7 136
Net amount	735	5 771	9 657	11 637

The USPP debt included in the balance sheet item I.B.c. is recognised at fair value (level 2). The fair value option under IAS 39 was adopted, the debt being covered by specific interest-rate and exchange hedging and also measured at fair value. The fair value of the USPP debt is determined by updating future cash flows on the basis of the observed market interest rate curves (in US Dollar and Pound Sterling) at the closing date of these accounts, plus the credit margin. The notional amount determined in this way is converted at the closing exchange rate to obtain the fair value in Euro.

In accordance with the Significant Accounting Policies, changes in the value of the derivatives held by the Company (hedging instruments or otherwise) taking place during the accounting year are described in the following table:

(€ thousand)	Initial fair value	Acquisitions and disposals during the period	Changes in fair value in profit and loss account	Final fair value
31.12.14 fiscal year	-4 688	493	-4 045	-8 240
31.12.13 fiscal year	-1 503	3 340	-6 525	-4 688

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

- > the acquisition of four IRS for a total notional amount of €65 million covering the periods from mid-2014 to mid-2019 (€15 million), to mid-2022 (€20 million) and to the end of 2023 (€15 million) and the period from mid-2015 to mid-2024 (€15 million);
- > the acquisition of two caps at 1.3% (€15 million) and 1.5% (€20 million) covering a period of 4 years from their acquisition date;
- > the acquisition of two caps at 0.75% (€15 million) and 0.30% (€15 million) covering periods of 5 and 4 years respectively from January 2015.

After the close of the fiscal year, in January 2015 Befimmo restructured three IRS with a notional amount of €70 million and invested their hedging level at the market rate for their initial years of hedging (2016 and 2017).

C. Financial liquidity risk

Please see page 7 of the management report for a description of the financial liquidity risk.

The residual (weighted) average duration of Befimmo's financing is 3.82 years. The tables below illustrate the maturities of the financial liabilities held by the Company.

LIABILITIES (31.12.14)	Total	< 1 year	between 1 and 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	534 261	-	389 208	145 052
Current financial liabilities				
B. Current financial debts	514 301	514 301	-	-
D. Trade debts and other current debts	37 786	37 786	-	-
E. Other current liabilities	4 607	4 607	-	-
Total financial liabilities	1 090 956	556 695	389 208	145 052

LIABILITIES (31.12.13)	Total	< 1 year	between 1 and 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	709 560	-	498 635	210 924
Current financial liabilities				
B. Current financial debts	269 103	269 103	-	-
D. Trade debts and other current debts	44 390	44 390	-	-
E. Other current liabilities	1 513	1 513	-	-
Total financial liabilities	1 024 566	315 006	498 635	210 924

The financial liabilities in the table above are classed as level 2 according to IFRS 13.

33. Employee benefits

G4-EC2

G4-EC3

Befimmo's staff are covered by a defined-benefit pension plan. The plan provides for payment of a retirement pension, calculated on the basis of the final salary and seniority, and a survivor's pension. At the member's request, benefits may be paid as a lump sum.

The pension plan is funded by contributions paid into the pension fund of AG Real Estate OFP and by payment of defined contributions into a group insurance. The plan provides for the payment of contributions by members above a certain salary level.

The pension plan in place is exposed to various risks including the interest rate risk, credit risk, liquidity risk, the risk associated with equity markets, currency risk, inflation risk, management risk, risk of changes in statutory pensions and the risk related to changing life expectancies.

An actuarial valuation is made every year in accordance with IAS 19 by independent actuaries.

The current value of the obligation and assets has evolved as follows:

(€ thousand)	Present value of the obligation	Fair value of plan assets	Total (asset)/deficit	Effect of asset ceiling ¹	Net (asset)/liability
As at 31 December 2012 (restated IAS 19R)	6 627	-5 231	1 397	0	1 397
Service cost in profit and loss					
Current service cost (net of employee contributions)	1 009	0	1 009		1 009
Past service cost (including effect of curtailments)	0	0	0		0
Settlement (gain)/loss	0	0	0		0
Net interest on the net liability/(asset) in profit and loss					
Interest cost on Defined Benefit Obligation/income on plan assets/ interest on asset ceiling	261	- 195	66		66
Components of defined benefit cost recognised in profit and loss	1 270	- 195	1 075		1 075
Actuarial (gain)/loss arising from					
changes in demographic assumptions	- 802		- 802		- 802
changes in financial assumptions	- 445		- 445		- 445
experience adjustments	- 370		- 370		- 370
Return on plan assets (excluding amounts in net interest)		- 101	- 101		- 101
Change in effect of the asset ceiling (excluding amounts in net interest)				34	34
Remeasurements of the net liability/(asset) in "Other comprehensive income"	- 1 616	- 101	- 1 718	34	- 1 684
Defined benefit cost (total amount recognised in profit and loss and "Other comprehensive income")	- 347	- 296	- 643	34	- 609
Employee contributions	45	- 45	0		0
Employer contributions		- 788	- 788		- 788
Benefit payments from plan assets	701	- 701	0		0
Direct benefit payments by employer					0
Cash flows	746	- 1 534	- 788		- 788
As at 31 December 2013	7 027	- 7 060	- 34	34	0
Service cost in profit and loss					
Current service cost (net of employee contributions)	752	0	752		752
Past service cost (including effect of curtailments)	0	0	0		0
Settlement (gain)/loss	0	0	0		0
Net interest on the net liability/(asset) in profit and loss					
Interest cost on Defined Benefit Obligation/income on plan assets/ interest on asset ceiling	270	- 260	11		11
Components of defined benefit cost recognised in profit and loss	1 022	- 260	762		762
Actuarial (gain)/loss arising from					
changes in demographic assumptions			0		0
changes in financial assumptions	1 028		1 028		1 028
experience adjustments	- 113		- 113		- 113
Return on plan assets (excluding amounts in net interest)		- 350	- 350		- 350
Change in effect of the asset ceiling (excluding amounts in net interest)				- 34	- 34
Remeasurements of the net liability/(asset) in "Other comprehensive income"	914	- 350	564	- 34	530
Defined benefit cost (total amount recognised in profit and loss and "Other comprehensive income")	1 936	- 610	1 327	- 34	1 293
Employee contributions	47	- 47	0		0
Employer contributions		- 881	- 881		- 881
Benefit payments from plan assets	- 204	204	0		0
Direct benefit payments by employer					0
Cash flows	- 156	- 725	- 881		- 881
As at 31 December 2014	8 807	- 8 395	412	0	412

The cost of services provided, calculated in accordance with IAS 19 R, is included under "Corporate overheads" of the IFRS income statement.

¹ If a net asset exists, it will not be recognised.

The effective rate of return of the assets for the 2014 fiscal year is 8.22%, calculated by weighting the rates of return on the pension fund and the group insurance. The plan assets are broken down as follows:

- a) Group insurance (class 21): €2,510 thousand;
- b) Pension fund: €5,885 thousand, of which 34% is invested in shares, 53% in bonds and 13% in cash and other investments.

The duration of the pension obligations for active plan members is 20 years. The pension obligations are funded based on the projected credit units method. The actual yield of the assets over the fiscal year was positive at €610 thousand. For the 2013 fiscal year, it was positive at €296 thousand.

The main actuarial assumptions are summarised below:

	31.12.14	31.12.13
Discount rate	2.00%	3.50%
Expected rate of salary increase	3.00%	4.00%
Expected rate of pension increase	1.70%	2.00%
Liquidation hypothesis in the form of a rate	50%	50%
Mortality table	MR-5/FR-5	MR-5/FR-5

Befimmo expects to contribute an estimated €916.2 thousand for the 2015 fiscal year.

We also analysed the sensitivity of the pension obligation to changes in the various assumptions:

Parameters	Hypothesis	Impact on the present value of the obligation
Discount rate	0.50%	Decrease of 9.3%
Discount rate	-0.50%	Increase of 10.5%
Inflation rate	0.50%	Increase of 10.3%
Inflation rate	-0.50%	Decrease of 9.2%
Growth rate of wages	0.50%	Increase of 8.5%
Growth rate of wages	-0.50%	Decrease of 8.7%
Life expectancy	+ 1 year	Increase of 3.4%

34. Changes in fair value of investment properties: information in accordance with IFRS 13

In line with IFRS, Befimmo values its property portfolio at fair value determined by experts. 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 2.5%¹ for property with an investment value exceeding €2.5 million and 10% or 12.5% depending on the Region, for property with an investment value of less than €2.5 million. This 2.5% allowance is derived from an analysis by independent experts of a large number of transactions observed on the market, and represents the average transaction costs actually paid in these transactions.

A. Valuation at fair value as at 31 December 2014

Investment properties (€ thousand)	Total	Level 3
Properties available for lease	2 222 603	2 222 603
Brussels centre (CBD)	1 233 500	1 233 500
Brussels decentralised	97 053	97 053
Brussels periphery	144 324	144 324
Flanders	483 319	483 319
Wallonia	179 837	179 837
Luxembourg city	84 571	84 571
Properties that are being constructed or developed for own account in order to be leased	60 665	60 665
TOTAL INVESTMENT PROPERTIES	2 283 268	2 283 268

¹ Average transactions costs paid, as recorded by experts on the Belgian market. This accounting method is described in detail in the BeAMA press release of 8 February 2006.

B. Valuation techniques used for level 3

All properties in the portfolio were classified from the first application of IFRS 13 in category level 3 ("fair value based primarily on unobservable inputs") as defined by the standard.

The public B-REIT's independent experts use several valuation techniques to determine the fair value of the properties in the portfolio:

- > The method of updating the future cash flows generated by the building: this technique requires the net rental income generated by the building to be valued on an annual basis for a given period. At the end of this period, a residual value is calculated taking into account the expected condition of the property. In Befimmo's panel of experts, this technique is applied in two variants:
 - A "conventional" method which estimates future income based on current leases and any assumptions about renegotiation, indexed annually according to an assumption based on market outlook and updated at a rate reflecting both the state of the property and financial markets and quality of the tenant. The residual value is calculated by capitalising an estimated income from reletting the building, minus an amount for works, rental vacancy and marketing costs estimated for reletting on the basis of the defined assumptions.
 - A method known as "Term & Reversion", involving the calculation of the present value of contractually secure income at the valuation date, and the residual value at the end of current contracts. The present value of the income is calculated on the basis of non-indexed income updated at a rate that excludes inflation, while the residual value is calculated for each individual area, similarly to the conventional method, also updated at a rate that excludes inflation.
- > The income capitalisation method: this method involves capitalising the estimated rental value of the building using a capitalisation rate in line with the property market. The capitalisation rate is chosen on the basis of an analysis of comparable market data, including publicly available information for the sector concerned. The rate is the expected rate of return for potential investors on the valuation date. The resulting value is then adjusted for the (positive or negative) differential between the hypothetical rent used and the rent from current leases, as well as assumptions about works and/or anticipated rental vacancies in the building on the expiry of the current leases.

These valuation methods are applied to buildings in the portfolio, assuming that they are used optimally ("highest and best use") at appropriation level (e.g. an office building with more potential value in retail use is valued taking account of the potential value created by that use).

In general, the results obtained using these various valuation methods are then compared with market benchmarks, particularly in terms of unit price per square metre or initial yields on ongoing leases.

For projects under development, their value is generally calculated using the income capitalisation method, namely the capitalisation of an estimated rental value of the project after its renovation/construction is complete, possibly corrected by a rental gain or loss if the project is already pre-let, minus from the amount of work still to be done before the building can be handed over.

C. Change in value of the portfolio over the fiscal year (level 3)

(€ thousand)

Opening balance as of 31 December 2013	2 184 142
Gains/losses recognised in profit and loss	
- realised :	632
- non-realised :	9 278
Investments	81 812
Acquisitions	15 025
Disposals	- 5 654
Transfer between levels	-
Opening balance as of 31 December 2014	2 285 235

No transfers between levels (1, 2 and 3) were made during the year.

D. Quantitative information regarding fair value measurement on the basis of "unobservable inputs"

Quantitative information on the valuation of the fair value based on unobservable data (Level 3)

OFFICES	Fair value as at 31.12.14 (€ thousand)	Valuation techniques	Unobservable data	Periods	(weighted average)
Brussels centre (CBD)	1 233 500	Cash flow discount	Annual rent	116 €/m ² - 313 €/m ²	(183 €/m ²)
			Discount rate	1.50% - 6.00%	(3.77%)
			Capitalisation rate of the residual value	5.50% - 7.95%	(6.37%)
		Capitalisation method	Annual rent/ rental value	145 €/m ² - 285 €/m ²	(186 €/m ²)
			Capitalisation rate	4.90% - 9.00%	(5.96%)
Brussels decentralised	97 053	Cash flow discount	Annual rent	64 €/m ² - 164 €/m ²	(137 €/m ²)
			Discount rate	4.00% - 7.00%	(4.87%)
			Capitalisation rate of the residual value	6.50% - 8.00%	(6.86%)
		Capitalisation method	Annual rent/ rental value	-	-
			Capitalisation rate	-	-
Brussels periphery	144 324	Cash flow discount	Annual rent	44 €/m ² - 176 €/m ²	(112 €/m ²)
			Discount rate	5.00% - 8.00%	(5.99%)
			Capitalisation rate of the residual value	7.25% - 9.00%	(8.03%)
		Capitalisation method	Annual rent/ rental value	-	-
			Capitalisation rate	-	-
Flanders	483 319	Cash flow discount	Annual rent	56 €/m ² - 153 €/m ²	(112 €/m ²)
			Discount rate	1.75% - 5.00%	(3.46%)
			Capitalisation rate of the residual value	4.90% - 8.15%	(6.56%)
		Capitalisation method	Annual rent/ rental value	105 €/m ² - 164 €/m ²	(135 €/m ²)
			Capitalisation rate	6.25% - 6.85%	(6.68%)
Wallonia	179 837	Cash flow discount	Annual rent	87 €/m ² - 145 €/m ²	(132 €/m ²)
			Discount rate	2.91% - 4.52%	(4.33%)
			Capitalisation rate of the residual value	6.20% - 8.25%	(7.57%)
		Capitalisation method	Annual rent/ rental value	60 €/m ² - 70 €/m ²	(67 €/m ²)
			Capitalisation rate	9.75% - 10.50%	(9.96%)
Luxembourg city	84 571	Cash flow discount	Annual rent	377 €/m ² - 417 €/m ²	(403 €/m ²)
			Discount rate	4.00% - 4.00%	(4.00%)
			Capitalisation rate of the residual value	6.00% - 6.00%	(6.00%)
		Capitalisation method	Annual rent/ rental value	-	-
			Capitalisation rate	-	-
Properties that are being constructed or developed for own account in order to be leased	60 665	Capitalised net revenue less cost of the remaining work	Capitalised net incom	1 625 €/m ² - 4 000 €/m ²	(3 221 €/m ²)
			Annual rent	130 €/m ² - 240 €/m ²	(194 €/m ²)
			Capitalisation rate	5.90% - 8.00%	(6.01%)
			Costs of the remaining work	954 €/m ² - 2 707 €/m ²	(2 408 €/m ²)
TOTAL fair value 31.12.14	2 283 268				

E. Sensitivity of the valuation to changes in key "unobservable inputs"

A change of + or -5% in the estimated rental values of properties in the portfolio would result in a change in the fair value of the portfolio of the order of +€69.1 million and -€68.7 million respectively.

A change of + or -50 basis points in the updating and capitalisation rates (used for both the income capitalisation method and the discounted future cash flows) generate a change in fair value of the portfolio of the order of -€161.5 million and +€167.3 million respectively.

It is important to note that the levels of estimated rental value and yield of buildings can influence one another. This correlation has not been taken into account in the above sensitivity test, however, which assumes that these two parameters rise and fall independently.

F. Valuation process

To meet the requirements for preparing the Company's quarterly financial statements, the property portfolio is also valued on a quarterly basis as follows:

- > At the end of the quarter, the Company sends the experts detailed information on the transactions carried out during the quarter, mainly in terms of rentals (area let, rents agreed, duration of leases, investments to be made, etc.) but also of any acquisitions or disposals of properties.
- > The Company then meets each expert to discuss the information provided and their perceptions of the property market, and answer any questions that the experts might have about properties in the portfolio.
- > The experts then incorporate this information into their valuation models. Based on their experience of the market and any transactions (leases, acquisitions, etc.) taking place on the market, they retain or adjust the valuation parameters used in their models, mainly in terms of estimated rental values, rates of return (discount and/or capitalisation rates), assumptions about rental vacancies or investments to be made in the buildings.
- > The experts then give their individual valuations of the property portfolio based on these calculations. These are then subject to various checks in Befimmo's investment department, to help the Company understand the assumptions used by the experts in their calculations. These assumptions are also shared with the Befimmo management team.
- > The summary table of the individual property valuations is passed on to the accounts department to enter the quarterly revaluation of the portfolio in the accounts.
- > The values recorded are subject to checks by the Audit Committee and the Auditor before Befimmo's Board of Directors closes the financial statements.

35. Commitments

35.1. Commitments to third parties

35.1.1. Commitments to tenants

Befimmo has a commitment under the lease with the Buildings Agency for the Poelaert building, to make available to the lessee, from the date of the ninth anniversary of the lease taking effect, the sum of €1 million to cover light refurbishment work.

Befimmo is also committed under the lease with the Buildings Agency for the AMCA building, to provide the lessee with €110,000 excluding VAT each year to cover refurbishment work.

35.1.2. Commitments to purchasers of properties to be sold

The Belgian Government also has an option to purchase the new Finance Centre, Paradis Tower in Liège, at the end of the 27.5-year lease.

Fedimmo has also given an undertaking (subject to a suspensory condition) to the Prizma school to sell part of the building complex located in Kasteelstraat, Izegem for a net amount of €2.4 million.

35.1.3. Commitments to approved building contractors and design teams

Commitments entered into by Befimmo with approved building contractors:

Befimmo's main contractual commitments with approved building contractors and design teams amount to some €1 million including VAT. These commitments mainly concern the Blue Tower and the Fountain Plaza buildings.

Commitments entered into by Fedimmo with approved building contractors:

Fedimmo's main contractual commitments with approved building contractors and design teams amount to some €3.2 million including VAT. These commitments relate mainly to the Paradis Tower (the new Finance Centre) and the WTC Tower IV project.

Commitments entered into by Befimmo Property Services:

The main commitments entered into by Befimmo Property Services relate to the various contracts for maintenance, upkeep and total guarantee, cleaning and guarding of the buildings it manages on behalf of Befimmo. These commitments vary in length depending on the contracts and account for some €3.8 million including VAT annually. These services are mostly billed to tenants under the heading of common charges.

35.1.4. Marketing agreements:

Befimmo and Fedimmo have commitments with a number of agents, under rental and/or sale agreements, to pay fees in line with usual market rates.

35.1.5. Other commitments

Under the agreements reached in 2012 between Aedifica and Blue Tower Louise SA, Befimmo gave an undertaking to Aedifica to carry out some work to alter the structure of the basements of the Blue Tower building to enable Aedifica to carry out its plan to build a residential building. The amount of this work is capped at €1.3 million including VAT.

Befimmo, Fedimmo and Axento also have commitments for periods of one to three years under specific contracts such as the surveying of the buildings (for the quarterly valuation of the property portfolio), property management services for the Axento building, contracts for the provision of services in certain buildings, agreements for renting parking spaces to third parties, and insurance policies.

As part of a private international competitive call for projects for the development of a plot of land in Liège (Paradis Phase 2), Fedimmo has undertaken to compensate some contest participants up to a maximum of €150,000.

35.2. Restrictions on assignment

None of the buildings in the Company's portfolio is mortgaged or subject to any other restriction on realisation or assignment, save only the standard provisions contained in several loan agreements (property intended for letting may not be sold to or bought by a company in the group). These restrictions have no impact on the value of the properties concerned.

Similarly, none of the Company's property assets is subject to any restriction on the recovery of income.

However, to enable Befimmo and Fedimmo to take advantage of attractive financing terms, future rents of five buildings have been assigned to a financial institution and the future usufruct fees for one building have been assigned to a financial institution. Ownership of these buildings may not therefore be transferred without the prior consent of the assignee of the rent or the early repayment of the financial liability. These arrangements concern the Poelaert building and Pavilion complex in the Befimmo portfolio and four buildings in the Fedimmo portfolio: Avenue des Arts, Rue du Gouvernement Provisoire and Rue Lambermont in Brussels, and Majoor Vandammestraat in Knokke.

35.3. Guarantees given

(€ thousand)		31.12.14	31.12.13
Guarantees for investment work	Bank guarantee	10 562	10 562
Guarantees issued at the close of the fiscal year		10 562	10 562

Fedimmo issued two guarantees in the context of the project to build the new Finance Centre, Paradis Tower in Liège. The first, amounting to €5.4 million in favour of the Buildings Agency, to guarantee the performance of the development contract concluded on 31 March 2009 for the provision of a building to house the Federal Public Finance Service in Liège. This guarantee was paid-up to 50% in early January 2015. The second, amounting to €5.1 million in favour of the City of Liège, to guarantee the performance of all the work and planning charges applicable to the single permit issued for the construction of the new building.

36. Related-party transactions

The table below shows the remuneration of the Directors and Executive Officers of Befimmo SA.

FISCAL YEAR 31.12.14 (in €)		
Name	Short-term benefits (salaries, bonuses) ¹	Post-employment benefits (pension, etc.)
Arcade Consult BVBA - André Sougné (end mandate 29 avril 2014)	15 000	
Hugues Delpire	69 500	
SPRL Alain Devos - Alain Devos	121 250	
Benoît Godts	64 500	
Roude BVBA - Jacques Rousseaux	72 500	
Marc VH-Consult BVBA - Marcus Van Heddeghem	63 500	
SPRL Etienne Dewulf - Etienne Dewulf	76 000	
Sophie Goblet	55 000	
Guy Van Wymersch-Moons	52 500	
BVBA Kadees - Kurt de Schepper (nominated on 29 April 2014)	40 000	
A.V.O. Management - Annick Van Overstraeten (nominated on 29 April 2014)	50 500	
Managing Director - SPRLu BDB Management - Benoît De Blicq	715 000	
<i>variable portion</i>	200 000	
Other Executive Officers	989 012	154 077
<i>variable portion</i>	248 852	
Total	2 384 262	154 077

FISCAL YEAR 31.12.13 (in €)		
Name	Short-term benefits (salaries, bonuses) ¹	Post-employment benefits (pension, etc.)
Arcade Consult BVBA - André Sougné	70 000	
Hugues Delpire	86 500	
SPRL Alain Devos - Alain Devos	139 250	
Benoît Godts	82 250	
Roude BVBA - Jacques Rousseaux	93 750	
Marc VH-Consult BVBA - Marcus Van Heddeghem	79 000	
SPRL Etienne Dewulf - Etienne Dewulf	83 000	
Sophie Goblet (nominated on 30 April 2013)	45 000	
Guy Van Wymersch-Moons (nominated on 6 September 2013)	20 000	
Managing Director - SPRLu BDB Management - Benoît De Blicq	686 000	
<i>variable portion</i>	171 000	
Other Executive Officers	962 193	144 580
<i>variable portion</i>	183 767	
Total	2 346 943	144 580

Post-employment benefits are described in the note on employee benefits.

Relationships with entities of AG Insurance are described in the chapter "Corporate governance statement".

The Company did not grant any other long-term benefits during the 2013 or 2014 fiscal years.

¹ Short-term benefits are fixed and variable remuneration, and any other miscellaneous components and benefits (including social charges).

Statutory Auditor's report

Befimmo SA/NV

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2014

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Befimmo NV/SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 2.353.931 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 68.863 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Befimmo NV/SA give a true and fair view of the group's net equity and financial position as of 31 December 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- > The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 27 March 2015

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

Statutory statement of total comprehensive income (€ thousand)

	31.12.14	31.12.13
I. (+) Rental income	88 698	85 639
III. (+/-) Charges linked to letting	- 945	- 890
NET RENTAL RESULT	87 753	84 750
IV. (+) Recovery of property charges	6 686	6 583
V. (+) Recovery of rental charges and taxes normally payable by tenants on let properties	18 067	18 943
VII. (-) Charges and taxes normally paid by tenants on let properties	-17 641	-17 633
VIII. (+/-) Other revenue and charges for letting	212	41
PROPERTY RESULT	95 078	92 684
IX. (-) Technical costs	-8 371	-7 838
X. (-) Commercial costs	- 975	- 442
XI. (-) Charges and taxes on unlet properties	-3 814	-3 538
XII. (-) Property management costs	-1 485	-1 329
XIII. (-) Other property charges	-2 820	-2 066
(+/-) Property charges	-17 463	-15 213
PROPERTY OPERATING RESULT	77 614	77 471
XIV. (-) Corporate overheads	-8 492	-8 129
XV. (+/-) Other operating income and charges	1 472	- 381
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	70 594	68 962
XVI. (+/-) Gains or losses on disposals of investment properties	-	293
XVIII. (+/-) Changes in fair value of investment properties	-11 507	-12 688
OPERATING RESULT	59 088	56 567
XX. (+) Financial income	33 579	22 966
XXI. (-) Interest charges	-25 334	-24 612
XXII. (-) Other financial charges	-2 604	-2 673
XXIII. (+/-) Changes in fair value of financial assets and liabilities	4 998	25 253
(+/-) Financial result	10 638	20 934
PRE-TAX RESULT	69 726	77 500
XXIV. (-) Corporation tax	- 858	- 749
(+/-) Taxes	- 858	- 749
NET RESULT	68 868	76 751
TOTAL BASIC NET RESULT AND DILUTED PER SHARE	3.19	3.79
Other comprehensive income - actuarial gains and losses - non-recyclable	- 530	287
TOTAL COMPREHENSIVE INCOME	68 338	77 039

The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

Statutory statement of financial position

(€ thousand)

ASSETS	31.12.14	31.12.13
I. Non-current assets	2 241 487	2 178 638
C. Investment properties	1 375 860	1 344 342
D. Other property, plant and equipment	543	590
E. Non-current financial assets	865 084	833 706
II. Current assets	51 240	27 247
B. Current financial assets	32 288	3 802
D. Trade receivables	12 157	15 435
E. Tax receivables and other current assets	3 050	4 437
F. Cash and cash equivalents	38	416
G. Deferred charges and accrued income	3 706	3 156
TOTAL ASSETS	2 292 727	2 205 884
<hr/>		
SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.14	31.12.13
SHAREHOLDERS' EQUITY	1 195 448	1 165 610
A. Capital	319 066	310 293
B. Share premium account	688 688	662 080
C. Reserves	175 066	172 652
D. Net result for the fiscal year	12 628	20 585
LIABILITIES	1 097 278	1 040 274
I. Non-current liabilities	514 644	680 842
B. Non-current financial debts	491 282	663 985
a. Credit institution	132 969	228 596
c. Other	358 313	435 389
<i>Bond issues</i>	161 842	271 850
<i>USPP</i>	164 579	143 502
<i>EUPP</i>	30 000	18 000
<i>Guarantees received</i>	1 892	2 036
C. Other non-current financial liabilities	23 362	16 858
II. Current liabilities	582 634	359 432
A. Provisions	2 600	1 744
B. Current financial debts	513 006	287 539
a. Credit institution	28 147	11 355
c. Other	484 860	276 184
<i>Commercial papers</i>	373 500	255 250
<i>Bond issues</i>	110 038	-
<i>Other</i>	1 321	20 934
C. Other current financial liabilities	161	508
D. Trade debts and other current debts	43 810	48 893
b. Other	43 810	48 893
E. Other current liabilities	1 842	1 401
F. Accrued charges and deferred income	21 214	19 347
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 292 727	2 205 884

The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

Note on statutory shareholders' equity

The reader is invited to go to page 62 of the management report to consult the chapter "Appropriation of result".

The changes in equity before and after the proposed appropriation of the result for the 2014 fiscal year are as follows:

(€ thousand)	A. Capital	a. Subscribed capital (+)	b. Costs of capital increase (-)	B. Share premium account	C. Reserves	a. Legal reserve (+)
31.12.13 SHAREHOLDERS' EQUITY (Before appropriation of result)	310 293	320 538	- 10 244	662 080	172 652	1 295
Appropriation of result 2013 in the reserves					20 585	
Payment of the final dividend of the 2013 fiscal year					- 17 227	
31.12.13 SHAREHOLDERS' EQUITY (After appropriation of result)	310 293	320 538	- 10 244	662 080	176 009	1 295
Capital increase linked to the contribution in kind of the building Rue aux Choux 35	2 638	2 715	- 77	8 057		
Acquisition own shares within the framework of the status change in B-REIT ¹					- 413	
Interim dividend of the 2014 fiscal year						
Capital increase following the interim optional dividend	6 135	6 161	- 26	18 551		
Other comprehensive income					- 530	
31.12.14 SHAREHOLDERS' EQUITY (Before appropriation of result)	319 066	329 413	- 10 347	688 688	175 066	1 295
Appropriation of result 2014 in the reserves ²					12 628	
Payment of the final dividend of the 2014 fiscal year ²					- 19 499	
31.12.14 SHAREHOLDERS' EQUITY (After appropriation of result)	319 066	329 413	- 10 347	688 688	168 194	1 295

¹ Maximum amount, change of status in a public B-REIT approved by the Extraordinary General Meeting of shareholders on 21 October 2014.

² Subject for approval by the Ordinary General Meeting of shareholders of 28 April 2015.

b. Reserve for the balance of changes in fair value of investment properties (+/-)	c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS (+/-)	h. Reserve for own shares (-)	j. Reserve for actuarial gains and losses for the defined benefit pension plan (+/-)	m. Other reserves (+/-)	n. Result brought forward from previous years (+/-)	D. Result for the fiscal year	TOTAL SHAREHOLDERS' EQUITY (group share)
111 796	- 28 949	- 5 390	- 27 033	287	19 818	100 827	20 585	1 165 610
- 5 087	- 4 660	- 3 649				33 980		
						- 17 227		
106 710	- 33 609	- 9 039	- 27 033	287	19 818	117 580	-	
			- 413					
							- 56 240	
				- 530				
106 710	- 33 609	- 9 039	- 27 447	- 243	19 818	117 580	12 628	1 195 448
- 11 507	- 995	- 1 962				27 092		
						- 19 499		
95 203	- 34 604	- 11 001	- 27 447	- 243	19 818	125 172	-	

The table below is presented after appropriation of the result to reserves.

Shareholders' equity that cannot be distributed according to article 617 of the Company Code (€ thousand)		31.12.14
Net assets		1 195 448
(+)	Paid-up capital or, if greater, subscribed capital	329 413
(+)	Share premium account unavailable for distribution according to the articles of association	629 931
(+)	Reserve of the positive balance of the changes in fair value of the investment properties	95 203
(-)	Reserves for estimated transaction costs resulting from hypothetical disposal of investment properties	- 34 604
(+/-)	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	- 11 001
(+/-)	Reserve for actuarial gains and losses of the defined benefit pension plan	- 243
(+)	Other reserves declared non-distributable by the General Meeting of Shareholders	3 633
(+)	Legal reserve	1 295
TOTAL NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY		1 013 628
MAXIMUM DISTRIBUTABLE AMOUNT		181 820
Obligation to distribute dividends according to the Royal Decree of 13.07.2014 concerning B-REIT (SIR/GVV) (€ thousand)		31.12.14
NET RESULT		68 868
(+)	Depreciation	678
(+)	Writedowns	774
(-)	Writeback of writedowns	- 378
(+/-)	Other non-cash elements	-3 977
(+/-)	Changes in fair value of investment properties	11 507
CORRECTED RESULT (A)		77 473
(+/-)	Realised gains and losses on property assets during the year	-
(-)	Realised gains and losses on property assets during the year, exonerated from the obligation to distribute if reinvested within 4 years	-
(+)	Realised gains on property assets previously exonerated from the obligation to distribute and that were not reinvested within 4 years	-
NET GAINS ON REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)		-
TOTAL (A+B) X 80%		61 978
DECREASE IN BORROWINGS (-)		-
OBLIGATION TO DISTRIBUTE		61 978

General information G4-7

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Identification

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Name

Befimmo SA, a public B-REIT (SIR/GVV) incorporated under Belgian law.

Registered office

Chaussée de Wavre 1945 in 1160 Auderghem.

Tel.: +32 (0)2 679 38 60

The registered office may be transferred by decision of the Board of Directors to any place in Belgium.

Legal form

Société Anonyme (Limited-Liability Company).

Founding

Befimmo SA was founded on 30 August 1995 as a Limited Liability Company under the name “Woluwe Garden B&D” by a deed executed before Gilberte Raucq, notary public in Brussels. The Company was later converted into a Société en Commandite par Actions (Partnership Limited by Shares), with the name “Befimmo”, on 24 November 1995, again by a deed executed before notary Gilberte Raucq.

On 20 December 2012, the Extraordinary General Meeting of the shareholders of Befimmo met to approve the transformation of the Partnership structure into a Limited-Liability Company. On that date, the Company was converted back into a Limited-Liability Company under the same name of “Befimmo” by a deed executed before notary Damien Hissette. For further information, please see the Annual Financial Report 2012.

The last articles of association have been amended several times, most recently on 16 December 2014. The coordinated articles of association are available on the Befimmo SA website: www.befimmo.be/en/coordinated-articles-association.



www.befimmo.be

Duration

Befimmo SA has been established for an unlimited duration.

Register of corporate bodies

Befimmo SA is entered in the Register of Corporate Bodies under number 0 455 835 167.

Recording place

Brussels.

Company object (article 4 of the articles of association)

The company has as exclusive purpose:

- (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the B-REIT regulation, and;
- (b) within the limits set out by the B-REIT regulation, hold real estate assets listed in article 2, 5°, vi) to x) of the B-REIT law.

By real estate is meant:

- > real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;
- > shares with voting rights issued by real estate companies under the exclusive or joint control of the company;
- > option rights on real estate;
- > shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case, joint or exclusive control over these companies is exercised by the company;

- > the rights arising from contracts giving one or more goods in finance-lease to the company or providing other similar rights of use;
- > shares in public real-estate investment companies;
- > shares in foreign real-estate funds included in the list referred to in article 260 of the law of 19 April 2014 on alternative investment funds and their managers;
- > shares in real-estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real-estate investment companies;
- > shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar corporate purpose; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or “REITs”);
- > real-estate certificates referred to in article 5, § 4, of the law of 16 June 2006.

In the context of the making available of real estate, the company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.

On an ancillary or temporary basis, the company may make investments in securities which are not real estate within the meaning of the B-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in a way to ensure an adequate risk diversification. The company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.

It may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of real estate of the company and with the exclusion of any transaction of a speculative nature.

The company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).

The company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related purpose and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its corporate purpose as well as all acts that are useful or necessary for the realisation of its corporate purpose.

Fiscal year

The financial year begins on 1 January and ends on 31 December of each year.

Places where publicly accessible documents can be consulted

- > The articles of association of Befimmo SA can be consulted at the Clerk’s Office of the Brussels Commercial Court, at the registered office and on the website: www.befimmo.be/en/coordinatedarticles-association.
- > The annual accounts will be deposited at the Banque Nationale de Belgique and may be consulted at the Clerk’s Office of the Brussels Commercial Court.
- > The annual accounts as well as the relative reports of Befimmo SA are sent every year to registered shareholders as well as to any other person requesting a copy.
- > They are also available on the Befimmo website: www.befimmo.be/en/publications/all.
- > Decisions concerning the appointment and termination of the mandates of the members of the Board of Directors of Befimmo SA are published in the Annexes to the Belgian Official Gazette.
- > Invitations to General Meetings are published in the Annexes to the Belgian Official Gazette and in two daily financial newspapers with nationwide distribution. These notices and all documents relating to General Meetings may be consulted on the Befimmo website: www.befimmo.be/en/oga-ega/all.
- > Financial notices concerning Befimmo SA are published in the financial press and are sent to Euronext. They may also be consulted on the Befimmo website at www.befimmo.be/en/publications/all.

The other documents accessible to the public and referred to in the Annual Financial Report can be consulted at the registered office of Befimmo SA.

Registered capital

Issued capital

As at 31 December 2014, the registered capital totalled €329,413,170.03.

It is represented by 22,673,609 fully paid no-par-value shares.

Authorised capital

The Board of Directors is authorised to increase the capital in one or more stages by up to €253,194,780.59.

Subject to the same conditions, the Board of Directors is authorised to issue convertible debentures or subscription rights.

This authorisation is granted for five years from 5 July 2011 and may be renewed.

Capital increases may be performed as a cash contribution, a contribution in kind or by the incorporation of reserves.

As at 31 December 2014, the authorised capital amounts €184,656,365.82.

Changes to the capital since 30.09.2010

The following table shows the changes in capital since 30 September 2010.

The complete history of changes to capital is set out in article 50 of the articles of association.

	Amount (in €)	Number of shares
As at 30 September 2010	243 934 746.09	16 790 103
As at 22 June 2011	253 194 780.59	17 427 474
As at 15 December 2011	264 061 592.80	18 175 440
As at 31 December 2011	264 061 592.80	18 175 440
As at 3 October 2012	272 690 074.09	18 769 341
As at 19 December 2012	277 794 918.53	19 120 709
As at 31 December 2012	277 794 918.53	19 120 709
As at 10 July 2013	307 389 978.39	21 157 746
As at 6 September 2013	315 069 953.06	21 686 361
As at 18 December 2013	320 537 602.80	22 062 701
As at 31 December 2013	320 537 602.80	22 062 701
As at 25 November 2014	323 252 293.66	22 249 554
As at 16 December 2014	329 413 170.03	22 673 609
As at 31 December 2014	329 413 170.03	22 673 609

Shareholder structure

The Company applies a statutory threshold of 3% for the application of the legal rules relating to notification of large holdings in issuers whose shares are admitted for trading on a regulated market.

According to the transparency notifications received, the share ownership of Befimmo SA is structured as follows:

Declarants	Number of shares (declared) the day of the statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
Befimmo SA	535 329	25.11.2014	2.4%
Ageas and affiliated companies	2 393 476	10.02.2015	10.6%
AXA Belgium SA	2 382 216	16.12.2014	10.5%
BlackRock Inc.	664 130	06.02.2014	2.9%
Other shareholders under the statutory threshold	16 698 458	10.02.2015	73.6%
TOTAL	22 673 609		100%

Befimmo SA is not aware of the existence of shareholder agreements.

Identity of the founder of Befimmo SA

Befimmo SA was founded at the initiative of Bernheim-Comofi SA (now known as AG Real Estate SA) with registered office at boulevard Saint-Lazare 4-10, 1210 Brussels.

Articles of association of Befimmo SA

The complete coordinated articles of association of Befimmo SA can be consulted at the Clerk's Office of the Brussels Commercial Court, at Befimmo's registered office and on the website: www.befimmo.be/en/coordinated-articles-association.

@ www.befimmo.be

Société Anonyme (Limited-Liability Company)

The Extraordinary General Meeting of 20 December 2012 approved the conversion of Befimmo SCA into a Société Anonyme (Limited-Liability Company). Befimmo SA owns 100% of the shares of Fedimmo SA, Meirfree SA, Vitalfree SA and Axento SA.

Name and qualifications of the real-estate experts

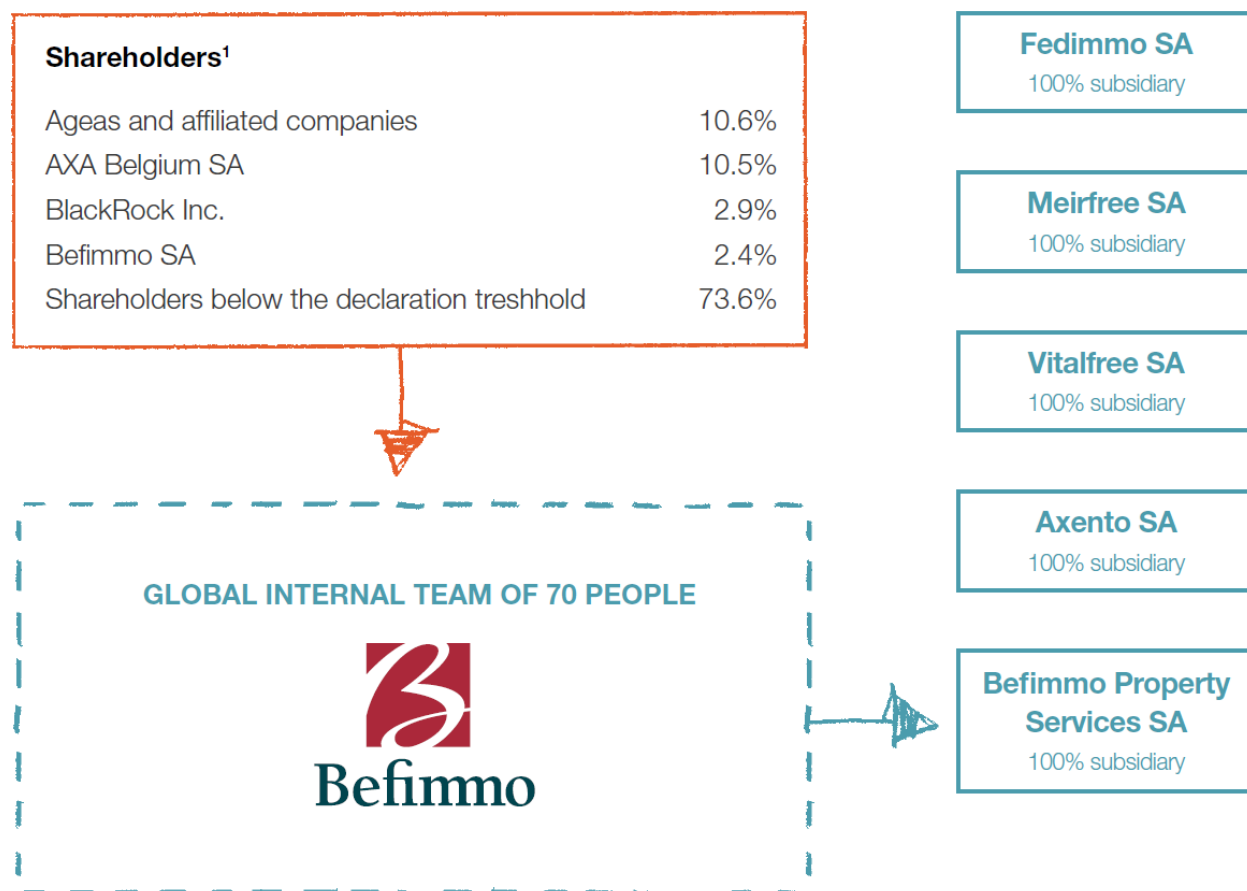
For the 2014 fiscal year, Befimmo SA uses three real-estate experts, namely: Jones Lang LaSalle (represented by Mr Rod P. Scrivener), DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans) and PricewaterhouseCoopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme).

As the mandates of the three experts mentioned above expired on 31 December 2014, Befimmo entrusted the expertise of its portfolio to Jones Lang LaSalle (represented by Mr Rod P. Scrivener) and CBRE (represented by Mr Pierre Van der Vaeren), within the framework of the renewal of the real-estate expert mandates as from the 2015 fiscal year. Jones Lang LaSalle will coordinate this expertise. The allocation of the new mandates was done pursuant to the provisions of the new Royal Decree of 13 July 2014, aiming to ensure a rotation of the real-estate experts assessing the portfolio. This new mission will start on 1 January 2015 for the next three years until 31 December 2018.

These are expert real-estate companies with specialist knowledge of the market and which enjoy a first-class international reputation.

Befimmo has also appointed two back-up experts: DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans) and PricewaterhouseCoopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme).

Group structure



Public B-REIT

Since 2014, Befimmo is a B-REIT (SIR/GVV). The B-REIT pursues the same goals as a Real Estate Investment Trusts (REIT) put in place in several countries (REIT (USA), SIIC (France) and FBI (Netherlands)).

The legislator intended the B-REIT to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying certain advantages.

The B-REIT is monitored by the Financial Services and Markets Authority (FSMA) and subject to specific regulations. The main rules are as follows:

- > it must have the status of "Societe Anonyme" or "Societe en Commandite par Actions";
- > it must be listed on the stock exchange;
- > borrowings may not exceed 65% of total assets at market value;
- > there are strict rules relating to conflicts of interest;
- > it must keep accounting according to IFRS standards, and notably of the portfolio at market value;
- > the real-estate assets must be valued every quarter by independent experts;
- > the risk must be diversified: no more than 20% of the assets may be invested in any one property complex;
- > a reduced base for corporation tax provided that at least 80% of "results" are distributed;
- > a withholding tax of 25% is deducted when paying out dividends.

This set of rules is designed to minimise the risk incurred.

Companies merging with a B-REIT are subject to tax of 16.995% on unrealised capital gains and untaxed reserves (16.5% plus 3% additional crisis levy).

¹ As at 10 February 2015. Based on the transparency declarations or based on the information received from the shareholder.

Institutional B-REIT

Fedimmo SA (a 100% subsidiary of Befimmo SA) is an institutional B-REIT.

The main features of the institutional B-REIT are:

- > a company controlled by a public B-REIT;
- > registered shares held by institutional or public investors;
- > no requirement for diversification or debt ratio (consolidated at the level of the public B-REIT);
- > compulsory distribution of a dividend at a minimum of 80% of the “results”;
- > jointly or solely controlled by a public B-REIT;
- > no obligation to appoint a real-estate expert, the real-estate assets being valued by the expert of the public B-REIT;
- > statutory accounts prepared in accordance with IFRS standards (same accounting scheme as the public B-REIT);
- > strict rules regarding conflicts of interest;
- > subject to FSMA control.

Typical investor profile

The profile of a typical Befimmo investor is a private or institutional investor wishing to make an investment in office property, mainly in Belgium.

The share ownership structure is set out before.

Statements

Persons responsible

BDB Management SPRLu, Managing Director, represented by its Permanent Representative Mr Benoît De Blicq and Mr Laurent Carlier, Chief Financial Officer of the Company, declare for and on behalf of Befimmo SA, that to the best of their knowledge:

- (a) the financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and the results of the Company and the businesses included in the consolidation;
- (b) the Annual Financial Report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation.

Declaration regarding the Directors

The Board of Directors of Befimmo SA hereby declares that to its knowledge:

- > none of the Directors has ever been convicted of fraud, no official and/or public accusation has been made and no penalty has ever been imposed by a judicial or supervisory authority;
- > no Director has been disqualified by a court from acting as a member of the Board of Directors;
- > no Director has ever been involved in that capacity in a bankruptcy or liquidation;
- > no contract of employment has been concluded with the Directors that provides for the payment of compensation upon termination of the contract with the exception of the management agreement between Befimmo SA and BDB Management SPRLu that provides for 12 months' compensation;
- > the Directors do not hold shares in Befimmo SA except for Mr Benoît Godts (998 shares), Mr Jacques Rousseaux (232 shares), and Mr Benoît De Blicq (1,473 shares);
- > so far no Befimmo SA share option has been awarded;
- > there is no family relationship between the Directors.

Information from third parties

The real-estate experts DTZ-Winssinger & Associés, Jones Lang LaSalle and PricewaterhouseCoopers have agreed that their assessment methods and real-estate expert reports may be included in this Annual Financial Report.

The Statutory Auditor has agreed to the inclusion of its report of 27 March 2015 in this Annual Financial Report on the consolidated accounts closed as at 31 December 2014, of its report on forecasts of 27 March 2015 and of its limited review on selected environmental performance indicators of 20 February 2015.

The Company confirms that the information taken from the reports of the real-estate experts DTZ-Winssinger & Associés, Jones Lang LaSalle and PWC, and of the Statutory Auditor have been faithfully reproduced and that, to the best of the Company's knowledge and as far as it can ascertain in the light of the data published by these third parties, nothing has been omitted that would make the information reproduced inaccurate or misleading.

Historical financial information referred to by reference

The Annual Financial Reports of the past five years, which includes the annual statutory and consolidated accounts and the Statutory Auditor's reports, as well as the Half-Yearly Financial Reports can be consulted on the website of the Company: www.befimmo.be.

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Appendix I: Glossary

BeAMA

Belgian Asset Managers Association/Association Belge des Asset Managers.

Break

The first option to terminate a lease agreement by giving due notice.

BREEAM (BRE Environmental Assessment Method)

BREEAM is the first environmental assessment method for buildings. It is a benchmark for best practice in sustainable design. It has become the most widely used benchmark of a building's environmental performance (www.breeam.org).

BREEAM Design

Refurbishment and renovation work. The extraction and use of resources to create materials and products during renovation (and construction) work are among the greatest causes of direct environmental impact in the real-estate sector. Ecological impact, such as loss of biodiversity, greenhouse-gas emissions and waste, can be effectively reduced by recycling and dismantling.

One requirement of BREEAM certification, which Befimmo systematically implements for its major renovation projects, is to keep up-to-date data on the use of natural resources and recycled materials. But a building's environmental performance is also determined at the Design stage. The adoption of an eco-design approach from the initial phase, in consultation with the architects and consultancy bureaux, also extends the building's potential commercial life.

BREEAM In-Use

BREEAM In-Use certification is in line with the requirement for continuous improvement of the ISO 14001 standard.

This is a valuable tool that validates Befimmo's efforts to improve the sustainability of the buildings in its portfolio. The initial performance of the buildings is first measured, for the building itself (Asset) and for its management (Management).

Among other things, this certification requires consumption data to be monitored. The validation of the resulting data is an important step towards achieving correct benchmarking figures.

B-REIT (SIR/GVV)

The concept of B-REIT was created in 2014 and pursues the same goals as a Real Estate Investment Trusts (REIT) put in place in several countries (REIT (USA), SIIC (France) and FBI (Netherlands)).

The legislator intended the B-REIT to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying certain advantages. It is controlled by the FSMA and submitted to specific regulations.

CAP

A CAP is a financial derivative instrument belonging to the options family. Purchasing a CAP provides protection against rising interest rates, to a preset maximum level (strike price). It therefore enables us to take advantage of declining rates. Purchasing a CAP involves the payment of a premium.

CBD (Central Business District)

The business areas in central Brussels, comprising the Centre, Leopold and Louise districts, Midi, South and North areas.

CCS (Cross Currency Swap)

A CCS is a contract whereby two parties exchange streams of interest charges and notional amounts denominated in two different currencies. Exchange interest flows may be agreed as fixed-against-fixed, floating-against-floating or floating against- fixed (or vice versa).

CDP (Carbon Disclosure Project)

CDP is an independent, non-profit organisation that aims to reduce greenhouse-gas emissions by businesses and cities. It achieves this by means of a global database of greenhouse-gas emissions. The organisation acts on behalf of many investors representing more than US\$ 92 trillion in assets.

Code 2009

Belgian Code of Corporate Governance issued on 12 March 2009 by the Corporate Governance Commission. The Code includes practices and provisions to be followed by Belgian listed companies. The 2009 Code replaces the previous version of 2004, and can be accessed on the GUBERNA website (www.guberna.be/fr).

COLLAR

A COLLAR is a combination of financial derivatives comprising the purchase of a CAP and sale of a FLOOR. This combination offers protection against rising interest rates (through the purchase of the CAP) with a premium fully or partially subsidised by the sale of a FLOOR (which involves a commitment to pay a minimum interest rate).

Current rent

Current annual rent at the closing date plus rent on leases signed, as reviewed by the real-estate experts.

DCF (Discounted Cash Flow)

Method for evaluating cash flows.

Debt ratio

$$\frac{[\text{Liabilities} - \text{provisions} - \text{other financial liabilities (permitted hedging liability instruments)} - \text{deferred tax liabilities} - \text{accruals}]}{[\text{total balance sheet assets} - \text{permitted hedging instruments, booked to the assets side of the balance sheet}]}$$
 This ratio is calculated in accordance with the Royal Decree of 13 July 2014.

Economic Hinterland

Periphery of Brussels.

EIRIS

EIRIS is a world leading provider of research into corporate environmental, social and governance performance.

E Level

A building's maximum primary energy consumption level.

EMS (Environmental Management System)

An EMS is a framework for managing environmental performance. It describes the policies and objectives to be implemented and monitored, challenges to be managed, and how the operation of various systems and strategies should be analysed and assessed.

EPB (Energy Performance of Buildings)

This index, based on EU Directive 2002/91/EC, expresses the amount of energy needed to meet the various needs of a building in normal use. It is calculated on the basis of the various factors influencing energy demand (insulation, ventilation, solar and internal gains, heating system, etc.).

EPRA

With over 200 active members, EPRA (European Public Real-Estate Association – www.epra.com) is the voice of European listed real-estate companies and represents €250 billion in real-estate assets.

EPRA Earnings

EPRA earnings is defined by EPRA as "Recurring earnings from core operational activities". It generally corresponds to the Company's recurring cash flow.

EPRA NAREIT/Europe

EPRA, in collaboration with FTSE and NAREIT, provides a benchmark of global listed real estate. The FTSE EPRA/NAREIT index is divided into eight areas covering the major global investment markets. The EPRA NAREIT/Europe index covers listed real estate in Europe.

ERV

The estimated rental value of vacant premises as reviewed by the real-estate expert.

Ex-date

The date a coupon is detached.

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%¹ 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. These values are established in application of standard IAS 40 which requires investment property to be booked at “fair value”.

FLOOR

A FLOOR is a financial derivative instrument belonging to the options family. Purchasing a FLOOR offers protection against falling interest rates, at a minimum predefined level (strike price). It therefore enables us to take advantage of rising rates. Purchasing a FLOOR involves the payment of a premium.

Free float

The percentage of shares held by the public. These are the shares for which Befimmo has received no transparency declaration from a third party or which are not held by Befimmo or its subsidiaries.

FSMA (Financial Services and Markets Authority)

The independent regulator of the financial and insurance markets in Belgium.

GRESB (Global Real Estate Sustainability Benchmark)

GRESB is an initiative to assess the environmental and social performance of public and private real-estate investments. The benchmark serves as a starting point for engagement and forms the basis for a collective effort towards a more resource efficient real estate industry (www.gresb.com).

GRI (Global Reporting Initiative)

GRI is the organisation behind the establishment of a globally recognised reporting standard on Social Responsibility. It is committed to its continuous improvement and application worldwide.

Gross yield

The gross yield is equal to the gross dividend divided by the share price at the end of the fiscal year.

Hedging ratio

Hedging ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAP) / total borrowings.

IAS (International Accounting Standards)

International accounting standards developed by the International Accounting Standards Board.

¹ Average level of costs paid on transactions recorded by the experts on the Belgian market. This accounting method is described at length in the BEAMA press release of 8 February 2006.

IBGE (Brussel Leefmilieu/Bruxelles Environnement)

The Brussels-Capital Region authority responsible for environmental protection.

IFRS (International Financial Reporting Standards)

International financial reporting standards developed by the International Accounting Standards Board.

Investment value

The investment value is defined by the expert as the most likely value under normal conditions of sale between the fully informed and consenting parties, on the date of valuation, before deducting conveyancing costs.

IRR (Internal Rate of Return)

The IRR is the annualised internal rate of return.

IRS (Interest Rate Swap)

An interest rate swap contract (most commonly fixed against floating or vice versa) is a commitment between two parties to exchange financial flows based on a particular notional amount, frequency and duration.

IRS “payer”

An IRS (fixed rate) payer is an IRS for which a fixed rate is paid to the counterparty in exchange for a floating rate.

IRS “receiver”

An IRS (fixed rate) receiver is an IRS for which a floating rate is paid to the counterparty in exchange for a fixed rate.

ISO 14001

The international environmental management standard ISO 14001 defines internationally accepted requirements for environmental management systems. It focuses on a process of continuous improvement in the implementation of environmental objectives within companies and other institutions. These may have their environmental management systems certified according to ISO 14001 by independent auditors.

K level

A building's overall primary thermal insulation level.

KPI (Key Performance Indicator)

Key performance indicators are figures that are used to measure the progress that an organisation has made in implementing its main objectives.

Law of 6 April 2010

Law on market practices and consumer protection.

Law of 20 December 2012

Law on the exercise of certain rights of shareholders in listed companies.

Law of 12 May 2014

Law on B-REITs.

LTV (Loan-to-value)

$LTV = [(\text{nominal financial debts} - \text{cash}) / \text{fair value of portfolio}]$.

Leasehold

Temporary right in rem entitling its holder, for at least 27 years and up to 99 years, to the full use of a property belonging to another owner, in consideration of the payment to the owner of an annual fee in cash or in kind, known as the "ground rent", in consideration of its right of ownership. Throughout the duration of the leasehold, the leaseholder exercises all the rights deriving from the ownership of the property, but may not do anything that reduces its value.

Market capitalisation

Closing stock price multiplied by the total number of shares outstanding at that date.

NAV

Net asset value of the shareholder's equity.

Net current result

EPRA earnings + result of sale of properties.

Net result

Result established in accordance with IFRS accounting standards. It is the profit or loss for the period.

Occupancy rate

Current rent/(current rent + estimated rental value for vacant space).

Operating margin

Operating result before result on portfolio divided by the rental income (excluding spreading of gratuities).

Pay-out ratio

The pay-out ratio is calculated by dividing the gross dividend by EPRA earnings.

Property management

Property management is the supervision of the activities of technical maintenance, accounting for rents and accounting for property-related charges, to be passed on to tenants.

Pure Player

An investor specialising in a single geographical or business segment.

Rating

Befimmo's credit rating assigned by the Standard & Poor's rating agency.

Record date

The record date is the date on which a shareholder must hold securities in order to be entitled to payment of the dividend for the securities held at that date.

REIT (Real-Estate Investment Trust)

Fixed-capital investment company in the United States.

Reversion rate of the rent

Reversion rate = $1 - ((\text{current rent} + \text{estimated rental value for vacant premises}) / \text{estimated rental value for total space})$.

RICS

Royal Institution of Chartered Surveyors (www.rics.org).

Royal Decree of 14 November 2007

Royal Decree on the obligations of financial option writers admitted to trading on a regulated market.

Royal Decree of 7 December 2010

Royal Decree on Sicafis.

Royal Decree of 13 July 2014

Royal Decree on B-REITs.

RPM

Register of corporate bodies.

Sicafi

Fixed-capital real-estate investment trust.

The Sicafi regime was created in 1995 to promote collective investment in real estate.

Take up

Take-up of office space.

UPSI

Professional Union of the Real-Estate Sector (www.upsi.be).

Velocity

Velocity is an indicator of the speed of movement of shares on the regulated market and is calculated by dividing the total number of shares traded during the fiscal year by the average number of shares outstanding during the period.

Weighted average duration (of leases)

The weighted average duration of leases is the sum of the (annual current rent for each lease multiplied by the term remaining up to the first break in the lease) divided by the total current rent of the portfolio.

Withholding tax

Dividends are income taxable in Belgium. In most cases, the withholding tax deducted from such income is in most cases the final tax payable.

Appendix II: Extracts of articles of association (coordinated at 16 December 2014)

Title one: Character of the company – corporate name – partners - registered office - term – object

Article 1: Character – corporate name

The company took the legal form of a limited liability company (société anonyme/naamloze vennootschap), under the company name "BEFIMMO".

The company is a B-REIT, as set forth in articles 2, 2° of the law of 12 May 2014 concerning B-REITs (hereafter, the "B-REIT law"), whose shares are admitted to trading on a regulated market and who raises its financial means, in Belgium or abroad, by means of a public offering of shares.

The company name is preceded or followed by the words "public regulated real estate company under Belgian law" or "public B-REIT under Belgian law" and all the documents produced by the company contain the same words.

It is governed by the B-REIT law and the royal decree of 13 July 2014 relating to B-REITs (hereafter called the "B-REIT RD") (this act and this royal decree being referred to together as the "B-REIT regulation").

The company is a public company that initiates a public offering as defined in article 438 of the Code of Company Law.

Article 2: Registered office

The registered office of the company is located in 1160 Brussels, Chaussée de Wavre, 1945.

The registered office of the company may be transferred to any other location in Belgium by simple decision of the board of directors who has full powers to have the amendment of the articles of association resulting from such a change recorded in a notarial deed.

In case of extraordinary events of political, military, economic or social nature that could compromise the normal operation of the registered office or smooth communication between the registered office and a foreign country, the registered office of the company may temporarily be transferred in Belgium or abroad by simple decision of the board of directors until complete disappearance of such abnormal circumstances. This provisional measure shall, however, have no consequence whatsoever on the nationality of the company, which will remain Belgian despite such provisional transfer of the company's registered office.

The company may, by simple decision of the board of directors, establish branches or agencies in Belgium as well as abroad.

Article 3: Term

- 3.1. The company was incorporated by means of a deed dated 30 August 1995 for an unlimited term.
- 3.2. Without prejudice to the causes of winding-up defined by the law, the company may be wound-up by the shareholders' meeting resolving in the same manner as for amending the articles of association and in compliance with the provisions of article 44 of the articles of association.

Article 4: Purpose

- 4.1. The company has as exclusive purpose:
 - (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the B-REIT regulation, and;
 - (b) within the limits set out by the B-REIT regulation, hold real estate assets listed in article 2, 5°, vi) to x) of the B-REIT law.

By real estate is meant:

- i. real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;
- ii. shares with voting rights issued by real estate companies under the exclusive or joint control of the company;
- iii. option rights on real estate;
- iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case, joint or exclusive control over these companies is exercised by the company;

- v. the rights arising from contracts giving one or more goods in finance-lease to the company or providing other similar rights of use;
- vi. shares in public real estate investment companies;
- vii. shares in foreign real estate funds included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers;
- viii. shares in real estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real estate investment companies;
- ix. shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar corporate purpose; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or "REITs");
- x. real estate certificates referred to in article 5, § 4, of the Act of 16 June 2006 on the public offer of investment securities and the admission to trading of investment securities on regulated markets.

In the context of the making available of real estate, the company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.

- 4.2. On an ancillary or temporary basis, the company may make investments in securities which are not real estate within the meaning of the B-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in a way to ensure an adequate risk diversification. The company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.

It may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of real estate of the company and with the exclusion of any transaction of a speculative nature.

- 4.3. The company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).
- 4.4. The company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related purpose and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its corporate purpose as well as all acts that are useful or necessary for the realisation of its corporate purpose.

Article 5: Prohibitions

- 5.1. The company may not act as real estate developer in the meaning of the B-REIT regulation.
- 5.2. Without prejudice to article 4.3 of the articles of association and with exception (a) of the provision by the company of credits and pledge or guarantees in favour of a subsidiary and (b) of the provision by a subsidiary of the company of credits and pledge or guarantees in favour of the company or another of its subsidiaries, the company and its subsidiaries may not (a) provide credits nor (b) provide security interests or guarantees on behalf of third parties.

Regarding the application of the previous subparagraph, the proceeds owed to the company as a result of the disposal of immovable goods shall not be taken into account provided that such proceeds are paid within usual periods.

- 5.3. The company may not:
- a. participate in a firm underwriting group or a guarantee syndicate;
 - b. lend financial instruments, with the exception of loans compliant to the provisions and conditions pursuant to the royal decree of 7 March 2006 on security loans granted by some investment companies;
 - c. acquire financial instruments issued by a private law company or association declared bankrupt that has concluded an amicable agreement with its creditors, that is the object of a judicial reorganisation procedure, that has obtained a suspension of payments, or with respect to which has been the object of a similar measure was taken abroad.
- 5.4. The company may not grant mortgages nor create pledges nor issue guarantees other than in the framework of the financing of its real estate activities or those of its group.

The total amount covered by these mortgages, pledges or guarantees may not exceed 50% of the total fair value of the immovable goods held by the company and its subsidiaries. No mortgage, pledge or guarantee on a given immovable good, granted by the company or by one of its subsidiaries may exceed 75% of the value of the encumbered property in question.

Title two: Share capital

Article 6: Capital

The capital is set at three hundred twenty nine million four hundred thirteen thousand hundred seventy euros and three cents (329,413,170.03 EUR). It is represented by 22,673,609 shares without nominal value, numbered from one to 22,673,609, each representing an equal part of the capital, all fully paid-up.

Article 7: Authorised capital

The board of directors is authorised to increase the share capital, in one or several stages, on the dates and pursuant to the terms and conditions resolved by him, by an amount of maximum two hundred fifty-three million one hundred ninety-four thousand seven hundred and eighty euros and fifty-nine cents (€253,194,780.59). Shareholders' right of preference can be restricted or withdrawn in accordance with article 9 of the articles of association.

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

This authorisation is granted for a period of five years from the date of publication in the Annexes of the Belgian Official Gazette of the minutes of the shareholders' meeting of 22 June 2011.

The authorisation is renewable.

Such capital increase(s) may be achieved by way of subscription in cash, by contributions in kind or by incorporation of reserves provided the rules set forth in the Code of Company Law and these articles of association pursuant to article 13 of the B-REIT regulation. They can also occur by means of conversion of convertible bonds or the exercise of subscription rights – whether or not attached to another security – which may give rise to the creation of shares with voting right.

Whenever the share capital increases resolved pursuant to this authorisation involve an issue premium, the amount of such premium shall be allocated after possible deduction of costs by the board of directors to a blocked account which constitutes, like the share capital, the guarantee of third parties, and this issue premium shall, subject to its incorporation in the share capital by the board of directors as set forth above, only be reduced or suppressed by resolution of the shareholders' meeting taken in compliance with the quorum and majority requirements set forth in the Code of Company Law for a share capital reduction, by reimbursement to the shareholders or by the shareholders' release of the paying-up of their contribution.

Article 8: Capital increase

- 8.1. The capital of the company may be increased by resolution of the shareholders' meeting, resolving in accordance with articles 558 and, as the case may be, 560 of the Code of Company Law or by decision of the manager within the framework of the authorised share capital. However the company may not directly or indirectly subscribe to its own share capital increase.
- 8.2. Upon any capital increase, the manager determines the rate and conditions of issuance of new shares, unless the shareholders' meeting decides on it itself.
- 8.3. In case of issuance of shares without mention of nominal value under the accounting par value of the existing shares, the notice of shareholders' meeting must expressly mention this fact.
- 8.4. Should the share capital be increased with an issue premium, the amount of such premium must be fully paid-up upon subscription.

Article 9: Capital increase by means of cash contribution

- 9.1. In the event of a capital increase by means of cash contribution, and without prejudice to compliance with articles 592 to 598 of the Code of Company Law, the preferential right may only be restricted or denied on condition that an irrevocable priority allocation right is granted to existing shareholders upon allocation of the new shares.

This irrevocable priority allocation right has the following characteristics:

- 1) it pertains to all newly issued shares;
- 2) it is granted to shareholders on a pro rata basis of the portion of the capital represented by their shares at the time of the transaction;
- 3) a maximum price per share is announced no later than the day before the opening of the public subscription period; and
- 4) the public subscription period must, in such case, be a minimum of three market days ("jours de bourse").

- 9.2. Without prejudice to compliance with articles 595 to 599 of the Code of Company Law, article 9.1 of the articles of association does not apply in the case of cash contribution with restriction or denial of the preferential right combined with a contribution in kind with regard to an optional dividend distribution, provided the granting of the latter is effectively open to all shareholders.

Article 10: Capital increase by means of contribution in kind - reorganisation

- 10.1. Capital increases by contribution in kind are subject to the rules set forth in articles 601 and 602 of the Code of Company Law.
- 10.2. Contributions in kind can also pertain to the right to dividend with regard to an optional dividend distribution, with or without complementary cash contribution.
- 10.3. Thereby, in accordance with the B-REIT regulation, the following conditions must be complied with:
- 1° the identity of the contributor must be mentioned in the board of directors' report specified in article 602 of the Code of Company Law, as well as, as the case may be, in the notice to the shareholders' meeting that will decide on the capital increase;
 - 2° the issue price cannot be lower than the lowest value between (a) a net value per share determined no later than four months prior to the contribution agreement or, at the company's choice, prior to the date of the deed of the capital increase and (b) the average stock exchange closing price over 30 days prior to such date.

Regarding the application of the previous sentence, it is allowed to deduct from the amount referred to under the subparagraph above the amount corresponding to the portion of undistributed gross dividend of which the new shares may be deprived, provided the board of directors specifically evidences in his special report the amount of accrued dividend to be deducted and describes the financial conditions of the transaction in the annual financial report;
 - 3° unless the issue price or, in the case described under article 10.5, the conversion parity, as well as their terms, are determined and published no later than the business day following the conclusion of the contribution agreement, with mention of the term upon which the capital increase will take effect, the capital increase deed is executed within a maximum term of four months; and
 - 4° the report referred to in 1° must also describe in detail the impact of the proposed contribution on the situation of the former shareholders, particularly regarding their part in the profit, the net value per share and the capital, as well as the impact in terms of voting rights.
- 10.4. Article 10.3 of the articles of association does not apply in case of contribution of the right to dividend with regard to an optional dividend distribution provided the granting of the latter is effectively open to all shareholders.
- 10.5. Article 10.3 of the articles of association applies mutatis mutandis to mergers, spin-offs and similar transactions as referred to in articles 671 to 677, 681 to 758 and 772/1 of the Code of Company Law. In the latter case, "date of the contribution agreement" must be understood as the date of deposit of the merger or spin-off project.

Article 10 bis: Capital increase of a subsidiary with the status of institutional b-reit

Pursuant to the B-REIT regulation, in the event of a capital increase of a subsidiary with the status of institutional B-REIT by means of a cash contribution at a price lower by 10% or more of the lowest value between (a) a net value per share determined no later than four months prior to the opening of the issuance and (b) the average of closing prices over the 30 calendar days preceding the opening day of the issuance, the board of directors shall write a report describing the economic rationale of the applied discount, the financial consequences of the transaction for Befimmo shareholders, and the advantages of the capital increase envisioned for Befimmo. This report, as well as the criteria and valuation methods used, shall be discussed by the auditor of Befimmo in a separate report.

It is allowed to deduct from the amount referred to under the subparagraph above the amount corresponding to the portion of undistributed gross dividend of which the new shares may be deprived, provided the board of directors specifically evidences the amount of accrued dividend to be deducted and describes the financial conditions of the transaction in the annual financial report of the company.

In the event the concerned subsidiary is not listed, the discount referred to in subparagraph 1 is only calculated based on a net value per share determined no later than four months earlier.

This article does not apply to capital increases subscribed in full by the company or by its subsidiaries of which the company directly or indirectly holds the capital in full.

Article 11: Repurchase of own shares

- 11.1. The company may, by virtue of the decision of the shareholders' meeting in compliance with articles 620 and 630 of the Code of Company Law, acquire or pledge its own shares that have been fully paid-up in cash.
- 11.2. The conditions for the disposal of securities acquired by the company are determined by the shareholders' meeting or by the board of directors as the case may be according to article 622 § 2 of the Code of Company Law.

- 11.3. The board of directors is authorised to dispose of the company's own shares acquired by the company in the following cases: 1) on the stock market or off-stock market when these shares are admitted to be listed on a regulated market in the meaning of article 4 of the Code of Company Law; 2) when the disposal takes place in a stock exchange of movable goods or as a result of a public sale offer directed to all shareholders under the same conditions, in order to prevent serious and imminent damage to the company, being understood that such authorisation is valid for a period of three years from the date of publication of the minutes of the meeting of 22 June 2011 and that it is renewable for identical periods; 3) in all other cases permitted for by the Code of Company Law."
- 11.4. Rights and authorisations described in this article extend to acquisitions and disposals of shares of the company by one or several subsidiaries directly controlled by the company as described in the Code of Company Law.

Article 12: Capital reduction

The company may reduce its capital in compliance with the applicable legal provisions.

Title three: Securities

Article 13: Nature and form

- 13.1 With the exception of founders' shares and similar securities, and subject to specific provisions of the B-REIT regulation, the company may issue the securities referred to in article 460 of the Code of Company Law, in accordance with regulations therein.
- 13.2. Shares are registered shares or dematerialised shares, within the limits set forth by the law.
All shares are fully paid-up and are without indication of nominal value.
- 13.3. A register of registered shares is kept at the registered office, as the case may be and if the law allows it, in an electronic form; it is available for consultation by all shareholders. Certificates evidencing a person's registration shall be delivered to the shareholders.
All transfers amongst the living or because of decease as well as any conversion of securities are recorded in this register.
- 13.4. Dematerialised shares are represented by an entry into the account in the holder's name at a recognised account holder or settlement institution.
- 13.5. The holder of dematerialised shares may, at any time, request the conversion of such shares, at his expense, into registered shares, and conversely.

Article 13 bis: Thresholds

Regarding the application of the statutory rules concerning the disclosure of important holdings in issuers whose shares are admitted to trade on a regulated market, the company has determined, in addition to the statutory thresholds, a threshold of three per cent (3%).

Title four: Administration – control

Article 14: Composition of the board of directors

- 14.1. The company is administered by a board of directors is composed of at least three directors, shareholder or not, appointed for four years or more by the general meeting and revocable at any time by this meeting. This board includes at least three independent directors as defined in article 526 ter of the Code of Company Law.
- 14.2. The board of directors elects a president from among its members.
- 14.3. The members of the board are eligible for re-election.
- 14.4. The directorship of the directors is remunerated.
- 14.5. If a legal person is appointed as director he must appoint a permanent representative during its nomination. This permanent representative mandate is given for the duration of the one of the legal person he's representing.
- 14.6. The members of the board of directors must fulfil the requirements of integrity and expertise provided for by the B-REIT regulation and must not come within the scope of the case of prohibitions provided for by the B-REIT regulation.
- 14.7. The board of directors can appoint one or more observers who can assist to all or part of the meetings of the board on the basis of the procedures to be decided by the board.
- 14.8. Without prejudice of the transitional provisions, the directors are exclusively natural persons.
- 14.9. The appointment of the directors is subject to the prior approval of the Financial Services and Market Authority (FSMA).

Article 15: Powers of the board of directors

- 15.1. The board of directors of the company has all powers to accomplish all acts necessary or useful for the realisation of the company's purpose, with exception of the acts which the law or the articles of association have granted to the general meeting.
- 15.2. The board of directors establishes the annual and half-yearly reports in compliance with the applicable provisions and, in particular, the B-REIT regulation.

The board of directors appoints one or several independent real estate experts responsible for the valuation of the real estate of the company and its subsidiaries, in accordance with the B-REIT regulation.
- 15.3. The board of directors may grant to each proxyholder all specific powers, limited to certain acts or to a series of specific acts, with the exception of powers that are entrusted to him by virtue of the Code of Company Law or the B-REIT law and its implementing decrees.
- 15.4. The board of directors is authorised to determine the compensation of said proxyholder(s), which shall be withheld from the company's operating expenses.

The board of directors can revoke said proxyholder(s) at any time.

Article 16: Deliberation of the board of directors

- 16.1. The meetings of the board of directors are held in Belgium or abroad, at the place indicated in the notices. The person chairing the meeting can appoint the secretary of the meeting, who is a director or not.
- 16.2. The Board of Directors meets upon convocation by the chairman, the vice-chairmen or two directors, done within at least 24 hours before the meeting.
- 16.3. Any director who is unable to attend may, by letter or other means of (tele)communication providing documentary confirmation of the nomination as proxy, empower another member of the Board to represent him and to vote in his stead at a specific meeting. A director may represent more of its colleagues and may issue, in addition to his own vote, as many votes as he received proxys.
- 16.4. Except in the case of "force majeure", the board of directors may only validly deliberate and validly resolve if at least half of the members of the board are present or represented. If this condition is not met, a new meeting must be convened, which will validly deliberate and validly resolve on items which are on the agenda of the previous meeting, provided that at least three directors are present or represented.
- 16.5. Decisions of the board shall be adopted by the absolute majority of the present or represented directors. In case of abstention of one or more directors, decisions are adopted by the majority of the other directors. In case of a tie vote, the person chairing the meeting shall have the casting vote.
- 16.6. In exceptional cases duly justified by urgency and the need to serve the interests of the company the decisions of the Board of Directors may be expressed by means of a circular. This procedure, however, may not be invoked to approve the annual accounts or release authorised capital.

Decisions must be taken by unanimous agreement of the directors. Their signature will be placed on one document or one different copies of the same document.

These resolutions will be equally valid as if they were taken during a meeting of the board, which are regularly convened and held, and will carry the date of the last signature placed by the directors on the abovementioned documents.

Article 17: Minutes

The decisions of the board of directors are recorded in minutes signed by at least two of directors, as well as all directors who express an interest to do so.

Article 18: Advisory and specialised committee

- 18.1. The board of directors may establish one or more committees of which the members may be chosen from within or outside the board.
- 18.2. It nominates at least an audit committee, a nomination committee and a remuneration committee (the nomination committee and the remuneration committee may be combined) of which they implement the missions, the powers and the composition in accordance with applicable law.

Article 19: Executive committee

- 19.1. The board of directors may delegate its management powers to an executive committee, made up from within or outside the board, without this transfer being able to relate to the general policy of the company or to any acts reserved for the board of directors on the grounds of other provisions of the law or the articles of associations.
- 19.2. The board of directors implements the missions, the powers, fixed or variable emoluments, by overall charges overhead, of the persons designated for that purpose; where necessary, he dismisses them.

- 19.3. Without prejudice to the transitional provisions, the members of the executive committee are exclusively natural persons; they must fulfil the requirements of integrity and expertise provided for by the B-REIT regulation and may not fall within the scope of the case of prohibitions provided for by the B-REIT regulation.

Article 20: Day-to-day management

- 20.1. The board of directors may confer the day-to-day management of the company as well as the representation of the company on one or several of its members, who will or won't carry the title of executive director, or to one or several appointed agents chosen within or outside the board.

With the exception of the so-called joint-signature clauses, the restrictions placed on the powers of representation for the needs of the day-to-day management are not binding on third parties, even if they are published.

Similarly, the managing director(s) of the day-to-day management may grant special powers to each authorised representative, but within the limits of the day-to-day management.

- 20.2. The managing director(s) of the day-to-day management must fulfil the requirements of reliability and expertise as described in the B-REIT regulation and must not come within the scope of the cases of prohibitions set forth in the B-REIT regulation.

Article 21: Internal organisation and quality

- 21.1. Without prejudice to the transitional provisions, the executive direction of the company must be carried out by at least two natural persons.
- 21.2. The members of the executive direction must fulfil the requirements of integrity and expertise provided for by the B-REIT regulation and may not fall within the scope of the prohibitions provided for by the B-REIT regulation.
- 21.3. The company is organised in compliance with article 17 of the B-REIT law.

Article 22: Representation of the company

- 22.1. The company is validly represented in all acts, including those in which a public officer or notary intervene, and before a court of law, by:
- two directors acting jointly, or
 - within the limits of the day-to-day management, a managing director of this management.
- 22.2. The company shall moreover be validly bound by special proxyholders of the company acting within their powers.
- 22.3. The copies or extracts of the minutes of the general meeting of shareholders and the meetings of the board of directors to be produced in court or in any other place, and notably each extract to be published in the annexes to the Belgian Official Gazette, are validly signed by a director, a person in charge of the day-to-day management or a person explicitly authorised by the board.

Article 23: Prevention of conflicts of interests

- 23.1. The company is structured and organised in such a way as to minimise the risk of the shareholders' interests being prejudiced by conflicts of interests in accordance with the B-REIT regulation.
- 23.2. The persons referred to in article 36 of the B-REIT law may not act as counterparty in a transaction with the company or with one of its subsidiaries nor obtain any benefit in such a transaction, unless the transaction is in the interest of the company, fits in the scope of its strategy and is realized under normal market conditions.
- 23.3. The company must inform the FSMA prior to any transaction considered by the company if one of the following persons acts directly or indirectly as the counterparty or obtains any benefit in the transaction:
- persons who control or hold a participation in the company;
 - persons with which the company, one of its subsidiaries, the promoter and other shareholders of a subsidiary are bound or have a shareholding connection;
 - the promoter;
 - the other shareholders of any subsidiary of the company
 - the directors, members of the management committee, managing directors, executive officers or representatives: of the company, of one of its subsidiaries, of the promoter, of the other shareholders of any subsidiary of the company and of a person who controls or holds shares in the company.
- 23.4. Information regarding the transaction mentioned in article 23.2 shall immediately be made public in the press release, if any, pertaining to such transaction. It shall be discussed in the annual financial report and by the statutory auditor in his report.

- 23.5. The aforementioned provisions shall not apply to:
- transactions for an amount less than the lowest amount between 1% of the consolidated assets of the company and 2,500,000 euros;
 - the acquisition of movable goods by the company or one of its subsidiaries within the framework of a public offering made by a third party issuer, for which a promoter or one of the persons referred to in article 37, § 1 of the B-REIT law intervene as intermediaries as defined in article 2, 10° of the law of 2 August 2002;
 - the acquisition or subscription, by the persons mentioned in article 37 § 1 of the B-REIT law, of the company's shares issued pursuant to a resolution of the shareholders' meeting; and
 - the transactions concerning liquid assets of the company or one of its subsidiaries provided that the person who acts as counterparty has the capacity of intermediary as defined in article 2, 10° of the law of 2 August 2002 and that such transactions are executed in compliance with the market.
- 23.6. In addition to the preceding provisions, the directors shall comply with articles 523 and 524 of the Code of Company Law.

Article 24: Control

- 24.1. The control of the financial situation, of the annual accounts and of the compliance of the transactions, to be recorded in the annual accounts, is entrusted to one or more auditors, member(s) of the Institute for Company Auditors.
- Said auditor(s) is/are appointed by the shareholders' meeting for a renewable term of three years and may only be removed for serious grounds, under penalty of damages, as the case may be.
- The shareholders' meeting determines the number of auditors and their remuneration.
- Said auditor(s) control(s) and certify(ies) the accounting data stated in the annual accounts of the company and confirm(s), as the case may be, all of the information to be provided in accordance with the B-REIT regulation.
- 24.2. Article 141, 2° of the Code of Company Law is not applicable to the company having the status of a B-REIT, in accordance with article 55, § 1, second subparagraph, of the B-REIT law.
- 24.3. In accordance with the B-REIT regulation, the FSMA is entitled to any information or may complete on the spot searches and peruse all the company's documents.

Title five: General meeting of shareholders

Article 25: Composition – powers

The general meeting is composed of all shareholders entitled to vote either in person or by proxyholder in compliance with the statutory provisions or the articles of association.

Article 26: Meetings

- 26.1. The annual general meeting shall take place on the last Tuesday of April at 10:30.
- The agenda of the yearly general meetings includes at least the approval of annual accounts, the granting of discharge to the directors and auditor, and the approval of the remuneration report by the general meeting.
- 26.2. An extraordinary meeting may be convened each time it is in the company's interest.
- It must be convened at the request of shareholders jointly holding one/fifth of the share capital.
- 26.3. The general meetings shall take place at the registered office or at any other location in Belgium, which shall be specified in the notice.

Article 27: Notices & information

- 27.1. The general meeting, whether annual or extraordinary, is held following a notice by the board of directors or the auditor.
- The notices contain all topics required by the Code of Company Law and by any other regulation.
- 27.2. The company shall provide shareholders with any information required by the Code of Company Law and by any other regulation.

Article 28: Admission to the meeting

- 28.1. Any shareholder may participate in a general meeting and exercise his right to vote:
- (i) if his shares are registered in his name on the fourteenth day prior to the shareholders' meeting, at 24 hours (midnight, Belgian time), either:

- by registration of the shares in the company's registered shares register;
- by registration of the shares in the account of an authorised holder or settlement institution.

The aforementioned day and time shall be the recording date.

- (ii) and if the company has been informed, no later than the sixth day prior to the date of the meeting, of the shareholders' desire to participate in the shareholders' meeting, as the case may be, directly by the shareholder for holders of registered shares or by a financial intermediary, authorised account holder or settlement institution for holders of dematerialised shares.

- 28.2. Any shareholder may, as of the date of notice and no later than six days prior to the date of the meeting, ask questions in writing, which will be answered during the meeting provided the concerned shareholder has complied to requirements for admission to the meeting.

Article 29: Participation and voting procedures for shareholders' meetings

- 29.1 All shareholders may vote in person or through a proxy holder.

Proxy notifications to the company must be remitted in writing.

- 29.2. The proxy must be provided to the company no later than six days prior to the date of the meeting.

- 29.3. Any shareholder may vote by post using a form available from the company. The postal vote form must be received by the company no later than six days prior to the date of the meeting.

- 29.4. The joint owners, usufructuaries and bare owners, pledgee creditors and pledgee debtors must be represented respectively by one and the same person.

Article 30: Office

All general meetings are chaired by the chairman of the board of directors. If the chairman is unable to attend, the meetings will be chaired by a director appointed by its colleagues, or by a member of the general meeting appointed by the latter.

The chairman appoints the secretary.

The chairman appoints two vote-takers amongst the shareholders.

Article 31: Presence list

- 31.1. A register dedicated by the board of directors includes for each shareholder who expressed his desire to participate in the general meeting his name, surname or corporate name, address or registered office, the number of shares he held at the registration date, and a description of documents evidencing shareholding at such registration date.

- 31.2. The shareholder or his proxy holder ensures that all elements required, as the case may be, for the shareholder's identification are provided to the company.

Article 32: Voting right of the shareholders

- 32.1. Each share entitles its holder to one vote.

- 32.2. In case of acquisition or pledging by the company of its own shares, the voting right of these securities shall be suspended.

- 32.3. Voting take place by raising hands or by calling names, unless the general meeting, by majority of votes, decides otherwise.

Article 33: Deliberations of the general meeting

- 33.1. No meeting shall deliberate on items that were not specified in the agenda, unless all shareholders are present and unanimously approve of the new items.

- 33.2. Any draft amendment to the articles of association must first be submitted to the FSMA in accordance with article 8 of the B-REIT regulation.

- 33.3. Except in cases set forth by the law or the articles of association, each resolution shall be adopted by a majority of votes irrespective of the number of shares represented at the meeting.

Article 34: Minutes

- 34.1. The minutes of the general meetings include for each resolution the number of shares for which valid votes were expressed, the percentage of the capital represented by such votes, the total number of valid votes expressed, the number of votes expressed for and against each resolution, and, as the case may be, the number of abstentions.

- 34.2. The minutes of the general meetings are signed by the members of the office and the shareholders asking to do so.

- 34.3. Information referred to in article 34.1 is published by the company on its website within fifteen days of the general meeting.
- 34.4. Copies or excerpts to be submitted before a court of law or elsewhere must be signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

Title six: Bondholders' meeting

Article 35: Powers – notices

The general bondholders' meeting is granted powers as determined by the Code of Company Law and convenes in accordance with the Code of Company Law.

Article 36: Participation in the bondholders' meeting

Holders of registered bonds must inform the board of directors, no later than three business days prior to the date of the meeting, in writing (letter or proxy), of their intention to attend the bondholders' meeting and specify the number of bonds based on which they intend to vote.

Holders of dematerialised bonds shall deposit at the registered office or at any location specified in the notice, within the same term, a statement executed by the authorised account holder or settlement institution, certifying the unavailability of the bonds up to the date of the bondholders' meeting.

Article 37: Conduct of the bondholders' meeting – minutes

The bondholders' meeting renders resolutions according to provisions of the Code of Company Law.

The minutes of the bondholders' meetings are signed by the members of the office and by the bondholders who request to do so.

Copies and excerpts to be submitted before a court of law or elsewhere are signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

Article 38: Representation

Any bondholder may be represented at the bondholders' meeting by a proxy holder, whether or not bondholder. The board of directors determines the form of the proxies.

Title seven: Company records - distribution

Article 39: Company records

- 39.1. The company's fiscal year begins on 1st January and ends on 31st December.
- 39.2. On this last date, the books of the company are closed and the board of directors prepares a full inventory, as well as the annual accounts in accordance with the law on book-keeping and the annual accounts of the undertakings and the special provisions of the B-REIT regulation.
- 39.3. The company bears, amongst others, the costs of incorporation, organisation and domiciliation, the costs for the service of the company shares, the costs related to the immovable goods operations and the investment transactions, the costs of technical management, supervision, maintenance, etc. of the immovable goods of the company, the accountancy and inventory costs, the costs stemming from the supervision of the accounts and the control of the company, the publication costs, that are inherent to the share offer, costs stemming from the establishment of periodical reports and the distribution of financial information, the management costs and the taxes and duties and rights due as a result of the business carried on by the company, or as a consequence of the activities of the company.
- 39.4. Furthermore, the board of directors establishes an inventory of the immovable goods owned by the company and its subsidiaries when the company proceeds to a share issue or a share buy-back other than on a regulated market.

Article 40: Distribution

- 40.1. Article 616 of the Code of Company Law concerning the establishment of a reserve fund is not applicable to companies having the status of a regulated real-estate company by Belgian law in accordance with article 11, § 3, of the B-REIT law.
- 40.2. The company shall, by way of remuneration of the capital, distribute an amount that shall correspond at least to the positive difference between (i) 80% of the amount determined according to the table in Chapter III of Annex C of the B-REIT royal decree and (ii) the net decrease, in the course of the same financial year, of the indebtedness of the company as specified in article 13 of the B-REIT royal decree.
- 40.3. The company shall simultaneously comply with the obligations regarding distributions that have been imposed on it or that may be imposed on it by the laws of any State that may be applicable to it and in particular the obligations regarding distribution that may be imposed on it by virtue of its acceptance of the status of "Société

d'Investissements Immobiliers Cotée" ("SIIC") ("Listed Company for Real Estate Investments" – "LCREI") in accordance with article 208 - C of the "Code Général des Impôts français" ("General Code of French Taxes") on the ground of its transactions in France.

- 40.4. The balance shall be allocated in the manner resolved by the shareholders' meeting on proposal of the board of directors.
- 40.5. The company may distribute an optional dividend with or without cash complement.
- 40.6. Unclaimed dividends of registered shares and fees within the five years of their payment will expire.

Article 41: Provisions regarding shareholders subject to withholding

- 41.1. For the purpose of the following paragraphs, the term 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") must be understood as any shareholder, other than a natural person, who directly or indirectly holds 10% or more of the rights to dividend distributed by the company and whose personal situation – or the situation of his shareholders who, prior to the payment of any distribution, directly or indirectly hold ten percent (10%) or more of the rights to dividend from the company – implies that the company is liable of a withholding equal to twenty percent (20%) (le 'Prélèvement' or the "Withholding",) as specified in article 208 C II ter of the "Code Général des Impôts français" ("General Code of French Taxes").
- 41.2. If the ten percent (10%) threshold of the capital of the company (to be understood as the possession of ten percent (10%) or more of the rights to dividend paid out by the company) is directly or indirectly exceeded, any shareholder other than a natural person ("Concerned Shareholder") ("Actionnaire Concerné") shall notify the company thereof and such shareholder shall be deemed an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding").

In the event such shareholder states that he is not an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding"), he must, within a short time period and at the latest ten business days prior to the payment of any distribution, evidence this at the request of the company and, if the company so demands, submit an acceptable and unreserved legal opinion issued by an internationally reputed tax firm with recognised expertise in the field of French tax law, stating that the shareholder is not an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") and that distributions declared payable by the company do not render the company liable for the 'Prélèvement' ("Withholding"). The company may proceed to request any supporting document, additional data or the point of view of the French tax administration and, as the case may be, until satisfactory answers have been obtained, retain the distribution concerned.

Any 'Actionnaire Concerné' ("Concerned Shareholder") must within a short period of time inform the company of any modification in its tax position whereby it would acquire or lose the capacity of 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") by justifying such event, in the event of loss of this status, in the manner as indicated above.

- 41.3. Every 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") shall, at the time of payment of each distribution, become a debtor of the company for an amount that corresponds with the amount of the Withholding which the company by way of distribution of dividends, reserves premiums or 'returns deemed distributed' as defined in the General Code of French Taxes owes.

In the event that the company directly and/or indirectly would possess a percentage of the rights to a dividend that is at least equal to what is specified in article 208 C II ter of the General Code of French Taxes of one or more 'Sociétés d'Investissements Immobiliers Cotées' ("SIICs") as specified in article 208 C of the General Code of French Taxes ('SIIC Fille') and in which the SIIC Fille as a result of the capacity of the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") would have settled the Withholding, the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") must, as the case may be, indemnify the company, either for the amount that the company has paid out to the SIIC Fille, by way of compensation for the payment of the Withholding by the SIIC Fille, or, in the absence of a compensation to the SIIC Fille by the company, for an amount that is equal to the Withholding paid by the SIIC Fille, multiplied by the percentage of the rights to receive a dividend of the company in the SIIC Fille, in such a manner that the other shareholders of the company do not contribute in an economical manner to whichever fraction of the 'Prélèvement' ("Withholding") paid by whichever SIIC in the holding chain because of the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") (the so-called 'Indemnisation Complémentaire' - "Additional Compensation").

The amount of this 'Indemnisation Complémentaire' ("Additional Compensation") shall be borne by all 'Actionnaires à Prélèvement' ("Shareholders Subject to Withholding") in proportion to their respective rights to dividends, divided by the total number of rights to dividends of the 'Actionnaires à Prélèvement' ("Shareholders Subject to Withholding").

The capacity of 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") is established at the time of payment of the distribution.

- 41.4. The company has the right to proceed to a set-off between its claim seeking damages from any 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") on the one hand and the amounts which the company must pay in favour of this shareholder on the other hand. In such a manner, the amounts retained from the company's profits exempted from corporation tax pursuant to article 208 C II of the General Code of French Taxes and which pursuant to each share must be paid out in the hands of the said 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") pursuant to the above-mentioned decision to distribute or to repurchase of shares in his favour, shall thus be reduced up to the amount of the Withholding due by the

company for the distribution of these amounts and/or up to the 'Indemnisation Complémentaire' ("Additional Compensation").

The amount of each compensation due by an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") shall be calculated in such a manner that the company, after payment thereof and taking account of possible application of tax laws, shall be placed in the same position as if the Withholding would not have become due.

The company and the 'Actionnaires Concernés' ("Concerned Shareholders") shall cooperate in good faith so that all reasonable measures shall be taken to reduce the amount of the Withholding (still) due and the compensation possibly resulting therefrom.

In the event (i) after the distribution of a dividend, reserves or premiums or 'produits réputés distribués' ("returns deemed distributed") as defined in the General Code of French Taxes levied on the profits of the company or on the profits of a SIIC Fille, exempted from corporation taxes pursuant to article 208 C II of the General Code of French Taxes, it would appear that a shareholder would be an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") on the date of payment of the said amounts and (ii) in which the company or the SIIC Fille should have proceeded to the payment of the Withholding on the amounts thus paid, without said amounts having been the subject of the set-off specified in the first subparagraph of this paragraph, then the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") shall be liable to pay to the company, by way of compensation for the damages that the latter sustains, and notwithstanding partial or full transfer of the shares that occurred in the meanwhile, an amount that is equal to, on the one hand, the Withholding which the company had to discharge for each share of the company that it held at the time of the payment of the distribution of dividends, reserves or premiums concerned, increased with every fine and interests and, on the other hand, as the case may be, the amount of the 'Indemnisation Complémentaire' ("the Additional Compensation") (the 'Indemnité' - the "Compensation").

The company shall be entitled, as the case may be, to proceed to a set-off to the appropriate extent between its claim on the ground of the "Compensation" ('l'Indemnité') and all amounts that may be payable at a later stage for the benefit of this 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") and such, as the case may be, without prejudice to the prior application in respect of the said amounts of the set-off specified in the first subparagraph of this paragraph. In the event the company, after realization of such a set-off, remains, on the ground of the "Compensation" ('l'Indemnité'), a creditor of the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding"), it shall be entitled to proceed once again to a set-off to the appropriate extent with all amounts that later may be made payable for the benefit of this 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") and this until said debt has been definitively settled.

Article 42: Interim dividends

Dividends are paid out on the dates and at the places determined by the board of directors.

The latter may decide under his personal liability, in compliance with the law, on the payment of the advances on dividends; he determines the amount and the payment dates of such advance(s).

Article 43: Access to reports

Annual and half-yearly financial reports, annual and half-yearly financial statements of the company as well as the auditor's reports are available on the company's website.

Additionally, the annual financial report is available in the form of a brochure sent to all registered shareholders and provided to any other shareholder upon request.

Title eight: Winding-up – liquidation

Article 44: winding-up

- 44.1. In the event of dissolution of the Company, for whatever reason and at any time, the liquidation shall be performed by liquidators appointed by the general meeting of shareholders. The liquidator(s) take office only after confirmation of their nomination by the Brussels Commercial Court. In the absence of nomination of one or more liquidators, the directors in office will be considered as liquidators with respect to third parties.
- 44.2. After winding-up, the company will be regarded as being in liquidation.
- 44.3. Unless otherwise provided in the instrument of appointment, the persons in charge of the liquidation have greater power for that purpose, which are granted by the Code of Company Law.
- 44.4. The general meeting of shareholders determines the liquidation mode and, as the case may be, the remuneration of the liquidators(s).
- 44.5. The liquidation of the company ends pursuant to the provisions of the Code of Company Law.
- 44.6. Except in case of merger, the net assets of the company will be, after clearing of all liabilities or deposit of the sums which are necessary for that purpose, allocated as a matter of priority to the reimbursement of the amount paid-up of the capital shares, and the remaining balance shall be distributed equally among all the shareholders of the company, proportionally to the number of shares they hold.

Title nine: General provisions

Article 45: Election of domicile

For the performance of these articles of association, every shareholder, managing director, member of the coordination committee, director, liquidator who is domiciled abroad, makes an election of domicile at the company's registered office where all communications, default notices, writs of summons or notifications can validly be served.

Article 46: Jurisdiction

For all lawsuits between the company, its shareholders, bondholders, managing director, member of executive committee and liquidators concerning the affairs of the company and the execution of the present articles of association, only the courts of the registered office of the company shall have jurisdiction, unless the company expressly waives such jurisdiction.

Article 47: General law

47.1. Parties agree to fully comply with the Code of Company Law, as well as with the B-REIT regulation.

As a consequence, the provisions of said laws are deemed to be set forth in these articles of association, and all provisions conflicting with the imperative provisions of these laws are deemed non-existent, unless lawful departure.

47.2. Special mention is made, in accordance with articles 11, § 3 and 55, § 1, second subparagraph, of the B-REIT law, that articles 111, 141, 2°, 439, 448, 477 and 616 of the Code of Company Law are not applicable.

Title ten: Special provision

Article 48: Amendments of the law

In case of amendments of the law, the board of directors is allowed to adapt these articles of association to the future legal texts that would amend these articles of association. This authorisation aims expressly at an amendment by notarial deed only.

Article 49: Transitional provision

49.1. Amendments to the articles of association referring to the B-REIT regulation enter into force as from the date of the entry into force of the relevant provisions.

49.2. The legal entities that, on the date the B-REIT law enters into force, carry out a mandate of directors or member of the executive committee of the company, are authorised to continue to carry out their current mandate until its expiry. Until the expiry of its mandate, the permanent representative of this legal entity must at all time maintain the required professional integrity and adequate expertise to carry out its functions.

49.3. If a legal entity, appointed before 7 May 2014 and carrying out a mandate of director, continues to carry out their functions and revokes its representative, it shall forthwith notify this revocation to the company by registered letter and shall appoint with the same formalities a new representative. The same is applicable in case of death or resignation of the representative.

49.4. One-person private limited companies that, on the date of the entry into force of the B-REIT law, carry out a mandate of executive officer of the company are authorised to continue to exercise their current mandate until its expiry. Until the expiry of this mandate, the permanent representative of the one-person private limited company in question must at all time maintain the required professional integrity and adequate expertise to carry out his/her functions.

Title eleven

Article 50: History of the capital

50.1. Upon incorporation of the company, on 30 August 1995, the capital was set at one million two hundred and fifty thousand francs (1,250,000), represented by one thousand two hundred and fifty (1,250) shares without nominal value, subscribed in cash and fully paid-up upon subscription.

50.2. The shareholders' meetings of 14 November 1995 resolved the following:

1° to increase the share capital by ninety million one hundred seventy-one thousand four hundred and fifty-four francs (90,171,454) to bring it to ninety-one million four hundred twenty-one thousand four hundred and fifty-four francs (91,421,454) through creation of ninety-two thousand three hundred and eighty-eight (92,388) shares, of which forty-seven thousand six hundred and ninety-one (47,691) privileged AFV I shares, as a result of the transfer by de-merger of the limited liability company bearing the French corporate name "IMMOBILIERE BERNHEIM-OUTREMER, S.A." and Dutch corporate name "IMMOBILIEN BERNHEIMOUTREMER, N.V.", abbreviated into "I.B.O."

- 2° to increase the share capital by one hundred fifty-nine million six hundred eighty-nine thousand one hundred and twenty-four francs (159,689,124), to bring it to two hundred fifty-one million one hundred and ten thousand five hundred seventy-eight francs (251,110,578), through creation of one hundred sixty-nine thousand six hundred and nine (169,609) shares of which eighty-seven thousand five hundred and eighty-six (87,586) privileged AFV II shares created by the transfer by de-merger of the limited liability company with the French corporate name "BERNHEIM-OUTREMER PROPERTIES".
- 3° to increase the share capital by one billion fifty-five million nine hundred ninety-two thousand eight hundred and twenty-five francs (1,055,992,825), to bring it to one billion three hundred and seven million one hundred and three thousand four hundred and three francs (1,307,103,403), through creation of one million one hundred and seven thousand and thirty (1,107,030) shares, subscribed in cash and fully paid-up for one hundred percent (100 %) upon subscription (including a global issue premium of fifty-one million five hundred ninety thousand six hundred and ninety francs (51,590,690)).
- 50.3. The shareholders' meeting of 24 November 1995 resolved to transform "WOLUWE GARDEN D" limited liability company into a limited partnership by shares named "BEFIMMO"; it is specified that the company's effects consist of all active and passive elements that are dependent of the business of the limited liability company "WOLUWE GARDEN D".

The one million three hundred seventy thousand two hundred and seventy-seven (1,370,277) shares are distributed amongst the shareholders of the limited partnership by shares, proportionate to their rights in the limited liability company, namely:

- the limited liability company "BERNHEIM FINANCE":
one million three hundred and seventy thousand two hundred and seventy-six (1,370,276) shares divided into: 1,370,276
 - one million two hundred and thirty-four thousand nine hundred and ninety-nine (1,234,999) ordinary shares;
 - forty-seven six hundred and ninety-one (47,691) preferential AFV 1 shares;
 - and eighty-seven thousand five hundred and eighty-six (87,586) preferential AFV II shares;
 - the limited liability company "BERNHEIM-COMOFI":
one (1) ordinary share, numbered 1 1
-
- Together: one million three hundred and seventy thousand two hundred and seventy-seven (1,370,277) shares. 1,370,277
- =====

- 50.4. The shareholders' meeting of 24 November 1995 resolved to combine the various categories of securities so that the share capital of one billion three hundred and seven million one hundred and three thousand four hundred and three francs (1,307,103,403) is represented by one million three hundred and seventy thousand two hundred and seventy-seven (1,370,277) shares without nominal value.
- 50.5. The shareholders' meeting of 28 November 1995 resolved to increase the share capital by two hundred and thirty-one million nine hundred nineteen thousand one hundred and twenty-one francs (231,919,121), to bring it to one billion five hundred and thirty-nine million twenty-two thousand five hundred and twenty-four francs (1,539,022,524), through creation of two hundred forty-three thousand one hundred and twenty-eight (243,128) shares of the same type and enjoying the same rights and privileges as the existing shares allocated and fully paid-up as the result of a contribution in kind.
- 50.6. The shareholders' meeting of 28 November 1995 resolved to increase the share capital by one hundred sixty-two million eight hundred and fifteen thousand nine hundred and forty-five francs (162,815,945), to bring it to one billion seven hundred and one million eight hundred and thirty-eight thousand four hundred and sixty-nine francs (1,701,838,469), through creation of one hundred seventy thousand six hundred and eighty-five (170,685) shares of the same type and enjoying the same rights and privileges as the existing shares allocated and fully paid-up as the result of a contribution in kind.
- 50.7. The shareholders' meeting of 29 November 1995 resolved to raise the share capital by one billion five hundred and ninety-two million thirty-three thousand four hundred and fifty-three francs (1,592,033,453), to bring it to three billion two hundred and ninety-three million eight hundred and seventy-one thousand nine hundred and twenty-two francs (3,293,871,922), through creation of one million six hundred and sixty-eight thousand nine hundred and seventy-eight (1,668,978) shares of the same type and enjoying the same rights and privileges as the existing shares, subscribed in cash and fully paid-up upon subscription.

- 50.8. The extraordinary shareholders' meeting of 30 November 1995 resolved:
- to increase the share capital by five million francs (5,000,000), to bring it to three billion two hundred ninety-eight million eight hundred and seventy-one thousand nine hundred and twenty-two francs (3,298,871,922), through creation of three hundred and seventy-one thousand eight hundred and thirty-one (370,831) new shares, allocated and fully paid-up as a result of the transfer by merger of all the assets and liabilities of "JOSEPH II - DEVELOPMENT" limited liability company, an acquired, wound-up without liquidation company.
 - to change the representation of the share capital to reduce the number of existing shares from three million eight hundred and twenty-three thousand two hundred and ninety-nine (3,823,299) to two million seven hundred and fifty thousand (2,750,000); the number of shares owned by each of the shareholders is reduced proportionate to the coefficient of one point thirty-nine million fifty-eight thousand seven hundred and twenty-seven (1.39058727), without taking the fractions into account.
- 50.9. The extraordinary shareholders' meeting of 19 September 1997 resolved to increase the share capital by six hundred sixty-nine million two hundred and eighty-eight thousand four hundred and twenty-eight francs (669,288,428) to bring it to three billion nine hundred and sixty-eight million one hundred and sixty thousand three hundred and fifty francs (3,968,160,350) by means of the creation of one million six hundred and sixteen thousand and eighty-two (1,616,082) new shares allocated and fully paid-up as a result of the transfer by merger of all assets and liabilities of "PRIFAST BRUSSELS S.A.", "PRIFAST REAL ESTATE I", "PRIFAST REAL ESTATE II", "PRIFAST REAL ESTATE III" and "ZAVENTEM BUSINESS PARC" limited liability companies, all acquired, wound-up without liquidation companies.
- 50.10. The extraordinary shareholders' meeting of 23 December 1998 resolved:
- 1° to increase the share capital by one hundred and twenty-five thousand francs (125,000) to bring it to three billion nine hundred and sixty-eight million two hundred and eighty-five thousand three hundred and fifty francs (3,968,285,350) through creation of one thousand three hundred and eleven (1,311) new shares allocated and fully paid-up as the result of the transfer by merger of all the assets and liabilities of "R.B. PRODUCTIONS" limited liability company, an acquired, wound-up without liquidation company.
 - 2° to increase the share capital by one million two hundred and sixty thousand francs (1,260,000) to bring it to three billion nine hundred and sixty-nine million five hundred and forty-five thousand three hundred and fifty francs (3,969,545,350) through creation of twenty-three thousand six hundred and eight (23,608) new shares allocated and fully paid-up as a result of the transfer by merger of all assets and liabilities of "WOLUBEL" limited liability company, an acquired, wound-up without liquidation company.
 - 3° to increase the share capital by four hundred and thirty-four million five hundred and forty-nine thousand three hundred and fifty-three francs (434,549,353) to bring it to four billion four hundred and four million ninety-four thousand seven hundred and three francs (4,404,094,703) through creation of two million five hundred and forty-two thousand three hundred and thirty-eight (2,542,338) new shares allocated and fully paid-up as the result of the transfer by de-merger of part of the capital of "WORLD TRADE CENTER", abbreviated into "W.T.C.", a company being de-merged, wound-up without liquidation.
 - 4° to increase the share capital by seventy-two million one hundred and twenty thousand francs (72,120,000), to bring it to four billion four hundred and seventy-six million two hundred and fourteen thousand seven hundred and three francs (4,476,214,703), through creation of five hundred and ninety-two thousand two hundred and seven (592,207) new shares allocated and fully paid-up as a result of the transfer by merger of "NOORD BUILDING", an acquired, wound-up without liquidation company.
 - 5° to increase the share capital by three million three hundred and twenty-three thousand one hundred and sixty-two francs (3,323,162) to bring it to four billion four hundred and seventy-nine million five hundred and thirty-seven thousand eight hundred and sixty-five francs (4,479,537,865) through creation of five thousand five hundred and eighty-seven (5,587) new shares allocated and fully paid-up as a compensation for a contribution in kind.
 - 6° to increase the share capital by ten million six hundred and fifty-two thousand three hundred and twenty-one francs (10,652,321) to bring it to four billion four hundred and ninety million one hundred and ninety thousand one hundred and eighty-five francs (4,490,190,185) through creation of seventeen thousand nine hundred and nine (17,909) new shares allocated and fully paid-up awarded as compensation for a contribution in kind.
- 50.11. The extraordinary shareholders' meeting of 11 January 2000 resolved:
- to increase the share capital by three thousand seven hundred and forty-four point one Belgian francs (BEF 3,744.1) to bring it from four billion four hundred and ninety million one hundred and ninety thousand one hundred and eighty-five Belgian francs (BEF 4,490,190,185) to four billion four hundred and ninety million one hundred and ninety-three thousand nine hundred and twenty-nine point one Belgian francs (BEF 4,490,193,929.1), without any new contribution and without creation of new shares, through incorporation in the capital of an equivalent amount withdrawn from the account "available reserves";
 - to designate the share capital in euros and has determined that, on the basis of the conversion value of the Euro in relation to the Belgian franc, irrevocably determined by the Council of Ministers of the European Union, on 31 December 1998, where one (1) Euro equals forty point three thousand three hundred and ninety-nine Belgian francs (€1 = BEF 40.3399), without rounding off, the capital of four billion

four hundred and ninety million one hundred and ninety-three thousand nine hundred and twenty-nine point one Belgian francs (BEF 4,490,193,929.1) equals one hundred eleven million three hundred and nine thousand euros (€111,309,000).

- 50.12. The extraordinary shareholders' meeting of 12 December 2000 resolved to increase the share capital by sixty-one thousand nine hundred and seventy-three point thirty-eight euros (€61,973.38) to bring it to one hundred and eleven million three hundred and seventy thousand nine hundred and seventy-three point thirty-eight euros (€111,370,973.38) through creation of two hundred and thirty thousand eight hundred and eighty-six (230,886) new shares allocated and fully paid-up as compensation for the transfer by merger of all the assets and liabilities of "WETINVEST" limited liability company, an acquired, wound-up without liquidation company.
- 50.13. The extraordinary shareholders' meeting of 22 March 2001 resolved to increase the share capital by three million five hundred and eleven thousand eight hundred and twenty-four euros and ninety-three cents (€3,511,824.93) to bring it to one hundred and eleven million eight hundred and eighty-two thousand seven hundred and ninety-eight euros and thirty-one cents (€114,882,798.31) through creation of one hundred and twenty-seven thousand four hundred and ninety-two (127,492) new shares allocated and fully paid-up as compensation for the transfer by merger of all the assets and liabilities of "BASTIONEN LEOPOLD N.V." limited liability company, an acquired, wound-up without liquidation company, being specified that the corporate object of this company will be maintained in its current wording.
- 50.14. The manager, acting in accordance with the authorised capital, published by the extraordinary shareholders' meeting of 12 December 2000 in the Annexes of the Belgian Official Gazette under numbers 20010119-758 and 759, resolved on 11 October 2001 to increase the share capital by fifteen million four hundred and sixty-eight thousand three hundred and nineteen point six thousand eight hundred euros (€15,468,319.6080) to bring it from one hundred fourteen million eight hundred eighty-two thousand seven hundred and ninety-eight euros and thirty-one cents (€114,882,798.31) to one hundred and thirty million three hundred and fifty-one thousand one hundred and seventeen point nine thousand one hundred and eighty euros (€130,351,117.9180) through creation of one million sixty-four thousand six hundred and eighty-eight (1,064,688) new shares allocated and fully paid-up as compensation for a contribution in kind.
- 50.15. The manager, acting in accordance with the authorised capital, published by the extraordinary shareholders' meeting of 12 December 2000 in the Annexes of the Belgian Official Gazette under numbers 20010119-758 and 759, resolved on 11 October 2001 to increase the capital by a maximum of eight million six hundred thousand six hundred and fifty-four point zero seven hundred and twenty-five euros (€8,600,654.0725) to bring it from one hundred and thirty million three hundred and fifty-one thousand one hundred and seventeen point nine thousand one hundred and eighty euros (€130,351,117.9180) to a maximum of one hundred and thirty-eight million, nine hundred and fifty-one thousand seven hundred and seventy-one point nine thousand nine hundred and five euros (€138,951,771.9905) through creation of a maximum of five hundred and ninety-one thousand nine hundred and eighty-five (591,985) shares without specification of nominal value.

Upon closure of the public exchange offer, opened on 29 October 2001 and closed on 12 November 2001, subject to reopening pursuant to article 32 of abovementioned royal decree, one million six hundred and fifty-eight thousand four hundred and sixty (1,658,460) "CIBIX" shares were contributed to "BEFIMMO" limited partnership by shares.

As a consequence, the share capital of the current "BEFIMMO" company was increased, after closing of the initial public exchange offer and subject to its reopening, by seven million two hundred and twenty-eight thousand four hundred and eighty point eight thousand three hundred and thirty euros (€7,228,480.8330), from one hundred and thirty million three hundred and fifty-one thousand one hundred and seventeen euros and ninety-two cents (€130,351,117.92) to one hundred and thirty-seven million five hundred and seventy-nine thousand five hundred and ninety-eight point seven thousand five hundred and thirty euros (€137,579,598.7530), rounded off to one hundred and thirty seven million five hundred and seventy-nine thousand five hundred and ninety-eight euros and seventy-five cents (€137,579,598.75) through creation of four hundred and ninety-seven thousand five hundred and thirty-eight (497,538) new shares numbered from 8,972,109 to 9,469,646, in compliance with Chapter III of the royal decree of 8 November 1989 on public takeover offers and modifications in the control of companies.

- 50.16. Upon closure of the reopening period of the public exchange offer referred to under point 15 above, ninety-eight thousand one hundred and fifty (98,150) shares of said "CIBIX" partnership limited by shares were contributed to "BEFIMMO" limited partnership by shares.

As a result, the share capital of the current "BEFIMMO" company was increased by four hundred and twenty-seven thousand seven hundred and ninety-one point six thousand eight hundred and twenty-five euros (€427,791.6825) to bring it from one hundred and thirty-seven million five hundred and seventy-nine thousand and five hundred and ninety-eight euros and seventy-five cents (€137,579,598.75) to one hundred and thirty-eight million seven thousand three hundred and ninety point four thousand three hundred and twenty-five euros (€138,007,390.4325) rounded off to one hundred and thirty-eight million seven thousand three hundred and ninety point forty-three euros (€138,007,390.43) through creation of twenty-nine thousand four hundred and forty-five (29,445) shares, without nominal value, numbered from 9,469,647 to 9,499,091, in compliance with Chapter III of the royal decree of 8 November 1989 on public takeover offers and modifications in the control of companies.

- 50.17. The extraordinary shareholders' meeting of 11 December 2001 resolved:

1. to increase the share capital by three million one hundred and forty-two thousand eight hundred and sixty-three euros and twenty-three cents (€3,142,863.2340) to bring it to one hundred and forty-one million one hundred and fifty thousand two hundred and fifty-three point six thousand six hundred and forty euros (€141,150,253.6640) through creation of two hundred and sixteen thousand three hundred and twenty-four (216,324) new shares allocated and fully paid-up as compensation for the transfer by merger, of all the assets and liabilities of "CIBIX" limited partnership by shares, an acquired, wound-up without liquidation company.
 2. to increase the share capital by six hundred and six thousand one hundred and seventy-one euros and eighty-nine cents (€606,171.89) through creation of forty-one thousand seven hundred and twenty-three (41,723) new shares allocated and fully paid-up as compensation for the transfer by merger of all the assets and liabilities of "BASTIONEN PARC LEOPOLD" limited liability company, an acquired, wound-up without liquidation company.
 3. to increase the share capital by five hundred and thirty-eight thousand eight hundred and forty-six euros and ninety cents (€538,846.90) through creation of thirty-seven thousand and eighty-nine (37,089) new shares allocated and fully paid-up as compensation for the transfer by merger, of all the assets and liabilities of "IMMOBILIERE DU TRIOMPHE" limited liability company, an acquired, wound-up without liquidation company.
- 50.18. The manager, acting pursuant to the authorised capital, published by the extraordinary shareholders' meeting of 13 December 2005 in the Annexes of the Belgian Official Gazette of 6 January 2006 under numbers 06005054 and 06005055, resolved on 14 May 2007 to increase the share capital pursuant to the authorised capital by public subscription in cash of a maximum amount of forty-seven million four hundred and thirty-one thousand seven hundred and fifty-two euros and sixty-four cents (€47,431,752.64), issue premiums, if any, not included, to bring it from one hundred and forty-two million two hundred and ninety-five thousand two hundred and seventy-two euros and forty-five cents (€142,295,272.45) of one hundred and eighty-nine million seven hundred and twenty-seven thousand and twenty-five euros and nine cents (€189,727,025.09) maximum, through the issue of a maximum of three million two hundred and sixty-four thousand seven hundred and forty-two (3,264,742) shares, without indication of nominal value, identical to the existing shares and with the same rights and benefits, sharing in the results in proportion to the current financial year as from the value date of payment of said actions, namely 7 June 2007 (coupon number 15 attached), to be subscribed in cash and to be fully paid-up immediately at the issue price as determined hereafter.
- Upon closure of the subscriptions with preferential right and with scripts, the share capital has been increased by forty-seven million four hundred thirty-one thousand seven hundred and fifty-two euros and sixty-four cents (€47,431,752.64), through creation of three million two hundred sixty-four thousand seven hundred and forty-two (3,264,742) new shares numbered from 9,794,228 to 13,058,969 without indication of nominal value, identical to the existing shares and with the same rights and benefits, and share in the results in proportion to the current financial year as from the value-date of payment of said shares, namely 7 June 2007 (coupon number 15 attached).
- 50.19. The manager, acting pursuant to the capital authorised by the extraordinary shareholders' meeting of 17 December 2007 published in the Annexes of the Belgian Official Gazette of 8 February 2008 under numbers 08022302 and 08022303 has decided, as of 3 June 2009, to increase the share capital pursuant to the authorised capital by means of a public subscription in cash of a maximum amount of one hundred and sixty-six million five hundred and ninety-five thousand one hundred and thirty-three euros (€166,595,133.00), issue premium included to bring the capital from one hundred and eighty-nine million seven hundred and twenty-seven thousand twenty-five euros and nine cents (€189,727,025.09) to a maximum of two hundred and forty-three million nine hundred and thirty-four thousand seven hundred and forty-six euros and 9 cents (€243,934,746.09) by means of the issuance of a maximum of three million seven hundred and thirty-one thousand one hundred and thirty-four (3,731,134) shares, without indication of nominal value, identical to the existing shares and with the same rights and benefits, sharing in the results in proportion to the current financial year as of the value date of payment of said actions, meaning as of 25 June 2009 (coupon number 19 attached), to be subscribed in cash and immediately and fully paid-up.
- Upon closure of the subscriptions with preferential right and scripts, the share capital was increased by fifty-four million two hundred and seven thousand seven hundred and twenty-one euros (€54,207,721.00) by means of issuance of three million seven hundred and thirty-one thousand one hundred and thirty-four (3,731,134) new shares numbered from 13,058,970 to 16,790,103 without indication of nominal value, identical to the existing shares and with the same rights and benefits, and share in the results in proportion to the current financial year as from the value-date of payment of said shares, meaning as of 25 June 2009 (coupon number 19 attached).
- 50.20. The share capital has been increased by nine million two hundred and sixty thousand and thirty-four euros and fifty cents (9,260,34.50 EUR) from two hundred and forty-three million nine hundred and thirty-four thousand seven hundred and forty-six euros and 9 cents (243,934,746.09 EUR) to two hundred and fifty-three million one hundred and ninety-four thousand seven hundred and eighty euros and 59 cents (253,194,780.59 EUR) through issuance of six hundred and thirty-seven thousand three hundred and seventy-one (637,371) new ordinary unregistered shares numbered from 16,790,104 to 17,427,474 identical to the existing shares, with the same rights and benefits, with proprietary interest proportionate to the current fiscal year as of 1st October 2010 (coupon number 21 attached) fully paid up, as part of the merger-absorption of RINGCENTER (register of corporate bodies Brussels 0461.168.979) approved by a resolution of the extraordinary shareholders' meeting of 22 June 2011.

- 50.21. According to the minutes written by Notary Louis-Philippe Marcelis in Brussels, on 15 December 2011, it has been witnessed, based on effective contributions of the right to an interim dividend, the definite/permanent completion of a capital increase by contribution in kind decided by the Board of directors of the company manager – acting within the limits of the authorized capital – according to the minutes written by the aforementioned notary on 24 November 2011, namely an increase of the subscribed and paid-up share capital up to ten million eight hundred and sixty-six thousand eight hundred and twelve euros and twenty-one cents (10,866,812.21 EUR) and a corresponding increase of the unavailable issue premium account up to twenty-four million two hundred and twelve thousand seven hundred and ninety-three euros and nineteen cents (24,212,793.19 EUR) through the issue of 747,966 new, fully paid-up shares to represent contributions in kind, at the unit price of forty-six euros and ninety cents (46.9 EUR) of which 14.528484 EUR represent the current par value of the existing share and the balance represents the remaining unavailable account in the same way as the capital.
- 50.22. Under the terms of a deed drawn up by Notary Damien Hissette in Brussels on 3 October 2012, the share capital is increased by eight million six hundred twenty-eight thousand four hundred and eighty-one euro and twenty-nine cents (8,628,481.29 EUR), from two hundred sixty-four million sixty one thousand five hundred and ninety-two euro and eighty cents (264,061,592.80 EUR) to two hundred seventy-two million six hundred ninety thousand seventy-four euro and nine cents (272,690,074.09 EUR) through issuance of five hundred ninety-three thousand nine hundred and one (593,901) new ordinary shares of the Company, without par value, with coupon No 24, granted, fully-paid, to SOCIETE FEDERALE DE PARTICIPATIONS ET D'INVESTISSEMENT, a limited company, as consideration for the latter's contribution of four hundred ninety one thousand and eight (491,008) shares of FEDIMMO, a limited company, for a conventional value of thirty million six hundred nine thousand six hundred and eighty-two euro and forty-two cents (30,609,682.42 EUR).
- 50.23. Under the terms of a deed drawn up by Notary Damien Hissette in Brussels on 18 December 2012, was found, to the extent of contributions of receivables of dividend, the achievement of a capital increase by means of contribution in kind, decided by the board of directors of the company – acting within the framework of capital increase – under the minutes drawn up by the same notary on 23 November 2012, namely a capital increase subscribed and paid up of five million hundred and four thousand eight hundred forty-four euros and forty-four cents (EUR 5,104,844.44) and a corresponding increase of the unavailable issue premium account for an amount of nine million nine hundred ninety-two thousand seven hundred seventy euros and ninety-two cents (EUR 9,992,770.92) by issuing 351,368 new shares issued, fully paid-up and representation of contribution in kind, at a unit price of 42.9681 euros, of which 14.528484 euros (rounded) corresponds to the current par value of the existing share and the balance of the unavailable account at the same capital amount.
- 50.24. Under the terms of a deed drawn up by Notary Matthieu Derynck in Brussels and Vincent Vroninks in Ixelles, on 10 July 2013, the Board of Directors, acting under the authorised capital, decided to increase the registered capital by twenty nine million five hundred ninety-five thousand fifty-nine euros and eighty-six cents (EUR 29,595,059.86), from two hundred seventy-seven million seven hundred ninety-four thousand nine hundred eighteen euros and fifty-three cents (277,794,918.53 EUR) to three hundred and seven million three hundred eighty-nine thousand nine hundred seventy-eight euros and thirty-nine cents (307,389,978.39 EUR) through issuance of two million thirty seven thousand thirty-seven (2,037,037) new ordinary shares, without par value, identical to and entitled to the same rights and benefits as the existing shares, and which will share in the results of the 2013 fiscal year, coupon No. 25 attached, attributed and fully paid-up, to the company AXA Belgium as a remuneration for the contribution, of this company, of a building located in 2000 Antwerp, Italiëlei 4, for a value “deed in hands” of hundred and ten million euros (110,000,000 EUR) of which an amount of eighty million four hundred and four thousand nine hundred forty euros and fourteen cents (80,404,940.14 EUR) were appropriated into share premium.
- 50.25. Under the terms of a deed drawn up by Notary Damien Hissette in Brussels on 6 September 2013, the share capital has been increased by 7,679,974.67 EUR, from 307,389,978.39 EUR to 315,069,953.06 EUR through issuance of 528,615 new ordinary shares, without par value, identical to and entitled to the same rights and benefits as the existing shares, and which will share in the results of the ongoing fiscal year, fully paid-up, further to the merger by absorption of the limited company Blue Tower Louise (Register of Corporate Bodies Brussels 0847.459.702) approved by the decision of the extraordinary general meeting of 6 September 2013.
- 50.26. Under the terms of a deed drawn up by Notary Damien Hissette in Brussels on 18 December 2013, the execution of a capital increase through contribution in kind was indicated, within contributions of dividend claims, by the Board of Directors of the Company – acting within the framework of the authorised capital – in the terms of a deed drawn up by the same Notary on 22 November 2013, i.e. a capital increase, subscribed and paid-up to 5,467,649.74 EUR as well as a corresponding increase of the unavailable share premium account to 12,808,361.51 EUR through the issue of 376,340 new shares fully paid-up as a representation of contribution in kind, to 48.5625 euros of which 14.528484 EUR (rounded) is corresponding to the current accountable par of the existing share and the balance on the unavailable account like the capital.
- 50.27. Under the terms of a deed drawn up by Notaries Katrin Roggeman in Brussels and Vincent Vroninks in Ixelles, on 25 November 2014, the board of directors – acting within the framework of the authorised capital – decided to increase the share capital by two million seven hundred fourteen thousand six hundred ninety euros and eighty six cents (2,714,690.86 EUR) to bring it from three hundred twenty million five hundred thirty seven thousand six hundred and two euros and eighty cents (320,537,602.80 EUR) to three hundred twenty three million two hundred fifty two thousand two hundred ninety three euros and sixty six cents (323.252.293.66 EUR) through the creation of hundred eighty six thousand eight hundred fifty three (186,853) new ordinary shares without nominal value, identical to and entitled to the same rights and benefits as the existing shares,

and which will share in the results of the 2014 fiscal year, coupon No 27 attached, attributed and fully paid-up, to the company AXA BELGIUM and to proceed to a corresponding increase of the unavailable share premium account by eight million fifty seven thousand three hundred eighty four and fifty nine cents (8,057,384.59 EUR) as a remuneration of 70% of the contribution, of this company, of a leasehold on a building located in Brussels, rue aux Choux 35, for a conventional value of fifteen million three hundred eighty eight thousand seven hundred forty two euros (15,388,742.00 EUR). Furthermore, an amount of forty three euros and ninety five cents (43.95 EUR) was paid by BEFIMMO to the limited liability company AXA BELGIUM as a balancing payment. Finally, 30% of the conventional value “deed-in-hands” of the leasehold, i.e. four million four hundred forty three thousand seven hundred eighty one euros and five cents (4,443,781.05 EUR) was paid in cash, the same day, by BEFIMMO to the limited liability company AXA BELGIUM (this amount represents 30% of the conventional value (as at 1 October 2014) “deed-in-hands” of the leasehold, i.e. 4,616,622.60 EUR, minus the amount of 172,841.55 EUR to take into account the effective date on which the contribution was realised.

- 50.28. Under the terms of a deed drawn up by Notary Damien Hissette in Brussels on 16 December 2014, the execution of a capital increase through contribution in kind was indicated, within contributions of dividend claims, by the Board of Directors of the Company – acting within the framework of the authorised capital – in the terms of a deed drawn up by the same Notary on 20 November 2014, i.e. a capital increase, subscribed and paid-up to 5,467,649.74 EUR as well as a corresponding increase of the unavailable share premium account to 18,550,928.76 EUR through the issue of 424,055 new shares fully paid-up as a representation of contribution in kind, to 58.275 euros of which 14.528484 EUR (rounded) is corresponding to the current accountable par of the existing share and the balance on the unavailable account like the capital.

Appendix III: Social Responsibility

Indirect energy consumption (GWh and kWh/m²)

Elec-Abs	Elec-LfL	G4-EN3	G4-EN4	G4-EN5	G4-EN6	G4-EN7
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		BEFIMMO [Geographical breakdown]			Belgium				Luxembourg			
					369 109 m ²		9 276 m ²		205 026 m ²		13 453 m ²	
		Units	Perimeter	Total buildings	Brussels	Wallonia	Flanders					
Absolute measures [Abs] - Intensity [Int]	2012	TOTAL	GWh	47.4	30.2	0.2	14.8		2.2			
		of which private	GWh	27.0	16.1	0.1	9.7		1.1			
		of which common	GWh	20.4	14.1	0.1	5.1		1.1			
		of which autoproduction	MWh	n.a.	43.1	30.2	n.a.	4.4		8.5		
		private / m ²	kWh/m ²	79%	65.7	61.0	32.9	74.0		83.0		
		common / m ²	kWh/m ²		42.7	42.5	56.7	39.1		79.3		
	2013	TOTAL	GWh	55.6	38.4	0.5	14.6		2.2			
		of which private	GWh	32.2	21.6	0.3	9.1		1.1			
		of which common	GWh	23.5	16.8	0.2	5.4		1.0			
		of which autoproduction	MWh	n.a.	85.4	46.0	n.a.	21.8		17.6		
		private / m ²	kWh/m ²	76%	59.0	57.7	29.5	61.1		85.2		
		common / m ²	kWh/m ²		42.6	44.8	19.6	36.0		77.1		
	2014	TOTAL	GWh	50.4	36.7	0.4	12.3		1.0			
		of which private	GWh	28.1	20.2	0.2	7.7		n.a.			
		of which common	GWh	22.3	16.5	0.2	4.6		1.0			
of which autoproduction		MWh	n.a.	134.8	80.8	n.a.	40.0		14.0			
private / m ²		kWh/m ²	81%	50.2	55.2	20.9	41.6		n.a.			
common / m ²		kWh/m ²		40.0	47.4	20.9	25.7		n.a.			
Like-for-Like [Lfl.]	2013	Total (including autoproduction)	GWh	18.8	13.1	0.2	4.5		1.0			
	2014	Total (including autoproduction)	GWh	17.3	12.5	0.2	3.6		1.0			
	2013-2014	Total (including autoproduction)	%	73%	-8%	-5%	6%		-21%			
		BEFIMMO [Breakdown by age class]			94 156 m ²		62 457 m ²		70 168 m ²		370 083 m ²	
					0-5 years		6-10 years		11-15 years		> 15 years	
		Units	Perimeter	Total buildings								
Absolute measures [Abs] - Intensity [Int]	2012	TOTAL	GWh	47.4	9.2	5.4	5.2		27.5			
		of which private	GWh	27.0	5.4	3.0	3.0		15.6			
		of which common	GWh	20.4	3.8	2.4	2.2		11.9			
		of which autoproduction	MWh	n.a.	43.1	4.4	8.5	n.a.		30.2		
		private / m ²	kWh/m ²	79%	65.7	55.7	47.7	49.9		81.6		
		common / m ²	kWh/m ²		42.7	39.1	38.6	37.0		47.7		
	2013	TOTAL	GWh	55.6	8.2	5.4	6.2		35.9			
		of which private	GWh	32.2	4.6	3.1	4.0		20.5			
		of which common	GWh	23.5	3.5	2.3	2.2		15.4			
		of which autoproduction	MWh	n.a.	85.4	14.7	17.6	23.4		29.6		
		private / m ²	kWh/m ²	76%	59.0	50.9	49.9	48.1		65.2		
		common / m ²	kWh/m ²		42.6	40.7	38.0	38.5		44.9		
	2014	TOTAL	GWh	50.4	6.7	3.9	5.4		34.4			
		of which private	GWh	28.1	4.1	1.7	3.8		18.5			
		of which common	GWh	22.3	2.6	2.2	1.6		15.8			
of which autoproduction		MWh	n.a.	134.8	34.0	14.0	57.1		29.6			
private / m ²		kWh/m ²	81%	50.2	52.7	39.2	48.0		51.4			
common / m ²		kWh/m ²		40.0	32.3	27.2	19.9		45.1			
Like-for-Like [Lfl.]	2013	Total (including autoproduction)	GWh	18.8	2.7	2.3	1.7		12.2			
	2014	Total (including autoproduction)	GWh	17.3	2.0	2.2	1.1		12.0			
	2013-2014	Total (including autoproduction)	%	73%	-8%	-24%	-1%		-38%			

Befimmo

FEDIMMO [Geographical breakdown]				Total buildings	Belgium			
				111 262 m ²	74 571 m ²	140 918 m ²		
				Brussels	Wallonia	Flanders		
	Units	Perimeter						
Absolute measures [Abs] - Intensity [Int]	TOTAL	GWh		14.5	8.4	1.4	4.7	
	of which private	GWh	82%	7.9	4.2	0.8	2.8	
	of which common	GWh		6.6	4.1	0.6	1.9	
	of which autoproduction	MWh	n.a.	1 305.9	1 305.9	n.a.	n.a.	
	private / m ²	kWh/m ²	80%	29.7	41.3	22.3	22.4	
	common / m ²	kWh/m ²	80%	24.7	40.2	14.8	14.9	
	TOTAL	GWh		18.3	10.3	2.9	5.0	
	of which private	GWh	97%	9.5	4.8	1.7	3.0	
	of which common	GWh		8.7	5.6	1.1	2.0	
	of which autoproduction	MWh	n.a.	2 233.2	2 233.2	n.a.	n.a.	
	private / m ²	kWh/m ²	97%	29.5	42.9	22.7	22.3	
	common / m ²	kWh/m ²		27.1	50.1	15.1	14.9	
	TOTAL	GWh		17.3	9.0	3.5	4.8	
	of which private	GWh	98%	8.8	4.6	1.3	2.9	
	of which common	GWh		8.5	4.4	2.2	1.9	
	of which autoproduction	MWh	n.a.	1 314.1	1 314.1	n.a.	n.a.	
	private / m ²	kWh/m ²	86%	26.8	40.9	17.7	20.6	
	common / m ²	kWh/m ²		22.0	39.4	11.8	13.7	
Like-for-Like [L.fl.]	2013	Total (including autoproduction)	GWh	8.6	5.6	1.0	2.0	
	2014	Total (including autoproduction)	GWh	7.0	4.4	0.8	1.9	
	2013-2014	Total (including autoproduction)	%	85%	-18%	-21%	-8%	
FEDIMMO [Breakdown by age class]				Total buildings				
				48 604 m ²	21 567 m ²	12 027 m ²	244 553 m ²	
				0-5 years	6-10 years	11-15 years	> 15 years	
	Units	Perimeter						
Absolute measures [Abs] - Intensity [Int]	TOTAL	GWh		14.5	0.0	1.9	0.8	11.8
	of which private	GWh	82%	7.9	n.a.	1.1	0.5	6.3
	of which common	GWh		6.6	0.0	0.7	0.3	5.5
	of which autoproduction	MWh	n.a.	1 305.9	7.0	n.a.	n.a.	1 298.9
	private / m ²	kWh/m ²	80%	29.7	n.a.	51.8	41.6	27.0
	common / m ²	kWh/m ²		24.7	n.a.	34.6	27.7	23.6
	TOTAL	GWh		18.3	0.7	1.7	0.8	14.9
	of which private	GWh	97%	9.5	0.3	1.0	0.5	7.7
	of which common	GWh		8.7	0.4	0.7	0.3	7.3
	of which autoproduction	MWh	n.a.	2 233.2	21.3	n.a.	n.a.	2 211.8
	private / m ²	kWh/m ²	97%	29.5	38.6	48.5	42.3	27.2
	common / m ²	kWh/m ²		27.1	46.8	32.3	28.2	26.1
	TOTAL	GWh		17.3	2.0	1.6	0.8	12.9
	of which private	GWh	98%	8.8	0.4	1.0	0.5	7.0
	of which common	GWh		8.5	1.6	0.6	0.3	5.9
	of which autoproduction	MWh	n.a.	1 314.1	25.5	n.a.	n.a.	1 288.6
	private / m ²	kWh/m ²	86%	26.8	43.6	45.1	40.6	24.5
	common / m ²	kWh/m ²		22.0	33.8	30.1	27.1	20.9
Like-for-Like [L.fl.]	2013	Total (including autoproduction)	GWh	8.6	0.4	0.7	0.3	7.2
	2014	Total (including autoproduction)	GWh	7.0	0.3	0.6	0.3	5.8
	2013-2014	Total (including autoproduction)	%	85%	-18%	-25%	-7%	-4%

Direct energy consumption (GWh and kWh/m²)

G4-EN3	G4-EN4	G4-EN5	Fuels-Abs	DH&C-Abs	DH&C-LfL
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Befimmo	BEFIMMO [Geographical breakdown]				Total buildings	369 109 m ² Brussels	Belgium 9 276 m ² Wallonia	205 026 m ² Flanders	Luxembourg 13 453 m ²	
	Absolute measures [Abs] - Intensity [Int]	2012	Gross total	GWh	94%	41.6	30.4	0.3	8.8	2.1
			Normalised degree/day	GWh		39.6	28.9	0.3	8.4	2.0
			Normalised degree/day/m ²	kWh/m ²	91%	78.8	84.1	143.0	63.9	n.a.
		2013	Gross total	GWh	98%	46.1	30.5	1.3	12.3	2.0
			Normalised degree/day	GWh		40.3	26.7	1.1	10.8	1.8
			Normalised degree/day/m ²	kWh/m ²	74%	74.1	74.4	115.0	70.8	n.a.
		2014	Gross total	GWh	100%	37.0	24.1	1.2	10.3	1.4
			Normalised degree/day	GWh		44.8	29.2	1.5	12.4	1.7
			of which heating oil	GWh		0.2	0.1	n.a.	n.a.	0.1
		Normalised degree/day/m ²	kWh/m ²	82%	70.2	76.3	158.0	53.1	n.a.	
	Like-for-Like [LFL]	2013	Normalised degree/day	GWh		33.8	21.8	1.1	9.2	1.8
		2014	Normalised degree/day	GWh		34.1	22.0	1.5	9.0	1.7
		2013-2014	Normalised degree/day	%	75%	1%	1%	35%	-3%	-5%
	BEFIMMO [Breakdown per age class]				Total buildings	94 156 m ² 0-5 years	62 457 m ² 6-10 years	70 168 m ² 11-15 years	370 083 m ² > 15 years	
Absolute measures [Abs] - Intensity [Int]	2012	Gross total	GWh	94%	41.6	9.9	5.4	6.7	19.6	
		Normalised degree/day	GWh		39.6	9.4	5.1	6.4	18.7	
		Normalised degree/day/m ²	kWh/m ²	91%	78.8	102.0	67.2	110.0	73.9	
	2013	Gross total	GWh	98%	46.1	7.1	6.1	7.2	25.7	
		Normalised degree/day	GWh		40.3	6.2	5.4	6.3	22.5	
		Normalised degree/day/m ²	kWh/m ²	74%	74.1	72.1	84.1	96.5	86.4	
	2014	Gross total	GWh	100%	37.0	5.2	4.2	5.6	22.1	
		Normalised degree/day	GWh		44.8	6.3	5.0	6.7	26.7	
		of which heating oil	GWh		0.2	0.1	0.1	n.a.	n.a.	
	Normalised degree/day/m ²	kWh/m ²	82%	70.2	55.1	57.4	73.5	57.1		
Like-for-Like [LFL]	2013	Normalised degree/day	GWh		33.8	3.7	5.4	4.3	20.5	
	2014	Normalised degree/day	GWh		34.1	4.0	5.0	4.7	20.4	
	2013-2014	Normalised degree/day	%	75%	1%	7%	-6%	9%	-1%	
Fedimmo	FEDIMMO [Geographical breakdown]				Total buildings	111 262 m ² Brussels	Belgium 74 571 m ² Wallonia	140 918 m ² Flanders		
	Absolute measures [Abs] - Intensity [Int]	2012	Gross total	GWh	77%	29.6	11.3	2.8	15.5	
			Normalised degree/day	GWh		28.2	10.8	2.6	14.8	
			Normalised degree/day/m ²	kWh/m ²	77%	111.0	105.0	133.0	112.0	
		2013	Gross total	GWh	87%	35.5	15.6	7.0	12.9	
			Normalised degree/day	GWh		31.0	13.6	6.1	11.3	
			of which heating oil	GWh		1.1	n.a.	1.1	0.0	
			Normalised degree/day/m ²	kWh/m ²	87%	110.0	128.0	92.2	103.0	
		2014	Gross total	GWh	97%	28.2	9.7	6.3	12.2	
			Normalised degree/day	GWh		34.2	11.8	7.6	14.8	
	Normalised degree/day/m ²		kWh/m ²	85%	105.0	106.0	103.0	105.0		
	Like-for-Like [LFL]	2013	Normalised degree/day	GWh		30.0	13.2	5.6	11.3	
		2014	Normalised degree/day	GWh		29.6	11.5	6.7	11.4	
		2013-2014	Normalised degree/day	%	74%	-1%	-12%	19%	1%	
	FEDIMMO [Breakdown per age class]				Total buildings	48 604 m ² 0-5 years	21 567 m ² 6-10 years	12 027 m ² 11-15 years	244 553 m ² > 15 years	
Absolute measures [Abs] - Intensity [Int]	2012	Gross total	GWh	77%	29.6	n.a.	2.4	0.7	26.5	
		Normalised degree/day	GWh		28.2	n.a.	2.3	0.7	25.2	
		Normalised degree/day/m ²	kWh/m ²	77%	111.0	n.a.	110.0	79.4	118.0	
	2013	Gross total	GWh	87%	35.5	0.1	2.9	0.9	31.5	
		Normalised degree/day	GWh		31.0	0.1	2.6	0.8	27.5	
		of which heating oil	GWh		1.1	0.0	0.0	0.5	0.6	
		Normalised degree/day/m ²	kWh/m ²	87%	110.0	45.5	137.0	101.0	127.0	
	2014	Gross total	GWh	97%	28.2	0.5	2.0	0.4	25.3	
		Normalised degree/day	GWh		34.2	0.7	2.4	0.5	30.6	
Normalised degree/day/m ²		kWh/m ²	85%	105.0	33.3	92.6	41.5	88.8		
Like-for-Like [LFL]	2013	Normalised degree/day	GWh		30.0	0.1	2.6	0.4	26.9	
	2014	Normalised degree/day	GWh		29.6	0.3	2.4	0.5	26.4	
	2013-2014	Normalised degree/day	%	74%	-1%	104%	-6%	19%	-2%	

Heating network (GWh and kWh/m²)

Befimmo [Geographical breakdown]					Luxembourg	
					13 453 m ²	
					Units	
					Perimeter	
Befimmo	Absolute measures [Abs] - Intensity [Int]	2012	Gross total	GWh	100%	2.1 v
			Normalised degree/day	GWh	100%	2.0
			Normalised degree/day/m ²	kWh/m ²	100%	147.0
		2013	Gross total	GWh	100%	2.0 v
			Normalised degree/day	GWh	100%	1.8
			Normalised degree/day/m ²	kWh/m ²	100%	130.6
		2014	Gross total	GWh	100%	1.4 v
			Normalised degree/day	GWh	100%	1.7
			Normalised degree/day/m ²	kWh/m ²	100%	123.9
	Like-for-Like [Lfl]	2013	Normalised degree/day	GWh		1.8
2014		Normalised degree/day	GWh		1.7	
2013-2014		Normalised degree/day	%	100%	-5%	

Total energy consumption (GWh)

Energy-Int

G4-EN3

G4-EN4

G4-EN5

CRESS-CRE1

Befimmo

BEFIMMO [Geographical breakdown]				Total buildings	Belgium			Luxembourg
Units	Perimeter			369 109 m ²	9 276 m ²	205 026 m ²	13 453 m ²	
				Brussels	Wallonia	Flanders		
Absolute measures [Abs]	2012	GWh		89.0	60.6	0.5	23.6	4.3
	2013	GWh		101.7	69.0	1.7	26.9	4.2
	2014	GWh		87.6	60.9	1.6	22.6	2.5
Intensity [Int]	2012	kWh/m ²		192	196	240	181	n.a.
	2013	kWh/m ²		186	188	184	180	n.a.
	2014	kWh/m ²		148	166	173	111	n.a.
Like-for-Like [Lfl]	2013	GWh		79.4	49.65	1.71	23.84	4.20
	2014	GWh		63.4	42.08	1.60	17.22	2.52
	2013-2014 [%]	GWh	70%	-20%	-15%	-6%	-28%	-40%
BEFIMMO [Breakdown by age class]				Total buildings	94 156 m ²	62 457 m ²	70 168 m ²	370 083 m ²
Units	Perimeter			0-5 years	6-10 years	11-15 years	> 15 years	
Absolute measures [Abs]	2012	GWh		89.0	19.1	10.8	11.9	47.1
	2013	GWh		101.7	15.3	11.5	13.3	61.6
	2014	GWh		87.6	12.0	8.2	11.0	56.4
Intensity [Int]	2012	kWh/m ²		192	197	133	198	202
	2013	kWh/m ²		186	164	152	183	197
	2014	kWh/m ²		148	140	124	141	154
Like-for-Like [Lfl]	2013	GWh		79.4	5.1	11.5	9.3	53.5
	2014	GWh		63.4	4.0	8.2	7.3	44.0
	2013-2014 [%]	GWh	70%	-20%	-22%	-29%	-22%	-18%

Fedimmo

FEDIMMO [Geographical breakdown]				Total buildings	Belgium			
Units	Perimeter			111 262 m ²	74 571 m ²	140 918 m ²		
				Brussels	Wallonia	Flanders		
Absolute measures [Abs]	2012	GWh		44.1	19.7	4.2	20.2	
	2013	GWh		55.0	25.9	11.1	18.0	
	2014	GWh		45.6	18.7	9.8	17.1	
Intensity [Int]	2012	kWh/m ²		172	192	172	155	
	2013	kWh/m ²		183	240	143	149	
	2014	kWh/m ²		136	168	115	121	
Like-for-Like [Lfl]	2013	GWh		53.7	25.9	9.8	18.0	
	2014	GWh		43.2	18.7	7.8	16.7	
	2013-2014 [%]	GWh	86%	-20%	-28%	-21%	-7%	
FEDIMMO [Breakdown by age class]				Total buildings	48 604 m ²	21 567 m ²	12 027 m ²	244 553 m ²
Units	Perimeter			0-5 years	6-10 years	11-15 years	> 15 years	
Absolute measures [Abs]	2012	GWh		44.1	0.0	4.2	1.6	38.3
	2013	GWh		55.0	0.9	4.7	2.4	47.1
	2014	GWh		45.6	2.6	3.6	1.2	38.2
Intensity [Int]	2012	kWh/m ²		172	n.a.	197	149	170
	2013	kWh/m ²		183	126	217	173	181
	2014	kWh/m ²		136	111	168	109	135

Water consumption (m³ and m³/m²)

Water-Abs	Water-Int	Water-LfL	G4-EN8	G4-EN10	CRESS-CRE2
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Befimmo

BEFIMMO [Geographical breakdown]				Total buildings	369 109 m ²	Belgium		205 026 m ²	Luxembourg
				Perimeter	Brussels	Wallonia	Flanders	13 453 m ²	
Absolute measures [Abs]	2012	TOTAL (m ²)	92%	113 890	81 641	326	23 048	8 876	
		m ³ /m ²	86%	0.26	0.27	0.16	0.18	0.66	
	2013	TOTAL (m ²)	88%	174 304	130 689	6 498	26 991	10 126	
		m ³ /m ²	76%	0.28	0.28	0.70	0.19	0.75	
	2014	TOTAL (m ²)	98%	172 540	126 077	309	35 564	10 590	
		of which off-grid water		522	465	n.a.	57	n.a.	
		m ³ /m ²	83%	0.28	0.31	0.15	0.18	0.79	
Like-for-Like [Lfl.]	2013	TOTAL (m ²)		119 214	82 732	340	26 016	10 126	
	2014	TOTAL (m ²)		117 374	84 156	309	22 319	10 590	
	2013-2014	TOTAL (%)	73%	-1.5%	2%	-9%	-14%	5%	
BEFIMMO [Breakdown by age class]				Total buildings	94 156 m ²	62 457 m ²	70 168 m ²	370 083 m ²	
				Perimeter	0-5 years	6-10 years	11-15 years	> 15 years	
Absolute measures [Abs]	2012	TOTAL (m ²)	92%	113 890	13 736	19 292	13 383	67 479	
		m ³ /m ²	86%	0.26	0.23	0.31	0.24	0.25	
	2013	TOTAL (m ²)	88%	174 304	20 467	18 719	46 337	88 782	
		m ³ /m ²	76%	0.28	0.26	0.33	0.24	0.28	
	2014	TOTAL (m ²)	98%	172 539	21 825	18 205	35 242	97 267	
		of which off-grid water		522	362	n.a.	n.a.	160	
		m ³ /m ²	83%	0.28	0.29	0.31	0.25	0.28	
Like-for-Like [Lfl.]	2013	TOTAL (m ²)		119 214	17 850	18 719	12 476	70 169	
	2014	TOTAL (m ²)		117 374	18 052	18 157	11 600	69 564	
	2013-2014	TOTAL (%)	73%	-1.5%	1%	-3%	-7%	-1%	

Fedimmo

FEDIMMO [Geographical breakdown]				Total buildings	111 262 m ²	Belgium		140 918 m ²	
				Perimeter	Brussels	Wallonia	Flanders		
Absolute measures [Abs]	2012	TOTAL (m ²)	22%	13 769	1 138	n.a.	12 631		
		m ³ /m ²	22%	0.19	0.07	n.a.	0.22		
	2013	TOTAL (m ²)	66%	53 792	24 857	11 328	17 607		
		m ³ /m ²	66%	0.24	0.28	0.19	0.25		
	2014	TOTAL (m ²)	74%	51 982	17 315	7 508	27 160		
		m ³ /m ²	63%	0.21	0.20	0.33	0.21		
Like-for-Like [Lfl.]	2013	TOTAL (m ²)		45 341	24 857	3 089	17 395		
	2014	TOTAL (m ²)		38 222	17 315	4 853	16 055		
	2013-2014	TOTAL (%)	46%	-15.7%	-30%	57%	-8%		
FEDIMMO [Breakdown by age class]				Total buildings	48 604 m ²	21 567 m ²	12 027 m ²	244 553 m ²	
				Perimeter	0-5 years	6-10 years	11-15 years	> 15 years	
Absolute measures [Abs]	2012	TOTAL (m ²)	22%	13 769	n.a.	1 138	1 123	11 508	
		m ³ /m ²	22%	0.19	n.a.	0.07	0.15	0.23	
	2013	TOTAL (m ²)	66%	53 792	690	213	1 498	51 391	
		m ³ /m ²	66%	0.24	0.08	0.11	0.15	0.26	
	2014	TOTAL (m ²)	74%	51 982	3 006	202	2 365	46 410	
		m ³ /m ²	63%	0.21	0.10	0.10	0.23	0.22	
Like-for-Like [Lfl.]	2013	TOTAL (m ²)		45 341	690	213	1 498	42 940	
	2014	TOTAL (m ²)		38 222	865	202	2 365	34 791	
	2013-2014	TOTAL (%)	46%	-15.7%	25%	-5%	58%	-19%	

Total waste by type (tonnes)

Waste-Abs

Waste-LfL

G4-EN23

Befimmo

BEFIMMO [Geographical breakdown]				Total buildings	Belgium			Luxembourg	
					369 109 m ²	9 276 m ²	205 026 m ²	13 453 m ²	
				Perimeter	Brussels	Wallonia	Flanders		
Absolute measures [Abs]	Waste linked to works	2012	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
		2013	100%	5 505	5 433	n.a.	71	n.a.	
		2014	TOTAL		715	612	n.a.	103	n.a.
			non hazardous	100%	710	607	n.a.	103	n.a.
		hazardous		6	6	n.a.	n.a.	n.a.	
		Waste linked to operational buildings	2012	68%	1 840	913		863	64
	2013		76%	1 966	988	3	922	54	
	2014		TOTAL		1 943	1 148	6	725	63
			non hazardous	97%	1 943	1 148	6	725	63
	hazardous		0	n.a.	n.a.	0	n.a.		
	TOTAL	2012	68%	1 840	913	-	863	64	
		2013	76%	7 471	6 421	3	993	54	
		2014	91%	2 658	1 761	6	828	63	
	Like-for-Like [LFL]	TOTAL	2013	TOTAL	1 266	757	3	452	54
2014			TOTAL	1 305	908	6	328	63	
2013-2014			TOTAL (%)	56%	3%	20%	89%	-27%	17%

Fedimmo

FEDIMMO [Geographical breakdown]				Total buildings	Belgium			
					111 262 m ²	74 571 m ²	140 918 m ²	
				Perimeter	Brussels	Wallonia	Flanders	
Absolute measures [Abs]	Waste linked to works	2012	n.a.	n.a.	n.a.	n.a.	n.a.	
		2013	100%	590	n.a.	590	n.a.	
		2014	TOTAL		755	n.a.	755	n.a.
			non hazardous	100%	729	n.a.	729	n.a.
		hazardous		26	n.a.	26	n.a.	
		Waste linked to operational buildings	2012	n.a.	n.a.	n.a.	n.a.	n.a.
	2013		13%	20	11	8	n.a.	
	2014		TOTAL		660	65	n.a.	595
			non hazardous	47%	660	65	n.a.	595
	hazardous		n.a.	n.a.	n.a.	n.a.		
	TOTAL	2012	-	-	-	-	-	
		2013	13%	609	11	598	-	
		2014	42%	1 415	65	755	595	
	Like-for-Like [LFL]	TOTAL	2013	TOTAL	11	11	-	-
2014			TOTAL	15	15	-	-	
2013-2014			TOTAL (%)	1%	37%	37%	-	

Waste processing (tonnes and %)

G4-EN23

Befimmo

BEFIMMO [Geographical breakdown]						Belgium			Luxembourg						
				Total buildings	%	369 109 m ²	9 276 m ²	205 026 m ²	13 453 m ²						
				Perimeter		Brussels	Wallonia	Flanders							
Absolute measures [Abs]	Waste linked to works	2014	100%	recycled	512	72%	409	n.a.	103	✓	n.a.				
				reused	125	✓	17%	125	✓	n.a.	n.a.	n.a.			
				composted	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
				incinerated	79	✓	11%	79	✓	n.a.	0	✓	n.a.		
				landfill / dump	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
				subtotal	715	✓	100%	612	✓	n.a.	103	✓	n.a.		
	Waste linked to operational buildings	2014	97%	recycled	958	✓	49%	599	✓	5	✓	345	✓	9	✓
				reused	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
				composted	3	✓	0%	n.a.	n.a.	n.a.	3	✓	n.a.		
				incinerated	981	✓	51%	549	✓	1	✓	377	✓	54	✓
				landfill / dump	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
				sous-total	1 943	✓	100%	1 148	✓	6	✓	725	✓	63	✓
	TOTAL Waste linked to works and operational buildings	2014	recycled	1 470	55%	1 008	5	448	9						
			reused	125	5%	125	n.a.	n.a.	n.a.						
			composted	3	0%	n.a.	n.a.	3	n.a.						
			incinerated	1 060	40%	628	1	377	54						
			landfill / dump	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.						
			TOTAL	2 658	100%	1 761	6	828	63						
Like-for-Like [Lfl]	Waste linked to operational buildings	2013	recycled	565	56%	281	n.a.	279	6						
			composted	4	0%	n.a.	n.a.	4	n.a.						
			incinerated	438	43%	221	n.a.	169	48						
			TOTAL	1 007	100%	502	n.a.	452	54						
	Waste linked to operational buildings	2014	recycled	544	52%	372	n.a.	163	9						
			composted	3	0%	n.a.	n.a.	3	n.a.						
			incinerated	505	48%	289	n.a.	162	54						
			TOTAL	1 052	100%	661	n.a.	328	63						
	2013-2014	recycled	-4%	32%	n.a.	-42%	50%								
		composted	-22%	n.a.	n.a.	-22%	n.a.								
		incinerated	15%	31%	n.a.	-4%	13%								

Fedimmo

FEDIMMO [Geographical breakdown]						Belgium					
				Total buildings	%	111 262 m ²	74 571 m ²	140 918 m ²			
				Perimeter		Brussels	Wallonia	Flanders			
Absolute measures [Abs]	Waste linked to works	2014	recycled	196	✓	26%	n.a.	196	✓	n.a.	
			reused	26	✓	3%	n.a.	26	✓	n.a.	
			composted	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
			incinerated	1	✓	0%	n.a.	1	✓	n.a.	
			landfill / dump	532	✓	71%	n.a.	532	✓	n.a.	
			subtotal	755	✓	100%	n.a.	755	✓	n.a.	
	Waste linked to operational buildings	2014	recycled	237	✓	36%	28	✓	n.a.	208	✓
			reused	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
			composted	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
			incinerated	423	✓	64%	37	✓	n.a.	386	✓
			landfill / dump	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
			subtotal	660	✓	100%	65	✓	n.a.	595	✓
	TOTAL Waste linked to works and operational buildings	2014	recycled	433	31%	28	196	208			
			reused	26	2%	n.a.	26	n.a.			
			composted	n.a.	n.a.	n.a.	n.a.	n.a.			
			incinerated	424	30%	37	1	386			
			landfill / dump	532	38%	n.a.	532	n.a.			
			TOTAL	1 415	100%	65	755	595			
Like-for-Like [Lfl]	Waste linked to operational buildings	2013	recycled	9	77%	9	n.a.	n.a.			
			composted	0	0%	n.a.	n.a.	n.a.			
			incinerated	3	23%	3	n.a.	n.a.			
			TOTAL	11	100%	11	n.a.	n.a.			
	Waste linked to operational buildings	2014	recycled	12	79%	12	n.a.	n.a.			
			composted	0	0%	n.a.	n.a.	n.a.			
			incinerated	3	21%	3	n.a.	n.a.			
			TOTAL	15	100%	15	n.a.	n.a.			
	2013-2014	recycled	39%	39%	n.a.	n.a.					
		composted	n.a.	n.a.	n.a.	n.a.					
		incinerated	27%	27%	n.a.	n.a.					

Greenhouse gas (GHS) emissions linked to energy (tonnes CO₂e)

CRESS-CRE3	GHG-Dir-Abs	GHG-Dir-LfL	GHG-Int	GHG-Indir-Abs	GHG-Indir-LfL
G4-EN15	G4-EN16	G4-EN17	G4-EN18	G4-EN19	

Befimmo	BEFIMMO [Geographical breakdown]			Belgium			Luxembourg		
		Perimeter	Total buildings	369 109 m ²	9 276 m ²	205 026 m ²	13 453 m ²		
	Absolute measures [Abs]	2012	TOTAL	11 368	7 956	73	2 700	639	
			Kg CO ₂ e/m ²	24.7	24.6	36.4	20.6	40.9	
		2013	TOTAL	10 044	6 173	274	3 222	376	
			Kg CO ₂ e/m ²	18.9	16.4	29.5	21.8	21.5	
		Intensity [Int]	2013	of which electricity emissions of the portfolio	537	337 ✓	0	200 ✓	0
				of which electricity emissions corporate	0	0	n.a.	n.a.	n.a.
				subtotal emissions linked to indirect energy	537	337	0	200	0
			2014	of which gas emissions of the portfolio	6 755 ✓	4 540 ✓	228 ✓	1 927 ✓	59
				of which gas emissions corporate	15	15 ✓	n.a.	n.a.	n.a.
				of which heating oil emissions	41	17 ✓	0	0	24 ✓
				subtotal emissions linked to direct energy	6 796	4 557	228	1 927	83
				TOTAL	7 332	4 894	228	2 127	83
				Kg CO ₂ e/m ²	13.3	14.4	24.6	8.5	1.8
			Like-for-Like [LfL] direct & non direct	2013	emissions linked to direct energy	7 002 ✓	4 690 ✓	235 ✓	1 990 ✓
	emissions linked to indirect energy	1 353 ✓			125 ✓	38 ✓	900 ✓	290 ✓	
	TOTAL	8 355 ✓			4 815 ✓	274 ✓	2 890 ✓	376 ✓	
	2014	emissions linked to direct energy		5 135 ✓	3 410 ✓	228 ✓	1 414 ✓	83 ✓	
		emissions linked to indirect energy		206 ✓	20 ✓	0 ✓	186 ✓	0 ✓	
TOTAL		5 341 ✓		3 430 ✓	228 ✓	1 600 ✓	83 ✓		
2013-2014	emissions linked to direct energy	-27%		-27%	-3%	-29%	-4%		
	emissions linked to indirect energy	-85%		-84%	-100%	-79%	-100%		
	TOTAL (%)	75%		-36%	-29%	-17%	-45%		
BEFIMMO [Breakdown by age class]		Perimeter	Total buildings	94 156 m ²	62 457 m ²	70 168 m ²	370 083 m ²		
				0-5 years	6-10 years	11-15 years	> 15 years		
Absolute measures [Abs]	2012	TOTAL	11 368	2 147	1 592	1 513	6 116		
		Kg CO ₂ e/m ²		22.1	27.0	24.8	25.8		
	2013	TOTAL	10 044	1 461	1 196	1 483	5 905		
		Kg CO ₂ e/m ²		15.3	21.3	20.5	18.9		
	Intensity [Int]	2013	of which electricity emissions of the portfolio	537	26	18	94	399	
			of which electricity emissions corporate	0	n.a.	n.a.	n.a.	0	
			subtotal emissions linked to indirect energy	537	26	18	94	399	
		2014	of which gas emissions of the portfolio	6 755	980	583	1 045	4 146	
			of which gas emissions corporate	15	n.a.	n.a.	n.a.	15	
			of which heating oil emissions	41	17	24	0	0	
			subtotal emissions linked to direct energy	6 796	997	607	1 045	4 146	
			TOTAL	7 332	1 023	625	1 139	4 545	
			Kg CO ₂ e/m ²	13.3	12.1	13.0	14.1	11.7	
		Like-for-Like [LfL] direct & non direct	2013	emissions linked to direct energy	7 002 ✓	802 ✓	861 ✓	923 ✓	4 415 ✓
emissions linked to indirect energy	1 353 ✓			110 ✓	334 ✓	136 ✓	773 ✓		
TOTAL	8 355 ✓			912 ✓	1 196 ✓	1 059 ✓	5 189 ✓		
2014	emissions linked to direct energy		5 135 ✓	618 ✓	607 ✓	724 ✓	3 187 ✓		
	emissions linked to indirect energy		206 ✓	17 ✓	18 ✓	94 ✓	76 ✓		
	TOTAL		5 341 ✓	635 ✓	625 ✓	818 ✓	3 263 ✓		
2013-2014	emissions linked to direct energy		-27%	-23%	-30%	-22%	-28%		
	emissions linked to indirect energy		-85%	-84%	-95%	-31%	-90%		
	TOTAL (%)		75%	-36%	-30%	-48%	-37%		

FEDIMMO [Geographical breakdown]			Belgium					
	Perimeter	Total buildings	111 262 m ² Brussels	74 571 m ² Wallonia	140 918 m ² Flanders			
Absolute measures [Abs] - Intensity [Int]	2012	TOTAL	8 284	3 508	804	3 971		
		Kg CO ₂ e/m ²	32.2	34.2	34.9	30.4		
	2013	TOTAL	6 967	2 930	1 603	2 434		
		Kg CO ₂ e/m ²	41.4	27.7	50.8	23.1		
		of which electricity emissions of the portfolio	236	0	236	0		
		subtotal emissions linked to indirect energy	236	0	236	0		
		of which gas emissions of the portfolio	5 306	1 826	1 183	2 297		
		of which heating oil emissions	0	0	0	0		
		subtotal emissions linked to direct energy	5 306	1 826	1 183	2 297		
		TOTAL	5 542	1 826	1 419	2 297		
	Kg CO ₂ e/m ²	16.3	16.5	15.9	16.3			
Like-for-Like [LfL] direct & non direct	2013	emissions linked to direct energy	6 474	2 837	1 202	2 434		
		emissions linked to indirect energy	0	0	0	0		
		TOTAL	6 474	2 837	1 202	2 434		
	2014	emissions linked to direct energy	4 594	1 792	1 033	1 768		
		emissions linked to indirect energy	0	0	0	0		
		TOTAL	4 594	1 792	1 033	1 768		
	2013-2014	emissions linked to direct energy	-29%	-37%	-14%	-27%		
		emissions linked to indirect energy	n.a.	n.a.	n.a.	n.a.		
		TOTAL (%)	74%	-29%	-37%	-14%	-27%	
	FEDIMMO [Breakdown by age class]			48 604 m ² 0-5 years	21 567 m ² 6-10 years	12 027 m ² 11-15 years	244 553 m ² > 15 years	
	Perimeter	Total buildings						
Absolute measures [Abs] - Intensity [Int]	2012	TOTAL	8 284	0	802	291	7 191	
		Kg CO ₂ e/m ²	32.2	n.a.	37.2	27.9	31.8	
	2013	TOTAL	6 967	27	554	309	6 076	
		Kg CO ₂ e/m ²	41.4	8.6	25.7	67.2	35.0	
		of which electricity emissions of the portfolio	236	236	0	0	0	
		subtotal emissions linked to indirect energy	236	236	0	0	0	
		of which gas emissions of the portfolio	5 306	103	376	72	4 754	
		of which heating oil emissions	n.a.	n.a.	n.a.	n.a.	n.a.	
		subtotal emissions linked to direct energy	5 306	103	376	72	4 754	
		TOTAL	5 542	340	376	72	4 754	
	Kg CO ₂ e/m ²	16.3	6.3	17.4	7.8	16.7		
Like-for-Like [LfL] direct & non direct	2013	emissions linked to direct energy	6 474	27	554	84	5 809	
		emissions linked to indirect energy	0	0	0	0		
		TOTAL	6 474	27	554	84	5 809	
	2014	emissions linked to direct energy	4 594	40	376	72	4 106	
		emissions linked to indirect energy	0	0	0	0		
		TOTAL	4 594	40	376	72	4 106	
	2013-2014	emissions linked to direct energy	-29%	47%	-32%	-14%	-29%	
		emissions linked to indirect energy	0	0	0	0		
		TOTAL (%)	74%	-29%	47%	-32%	-14%	-29%

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Translations

This English version of the Annual Financial Report is a translation of the French version of the Annual Financial Report. In case of inconsistencies between the French and the English versions, the French version will prevail.

*Ce Rapport Financier Annuel est également disponible en français.
Dit Jaarlijks Financieel Verslag is ook verkrijgbaar in het Nederlands.*

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