Befimmo

KEEPING OUR COMMITMENTS IN MIND

Annual Financial Report 2012

CONTENTS

Annual Financial Report on the financial statements as at 31 December 2012 and the consolidated financial statements as at 31 December 2012 presented at the General Meeting of shareholders on 30 April 2013 and adopted by the Board of Directors of 5 March 2013.

This Annual Financial Report has been prepared in accordance with the Royal Decree of 7 December 2010.

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.

PROFILE

CREATING VALUE IN REAL ESTATE

Befimmo is a fixed-capital real-estate investment trust (Sicafi) incorporated under Belgian law. It is bound by the relevant legislation, notably the law of 3 August 2012 on certain forms of collective management of investment portfolios, and the Royal Decree of 7 December 2010 on Sicafis. Befimmo is listed on NYSE Euronext Brussels and has been included in the BEL 20 index since March 2009.

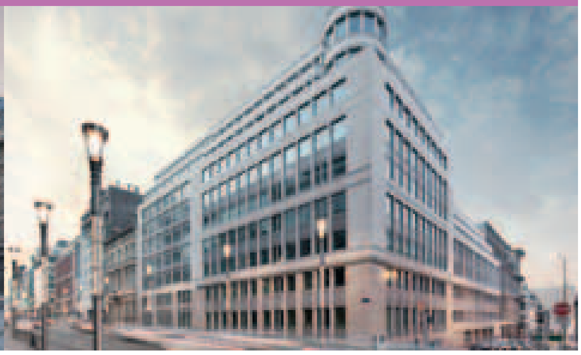
Its market capitalisation is currently around €1 billion. Befimmo offers its shareholders a steady dividend and a yield in line with its risk profile.

Befimmo has a pure-player specialist profile, specialising in investments in quality office buildings located mainly in city centres, in Belgium and the Grand Duchy of Luxembourg. Its portfolio is worth some €2 billion and comprises around a hundred office buildings with space totalling over 850,000 m^2. 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 more than 11 years.

Today, Befimmo has a high-quality property portfolio with an occupancy rate above 95%. To enhance its properties and maintain this high quality over the long term, Befimmo implements an annual investment programme that improves their quality and technical performance, particularly their energy performance.

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 specialist asset manager and real-estate operator: investments and disinvestments, operating its real-estate assets, renovation and construction, seeking tenants and property management.

Poelaert, Brussels centre



Pavilion, Brussels Leopold district

RISK FACTORS

The current economic and financial climate can aggravate certain risks to Befimmo's business. The main risks are of a fall in the fair value of the assets, insolvent tenants, unlet space, changing interest rates and liquidity. These risks are detailed hereafter.

The list of risks in this chapter is not exhaustive. It 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.

This information covers the identified risks that could affect the Company, including a description of a number of measures taken by the Company to limit the potential impact of those risks. Note that the measures taken do not necessarily eliminate any potential impact of the identified risk; the residual impact must therefore be borne by the Company, and indirectly by its shareholders.

Main risks relating to Befimmo and its business

RISK RELATED TO THE RENTAL MARKET

The Brussels property market is currently characterised by higher supply than demand. This may have a negative impact on the level of rents if new leases are signed or renogotiated. In some cases, in addition to revising the rents, the Company may need to grant incentives or periods of gratuities. Owing to the concentration of its portfolio by segment in the market for office buildings and geographically in Brussels, the Company is sensitive to developments in the Brussels office property market and faces a risk related to the occupancy of its buildings. The occupancy rate (1) of the properties in the portfolio, calculated on the basis of properties available to let, was 95.87% at 31 December 2012 (compared with 94.30% at 31 December 2011).

DENSITY RISK

Any investment, even in property, involves a certain level of risk. Befimmo's portfolio is not very diversified in terms of segment and geography (office buildings located mainly in Brussels and its Economic Hinterland: 72.3% as at 31 December 2012).

RISKS ASSOCIATED WITH TENANTS

The Company is exposed to risks relating to the departure or financial default of its tenants. It is also exposed to the impact of government policies to optimise its needs for office space. This could have a negative impact on the level of rents if new leases are signed or renegotiated. In some cases, in addition to revising the rents, the Company may need to grant incentives or offer periods of gratuities.

To mitigate these risks, the Company actively manages its relationships with its most important customers so as to minimise as far as possible vacancies in premises in its property portfolio. During the fiscal year, it decided to internalise the property management of the Befimmo property portfolio so as to have direct control over this activity, which is important in the day-to-day relationship with its tenants.

To limit the risk of default, the Company analyses the financial health of its most important new prospective customers. Moreover, in line with standard market practice, private-sector tenants are required to provide a rental guarantee, generally equivalent to six months' rent. Public-sector tenants (the Belgian Government, Flemish Region, Walloon Region and European institutions), which occupy a substantial proportion of the Company's portfolio (66.9% as at 31 December 2012), do not give rental guarantees, however.

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 relatively large proportion of its portfolio is let on long-term leases or to multiple tenants (which helps to spread the rental risks).
The occupancy rate (1) of the properties in the portfolio, calculated on the basis of properties available to let, was 95.87% at 31 December 2012 compared with 94.30% at 31 December 2011.
The weighted average duration of leases agreed by Befimmo was 9.32 years as at 31 December 2012. This strategy has recently been pursued by:

- when the Company obtained of the contract to provide offices to house the Finance Federal Public Service in Liège for a fixed 25-year term (Paradis project). The construction of the tower should be completed in late 2014. The actions for suspension against the "single permit" were rejected by the Council of State. Several actions for annulment are pending. The project is described more fully under "Key events of the fiscal year" on page 33 of this Report;
- the acquisition in February 2011 of the shares of Ringcenter SA, owner of the Pavilion complex; the European Commission has a usufruct for this entire complex with a residual duration of almost 13 years;
- the signature in May 2012 of a 21-year usufruct agreement with the European Parliament for the Science-Montoyer building.

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

	Brussels office market (1)	Office portfolio Befimmo (2)	
	Rental vacancies (in %)	Rental vacancies (in %)	% of portfolio(3)
Centre	5.0	2.2	15.9
Leopold district	7.1	3.8	17.0
North area	7.2	1.1	24.3
Decentralised	15.6	13.8	5.9
Periphery	21.9	18.3	8.2
Subtotal Brussels	**11.1**	**5.4**	**71.3**
Flanders		0.5	16.2
Wallonia		0	7.8
Luxembourg		2.6	3.8
Total investment properties		**4.1**	**99.0**

RISK OF VACANT RENTAL PROPERTY

Befimmo's vacancy rate(4) calculated on the basis of properties available for rent was 4.1% at 31 December 2012, down from 5.7% as the year opened and significantly lower than the market rate of over 10% at the same date. Nevertheless, this rate of 4.1% is still sensitive to the economic climate, especially in the decentralised area and the periphery.

On an annual basis, a 1% fluctuation in the occupancy rate of the Company's portfolio would have an impact of some €1.2 million on the property operating result. The direct costs related to this rental vacancy, namely charges and taxes on unlet properties, were €2.8 million at 31 December 2012. This amounts to some 2% of total rental income.

RISK RELATED TO THE FAIR VALUE OF THE PROPERTIES

The Company is exposed to the risk of a negative change in the fair value of its portfolio as valued every quarter by independent experts, which affects the Company's net result and debt ratio: based on the figures as at 31 December 2012, a 1% change in value of the property assets would have an impact of some €20 million on the net result and about 0.49% on the debt ratio(5). At 31 December 2012, a 1% change in the fair value of the investment properties would reduce the net asset value per share by €1.09.

The Company is also exposed to the risk of its properties being over-valued or under-valued by the real-estate experts, in relation to their true market value. This risk is accentuated in the market segments where there are few transactions offering points of comparison for the experts, which is now the case particularly for the decentralised and periphery areas of Brussels (14.1% of the portfolio).

RISK RELATED TO INADEQUATE INSURANCE COVER

The Company is exposed to the risk of major losses in its buildings. In order to mitigate this risk, in line with common practice, all buildings in Befimmo's consolidated portfolio are covered by a number of insurance policies (covering fire, storm, water damage, etc.) for a total sum insured (new reconstruction value, excluding the land) of some €1,897.2 million as at 31 December 2012.

RISK OF DETERIORATION OF BUILDINGS

The Company is exposed to the risk of depreciation of its buildings as a result of wear and tear in use, and the risk of obsolescence associated with the growing (legislative and societal) demands mainly in terms of sustainable development (energy performance, etc.). The commercial life of a building is declining because European legislation is increasingly restrictive. True to one of the key principles of sustainable development, "reduction at source"(6), 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 as quickly as possible. Befimmo ensures that its property is kept in a good state of repair and is upgraded in terms of sustainable performance by making an inventory of the 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" maintenance contracts(7). As at 31 December 2012, 72% of the consolidated portfolio was covered by such a "total guarantee" contract.

RISKS RELATED TO EXECUTION OF MAJOR WORKS

The Company is exposed to the risks of delays, overshooting the budget and organisational problems when carrying out major works on the buildings in its portfolio. Detailed monitoring of technical, budgetary and planning aspects has been introduced to manage the risks associated with this work. Furthermore, the contracts with building firms generally provide for a number of measures to limit these risks (price ceilings, delay penalties, etc.).

RISKS OF INFLATION AND DEFLATION

The Company is exposed to the risk of the costs that it has to bear (property charges) being indexed on a basis that changes more quickly than the health index (used as a basis for indexing rents); the impact of rent adjustments in line with inflation can be estimated at €1.3 million annualised per percentage point of change in the health index.

Regarding the risk of deflation, 85.8%[(8)] of the leases in Befimmo's consolidated portfolio are hedged, in line with common practice, against the effect of any negative indexing (47.1% provide for a minimum equal to the base rent and 38.7% contain a clause that sets a minimum of the last rent paid). The remaining 14.2% of the leases do not provide for any minimum rent.

RISK RELATED TO CO-CONTRACTORS

Besides the risk of defaulting tenants, the Company is also exposed to the risk of default by other co-contractors (building companies, etc.).

RISKS RELATED TO MERGERS, DEMERGERS OR ACQUISITIONS

Many buildings joined the Befimmo property portfolio as a result of a merger, demerger or acquisition of companies.

While the Company has taken the usual precautions in operations of this type, mainly by carrying out due-diligence exercises on the properties involved and on the absorbed or acquired companies, it cannot be precluded that hidden liabilities have been transferred to the Company during such operations.

RISKS RELATED TO STAFF

Given the relatively small size of its team (48 staff at 31 December 2012), the Company is exposed to a certain risk of organisational problems if certain key members of staff were to leave. The Company also faces risks related to the integration of the property management business[(9)] (integration of the team, project management, etc.) in 2013.

RISK OF LEGAL PROCEEDINGS

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 on the date of this Report) are unlikely to have a major impact on Befimmo, as the potential gains or losses are highly unlikely to materialise and/or are of insignificant amounts.

(1) Source of market data: CBRE – 31 December 2012 (www.cbre.be).
(2) Excluding properties held for sale.
(3) The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2012.
(4) Vacancy rate = current rent (including the rate for space leased but for which the lease has yet to begin)/(current rents + ERV/i))-1.
(5) The debt ratio is calculated in accordance with the Royal Decree of 7 December 2010.
(6) Namely act, where possible, upstream during the project design, instead of downstream, through remedial actions on an existing building.
(7) 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 a price cap which protects the owner against major unforeseen investments.
(8) Based on the current rent at 31 December 2012.
(9) The integration of the property management business is described in the chapter "Befimmo identity and strategy" on page 18 of this Report.

Main financial risks

RISK RELATED TO FINANCING COST

The Company obtains financing at fixed rates or rates that have been fixed (IRS) and floating interest rates. The aim of using floating rates is to avoid having financial charges set at fixed rates at a time of economic downturn, which is characterised by a downward pressure on rents and low interest rates.

Such compound financing creates a situation in which the result is still sensitive to changing interest rates. An increase in the Company's financial charges could also have an influence on its rating, currently BBB/outlook stable for the long term and A-2 for its short-term debt (Standard & Poor's financial rating).

However, the interest rate risks of this type of floating-rate financing are mitigated by implementing a policy of hedging interest rate risks over a five- to ten-year period, covering a decreasing proportion of total borrowings.

Thus, on the basis of borrowings as at 31 December 2012, part of the debt (€550 million or 58.4% of the total) is financed at fixed rates (conventional fixed rates or rates fixed by IRS). The remaining borrowings, of €392 million, are at floating rates, protected against rises by means of options instruments (CAP/COLLAR [1]). At 31 December 2012, the hedging ratio was 95.5% [2].

Without hedging, based on the borrowings situation (assumed to be constant over a 12-month period) and the Euribor rates at 31 December 2012 (not including the impact of the hedging instruments), the impact of a 0.25% change in market rates is estimated at €1.02 million (annualised).

Based on the hedging arranged, the borrowings situation and the Euribor rates at 31 December 2012 (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 €0.84 million. Conversely, a 0.25% decline in market rates would reduce financial charges by an estimated €0.84 million.

The Company's financing cost is influenced mainly by Standard & Poor's rating, which depends among other things on its indebtedness. Should the debt ratio remain significantly above the Company's target of around 50%, one possible consequence would be a "credit watch" on Befimmo's rating, and a possible downgrade to BBB-. Any such downgrade in the rating would make it harder to obtain new financing, generate an additional financing cost, estimated at €0.88 million, and could damage the Company's image with investors.

The Company's financing cost also depends on the margins charged on the financial markets. Following the financial crisis of 2008, followed more recently by the sovereign debt crisis and the gradual introduction of stricter banking rules (the "Basel III" requirements), financing margins have risen sharply, which affects the cost of additional financing and renewals.

After making two bond issues in 2011 (for a total of €272 million), during the first half of 2012 Befimmo concluded a private bond placement in the United States (US Private Placement) for the equivalent in foreign currency of €150 million. Befimmo hedged the currency risk by arranging Cross Currency Swaps (CCS) at the same time. These three issues have enabled the Company to achieve a significant diversification of its sources of finance.

RISK OF A CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE

A change in the forecast movements of short-term interest rates could alter the value of the financial assets and liabilities carried at fair value. Based on their fair value as at 31 December 2012, it can be estimated that if the euro, US dollar and pound sterling rate curve at 31 December 2012 had been 0.5% lower than the reference rate curve, the change in fair value of the financial assets and liabilities would have been -€6.5 million. In the opposite case, the change would have been +€6.7 million.

Changes in the Euro-US Dollar and Euro-Pound Sterling exchange rates could have a significant impact on the fair value of the Cross Currency Swaps arranged when financing the US Private Placement. Such changes are largely offset, however, by an opposite change of the debt in foreign currency, also assessed at fair value.

At 31 December 2012, the net fair value of all hedging instruments was -€1.5 million.

The interest rate hedging policy is designed to hedge a decreasing portion of borrowings, over a 5 to 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, the level and type of protection offered. 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 the forecast dividend.

New hedging instruments are not necessarily arranged on the same terms. Hedging instruments are acquired in order to hedge against rising interest rates. Although interest rates are currently low, it is important for the Company to hedge against potential future rises in rates.

LIQUIDITY RISK

Befimmo is exposed to a liquidity risk should its financing agreements not be renewed or be terminated. This risk is compounded by the general tendency of the banking sector to reduce the volume of its commitments, particularly in the context of the implementation of the "Basel III" rules.

To mitigate this risk, in early 2011 the Company began a process of diversifying its sources of finance. The ratio of debt provided by bank financing was 55% at 31 December 2012, as against 100% in early 2011.

The Company's debt ratio[3] was 49.3% at 31 December 2012 as against 45.8% at 31 December 2011. Loan-to-value[4] was 48.0% at 31 December 2012 as against 44.2% at 31 December 2011. The short-term liquidity risk is covered by the arrangement of medium- to long-term facilities as a backup for the commercial paper programme (up to €400 million).

The weighted average duration of financing was 4.45 years at 31 December 2012.

At 31 December 2012, the Company had available unused lines of €395.1 million, including cash but excluding a short-term credit line for an amount of €50 million. The high level of unused lines is due to the decision to bring forward the refinancing of a large part of those maturing in 2013.

The next due dates for renewing the Company's financing are in March and June 2013 and relate to two syndicated loans totalling €520 million. This refinancing requirement was covered by issuing bonds, the US Private Placement, and bilateral bank lines.

RISK RELATED TO COUNTERPARTY BANKS

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

Befimmo therefore takes care to diversify its banking relationships. As at 31 December 2012, the Company has a business relationship with several banks:

- the main banks, in alphabetical order, providing finance are BECM (CM-CIC group), Belfius, Fortis Bank, ING, KBC and RBS. Financing from these banks account for €802.9 million of the €912.9 million of bank lines available to Befimmo at 31 December 2012;
- the counterparty banks for the hedging instruments are Belfius, Fortis Bank, 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 €2.3 million at 31 December 2012 compared with €4.2 million at 31 December 2011.

(1) The subscription to COLLAR implies that a minimum rate level is paid (FLOOR).
(2) Hedging ratio: (fixed-rate borrowings + notional rate of IRS and caps)/total borrowings.
(3) Debt ratio: [liabilities - provisions - other financial liabilities (permitted hedging instruments) - deferred tax liabilities - accruals]/[total balance sheet assets - permitted hedging instruments, booked to the assets side of the balance sheet]. This ratio is calculated in accordance with the Royal Decree of 7 December 2010. Pursuant to article 54 of the Royal Decree, if the Sicafi's consolidated debt ratio were to exceed 50%, the Company would have to submit a financial plan to the FSMA.
(4) Loan-to-value ("LTV"): (financial debts - cash)/fair value of portfolio.

RISK RELATED TO OBLIGATIONS CONTAINED IN FINANCING AGREEMENTS

The Company is exposed to the risk of its financing agreements being cancelled, renegotiated, terminated or subject to early repayment should it fail to abide by the commitments it made when signing the agreements, notably regarding certain financial ratios (covenants).

When the Company carries out a financial transaction, it's exposed to legislations and counterparties of which it has less knowledge.

EXCHANGE RISK

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

When the Company obtains finance outside the euro area, as it did in May 2012, it immediately hedges the entire financial and exchange transaction risk by acquiring Cross Currency Swaps.

RISKS RELATED TO THE SICAFI STATUS

Should the Company lose approval for its Sicafi status, it would no longer qualify for the favourable tax regime applicable to Sicafis. Loss of approval is also generally regarded as grounds for early repayment by acceleration of payment of loans arranged by the Company.

The Company is also exposed to the risk of future adverse changes in the Sicafi regime, which could for example lead to a decline in results or net asset value, increase the debt ratio (e.g. simply by applying new accounting rules), reduce the maximum debt ratio, or affect the extent to which a Sicafi must distribute dividends to shareholders.

Regulatory risks

The Company is exposed to the risk of infringing increasingly complex regulations, notably regarding the environment (see "Risk of deterioration of buildings" above) and fire safety, environmental risks related to property purchase or ownership, and the risk of refusal, non-renewal or cancellation of planning, environmental or other permits.

Legislative changes, notably regarding taxation (such as the budgetary measures taken by the Government on, among other things, the withholding tax, notional interest and anti-abuse provisions), environment, urban development, mobility policy and sustainable development, and the entry into force of new constraints regarding the letting of property and the renewal of certain permits, which could apply to the Company and/or its subsidiaries, could have an impact on the Company's profitability and the value of its portfolio.

REGULATORY RISK LINKED TO THE AIFMD

The Company is governed by the law of 3 August 2012 on certain forms of collective management of investment portfolios and could therefore be considered as an alternative investment fund when the European AIFM Directive (Directive 2011/61/EU on alternative investment fund managers) is transposed into Belgian law, along with its implementing measures, which must in principle take place by 22 July 2013. There are still uncertainties regarding the application of this directive to the REIT sector in the various European countries, but if the Sicafi is treated as an alternative investment fund, the Company would be subject not only to the rules arising from this directive but also to the European EMIR Regulation (Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories) or other regulations in preparation (financial transaction tax as part of the common system devised by the Commission, CRD IV (new capital and liquidity requirements for credit institutions that may affect the relationship with alternative investment fund counterparties), etc.).

The additional requirements laid down by the AIFMD, including on systems of administrative management, internal audit, management of conflicts of interest, risk management, liquidity management and the appointment of a depositary, would compel the Company to adapt its internal organisation, rules or procedures, which would make its management more cumbersome, hinder certain transactions and require additional resources to implement these new provisions, and would in any case increase management and administration costs. The EMIR Regulation would expose the Company to margin calls on its hedging instruments, which would increase its financing requirements and costs. The impact of other regulations (tax on financial transactions, CRD IV) mainly entail higher costs for the Company.

KEEPING OUR COMMITMENTS IN MIND

MANAGEMENT REPORT

Central Gate,
Brussels centre

LETTER TO THE SHAREHOLDERS

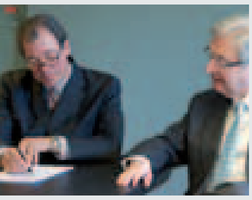
Dear Shareholders,

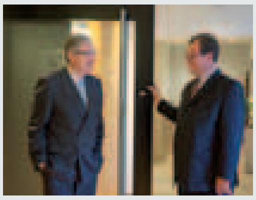
Befimmo is well prepared to face the future.

Indeed, this year we have undertaken some major operations designed to put Befimmo in the best position in relation to its shareholders and customers.

Firstly, Befimmo acquired the 10% of its subsidiary Fedimmo that it did not already own and obtained approval for Fedimmo to become an Institutional Sicafi. Befimmo's entire consolidated portfolio now benefits from the Sicafi regime and the shareholders now enjoy the fiscal transparency that comes with this status.

At the Extraordinary Meeting held last December, you voted to abandon the historic structure of the "*Société en Commandite par Actions*" in favour of the "*Société Anonyme*". As a result, Befimmo has a governance structure that is completely open and transparent, fully meeting your expectations, especially those of our institutional shareholders.





Listening to the concerns that many of you expressed during our "half-yearly results" road show in September 2012, and the conclusions of the study, prior to any investment, that we conducted in this connection, we renounced to our strategy of geographical diversification in France. We are now refocusing our efforts on creating value in our core market of Brussels, other Belgian cities and the city of Luxembourg.

Befimmo also completed the refinancing of its debt, which is now broadly diversified across Belgian and foreign banks, institutional and private investors, and also in terms of its repayment schedule. The average financing cost is optimised and, given the interest rate hedging policy we have put in place, this cost can normally be expected to be stable over the coming fiscal years. The reduced proportion of bank loans in Befimmo's overall financing (currently 55% as against 100% in January 2011) will enable us to rely on them for a fast and flexible contribution to the funding of new growth opportunities.

The rise in the share price in recent months confirms that these operations towards an open and transparent structure, a refocused strategy and diversified borrowings have met our shareholders' expectations, and we are pleased with that. The share price has indeed recovered more than 20% since the end of last summer, bringing Befimmo back among the leading listed European real-estate companies that specialise in the office business.

The cash flow for the 2012 fiscal year (€4.24 per share) was much better than expected (€3.86 per share) due to higher inflation and lower than expected financial charges. In 2012 the rental income for constant floor area rose in step with inflation, which shows, if proof were needed, that property is still able to protect against the impact of the cost of living.

This excellent result enables us to offer you a final dividend of €0.86 per share, in addition to the interim dividend of €2.59 paid out in December. As announced, this brings the dividend for the year to €3.45 per share. In the assumptions of our forecasts, we are confident that this level of dividend should continue over the coming fiscal years.

These positive conclusions should not allow us to be complacent, however, as we have seen a sharp decline in the net result, down from €3.69 per share a year ago to €0.44 per share this year. While most of this decrease is explained by the carrying of a one-off impact related to the Sicafi's acquisition of its Managing Agent as part of the transformation of Befimmo's structure into a *Société Anonyme*, it is also due to the impact of falling property values in the periphery and decentralised areas of Brussels and the impact of lower interest rates on our hedging products: the subprime crisis and the ensuing sovereign-debt crisis led to an economic crisis.

The private sector, which accounts for a third of our lets, is clearly sitting out the crisis waiting for things to improve or is engaging in major restructuring, as in the case of Levi Strauss which is to leave our portfolio in April 2013.

This uncertainty is bringing about a slowdown in the real-estate market, particularly marked in Brussels where the supply of offices for rent has never been so high. That said, a trend toward improvement is emerging, with a slight drop in the supply of offices. A number of indicators point to a continuing trend, especially the fact that public institutions have continued to provide substantial support for demand this year, as well as the fact that owners of office buildings who are in difficulties are increasingly converting them, mainly for residential use, to meet this market demand which looks set to continue.

In this difficult context, we highlight that our commercial team has succeeded in secure leases for space totalling 23,800 m², two-thirds of which relate to agreements with new tenants, raising our occupancy rate to 95.87%. This fine performance is related to the intrinsic quality of our buildings, a guiding principle of our investments, and places Befimmo among the top performers in the office investment market, in a position to seize any opportunity that a challenging market will sooner or later throw up to the strongest players in town. Clearly, the crisis will not affect everyone equally.

As for the developers, we find that they are no longer building on a speculative basis, which should put Befimmo in a good position to make the most of the permit it has obtained to build Tower IV of the World Trade Center in Brussels.

We also welcome the rejection of the actions for suspension of the permit for the construction of the new Finance Centre in Liège. Work is continuing with a view to handing over the building in the fourth quarter of 2014, when we will begin to collect on the 25-year lease with the Buildings Agency. This is the result of good teamwork, which confirms the robustness of the property-development skills that we have acquired over time and which we intend to exploit in the future, for example by developing the land still available between the Finance Centre and the Liège high-speed railway station. Befimmo is not just an Asset Manager; it is a true real-estate operator in its own right, a specialist in the business, with the goal of creating value.

Finally, we are pursuing our major programme of investments to improve the energy performances of our buildings, to achieve the qualitative and quantitative targets that we have set ourselves. These are discussed in detail in the chapter on social responsibility of this Annual Report.

Rest assured, dear Shareholders, that, even in the present circumstances, Befimmo is well prepared to face the future and is confident that it will stay on its track of profitable growth. As in the past, we will be relying more than ever on your support.

Thank you again for your repeated confidence, which was particularly strong this year when you unanimously adopted the resolutions that we proposed at the Extraordinary General Meeting of 20 December 2012.

Brussels, 5 March 2013

Benoît De Blieck [1]

Alain Devos [1]

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

KEY FIGURES

Financial key figures	31.12.2012	31.12.2011
Net asset value (in € per share)	54.10	57.17
Net result (in € per share)	0.44	3.69
Shareholders' equity (€ million)	998.2	1 002.6
Return on shareholders' equity (in €)	1.03	3.95
Return on shareholders' equity (in %)	1.82	6.85
Debt ratio according to the Royal Decree (in %)	49.31	45.80
Loan-to-value (in %)	48.03	44.18
Investment capacity after dividend (65%) (€ million)	857.8	1 062.5

Property key figures	31.12.2012	31.12.2011
Fair value of the portfolio (€ million)	1 968.6	1 971.3
Occupancy rate (in %)	95.87	94.30
Weighted average duration of leases (in years)	9.32	9.02
Initial yield on buildings available for lease (in %)	6.91	6.61
Initial yield on investment properties (in %)	6.73	6.51
Potential yield on buildings available for lease (in %)	7.21	7.01
Potential yield on investment properties (in %)	7.02	6.90

EPRA key figures	31.12.2012	31.12.2011
EPRA earnings (in € per share)	4.24	4.18
EPRA NAV (in € per share)	54.18	57.37
EPRA NNNAV (in € per share)	53.36	57.03
EPRA Net Initial Yield (NIY) (in %)	6.35	6.06
EPRA Topped-up NIY (in %)	6.53	6.26
EPRA vacancy rate (in %)	4.62	6.13

Key figures on Befimmo's share	31.12.2012	31.12.2011
Closing share price (in €)	48.83	50.28
Gross dividend (in %)	3.45	3.94[1]
Gross yield (in %)	7.07	7.84
Return on share price (in %)	4.84	-11.16
Number of outstanding shares	19 120 709	18 175 440
Number of shares in circulation	18 452 987	17 538 069

Key figures on corporate social responsibility[2]	31.12.2012	31.12.2011
Gas | Normalised direct consumption (kWh/m²)	79	89
Electricity | Normalised consumption		
Consumption common areas (kWh/m²)	42	49
Consumption private areas (kWh/m²)	66	51
Water | Normalised consumption (m³/m²)	0.255	0.220
CO_2 | Direct and indirect emissions (thousand tonnes of CO_2)	12.6	13.2

(1) On the 2010/2011 fiscal period (15 months) Befimmo distributed a gross dividend of €4.93.
(2) It is Befimmo's portfolio excluding Fedimmo. More detailed information on this point can be found on pages 84-85 of this Report.

HISTORY OF OUR COMPANY BEFIMMO

1995
Foundation of Befimmo and listing on the stock market

1997
Takeover of Prifast group

1998
Takeover of WTC SA and Noord Building SA

2001
Takeover of Sicafi CIBIX SCA

2003
Acquisition of the Poelaert building

2006
Acquisition of 90% shareholding in Fedimmo

2007
Capital increase of €261.2 million

2009
Inclusion in BEL 20 index

Capital increase of €166.6 million

2010
Disposal of the Empress Court building

Disposal of the Kattendijkdok building

2011
Purchase of the shares of the Ringcenter SA

Bond issue for an amount of €162 million maturing in April 2017

Second bond issue for an amount of €110 million maturing in December 2015

2012
Start of the construction works of the new Finance center, Paradis Tower, in Liège

Closing of a private placement of notes in the United States (US Private Placement for an amount of €150 million)

Acquisition of the remaining 10% of Fedimmo shares, Befimmo owns since then 100% of the shares of Fedimmo SA

Transformation of Befimmo SCA in a *Société Anonyme*

2013
Attribution of the Institutional Sicafi status to Fedimmo SA

2008
Prize-winner in the "Exemplary Buildings 2007" competition for the Empress Court project

2009
First communication as per Global Reporting Initiative (GRI)

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)

2011
"2011 BREEAM Award Category Europe Offices" prize for the Froissart project

First EPB certification (Energy Performance of Buildings)

2012
"EPRA Gold Award" prize for the Annual Financial Report 2011

First BREEAM Post-Construction and In-Use certification

Prize-winner in the "Exemplary Buildings 2012" competition for the WTC IV project

BEFIMMO IDENTITY AND STRATEGY

Befimmo is a professional real-estate operator, specialising in the office business. It aims to provide a balanced dividend for its shareholders through the income generated by its property portfolio.

Befimmo works proactively in its portfolio. The Company gives priority to keeping its properties at a high level of quality at all times to keep them attractive to their occupants over the long term: every year, a specific investment programme is devoted to the renovation of their technical and/or quality aspects, to improve their performances and ensure lasting appeal on the market.

Over the years, Befimmo has put together a technical team to manage every aspect of the **construction** of new buildings or **renovation** of existing buildings for existing or future rental customers. This ongoing renovation and construction strategy goes hand-in-hand with a proactive environmental and sustainable-development policy: all passive design criteria are taken into account and anticipated where possible.

In addition to renovation and construction, Befimmo also manages the relationship with its rental customers.

The Befimmo **commercial** team performs a very important job by building a relationship of trust with rental customers and helps to maintain a high occupancy rate in the portfolio. The portfolio of customers includes top-class tenants, two thirds of whom are public institutions interested in long-term leases, and the remainder are Belgian companies and multinationals.

The integration of the **property management** business – scheduled for the first half of 2013 – will enable Befimmo to control the last link in the real-estate investment business, thereby cementing even closer relationships with its tenants. By managing directly and promptly any problem related to the occupation of a building, Befimmo will offer them an improved comfort and be more proactive in responding to their expectations.

The **investment** side of Befimmo's business is guided by the creation of value for its shareholders.

The Company focuses on investment projects in quality office buildings with the following minimum characteristics:

- a location where the value is generated by scarcity, such as Central Business Districts: visibility and accessibility are paramount;
- buildings of an adequat critical size, well-equipped and flexible;
- appropriately let to quality corporate tenants or public institutions;
- able to successfully pass due diligence checks which look into urban development, technical, environmental, legal and fiscal issues;
- with the potential to create value notably through the real-estate expertise of the team.

In line with that objective, Befimmo takes care to dispose of any property in its portfolio that no longer fits its strategy.

Befimmo aims to offer its shareholders a stable dividend with a yield in line with the Company's risk profile. Accordingly, in addition to maintaining its portfolio in an optimal way, the Company strives to equip itself with the best financial tools available. Befimmo is currently undertaking a comprehensive programme to renew and diversify its financing. It keeps its Loan-to-value ratio at around 50%, consistent with its defensive earnings profile. Moreover, it regularly focuses on controlling costs and balancing its debt structure. To ensure liquidity while limiting financing costs, to protect its result and cash flow against a rise in interest rates above certain thresholds, Befimmo regularly adjusts its borrowing structure and hedging policy.

Befimmo may also adopt proactive positions, taking on certain marketing risks (for example by letting buildings acquired but yet to be completed), and forming, as the case may be, partnerships with property developers or building contractors in order to cover any risks involved in completion (cost, deadlines, quality).

Finally, Befimmo may also consider forming partnerships for certain real-estate transactions that exceed its own investment capacity.

Befimmo is focused on its strategy as a specialist in the office business in Belgium and the Grand Duchy of Luxembourg, with the goal of creating value for its shareholders through its expertise as an asset manager and operator of a quality real-estate portfolio, constantly improving that quality to ensure that each of its buildings holds its value.

Befimmo has integrated the principles of **corporate social responsibility** into its strategy, and these are reflected in the environmental, economic and social aspects of its day-to-day operation.

Since it is in the real-estate business, the main thrust of Befimmo's action in this area relates to the **environment**. For several years, it has built energy performances and sustainable development into its renovation, acquisition and construction projects. Like all market players, Befimmo is aware that the value of a building is also measured in terms of sustainability. Accordingly, the Company has wasted no opportunity to demonstrate the efforts it has been making in recent years: its environmental management system has been ISO 14001 certified since 2010, it uses several recognised tools such as the BREEAM energy-performance certificate, and in 2011 it adopted quantitative criteria that can be measured objectively year by year. Moreover, since investment in improving the energy performance of its buildings is an integral part of the optimal and sustainable management of its portfolio, the sustainable development team – mainly composed of Executive Officers – informs and involves the Board of Directors in all major decisions on the subject. Meanwhile, Befimmo continues to develop its in-house environmental policy to reduce the impact of its own activities: management of emissions from its vehicle fleet, of waste, of natural resources, of electricity, etc., and plans to further expand the scope of these measures.

Befimmo's impact on society is a driver for its corporate social responsibility on the **economic** level as well. Befimmo abides by the applicable laws in this regard. It has also devised a code of ethics setting out the values that are to govern its relations with its customers, management team, partners and shareholders. Befimmo abides by in-house rules in the framework of the code of ethics designed to limit the risks associated with money laundering and funding of terrorism.

Finally, it takes account of its **social** responsibility. Firstly, it strives to offer staff a quality working environment, relevant training and genuine opportunities for development. Secondly, the team is offered a programme of training in and awareness of environmental issues. This awareness-raising may at first sight seem inconsequential in relation to global issues, but Befimmo considers that the involvement of its team is a key factor in achieving its corporate social objectives.

Befimmo will keep one step ahead of the regulations and gradually improve the energy performance of its buildings. Communication between the Executive Officers and the Board of Directors on the one hand and with staff on the other, as well as the involvement of every member of the Company, will be stepped up as much as possible.

1 CONTINUOUS & PROACTIVE UPGRADING OF ITS EXISTING PORTFOLIO

Construction & Renovation
Including improvement of sustainable performances

Value creation of its land

Letting
Keep & attract strong tenants

Property management
Closer daily contact with its tenants

2 VALUE ADDED GROWTH

The investment criteria are driven by the ability of a building to generate revenues in the long term

Location & Timing
Selection of prime CBD locations

Attractive-ness
High quality and buildings

Tenants
Strong tenants & lease profile

OPPORTUNITIES arise matching with Befimmo investment criteria

3 DISPOSALS OF BUILDINGS

Non-strategic buildings
Some short-term lease buildings to be reconverted

CREATING VALUE IN REAL ESTATE

BELGIUM & LUXEMBOURG

Wallonia

1 **Ath**, Place des Capucins 1
2 **Binche**, Rue de la Régence 31
3 **Braine-l'Alleud**, Rue Pierre Flamand 64
4 **Chênée**, Rue Large 59
5 **Eupen**, Vervierserstrasse 8
6 **La Louvière**, Rue Ernest Boucqueau 15
7 **Liège**, Avenue Émile Digneffe 24
8 **Liège**, Rue Paradis 1
9 **Liège**, Rue Rennequin-Sualem 28
10 **Malmedy**, Rue Joseph Werson 2
11 **Marche**-en-Famenne, Av. du Monument 25
12 **Mons**, Rue Joncquois 118
13 **Mons**, Digue des Peupliers 71
14 **Namur**, Rue Henri Lemaître 3
15 **Namur**, Rue Pépin 5
16 **Namur**, Rue Pépin 31
17 **Namur**, Rue Pépin 22
18 **Namur**, Avenue de Stassart 9
19 **Saint-Vith**, Klosterstrasse 32
20 **Seraing**, Rue Haute 67

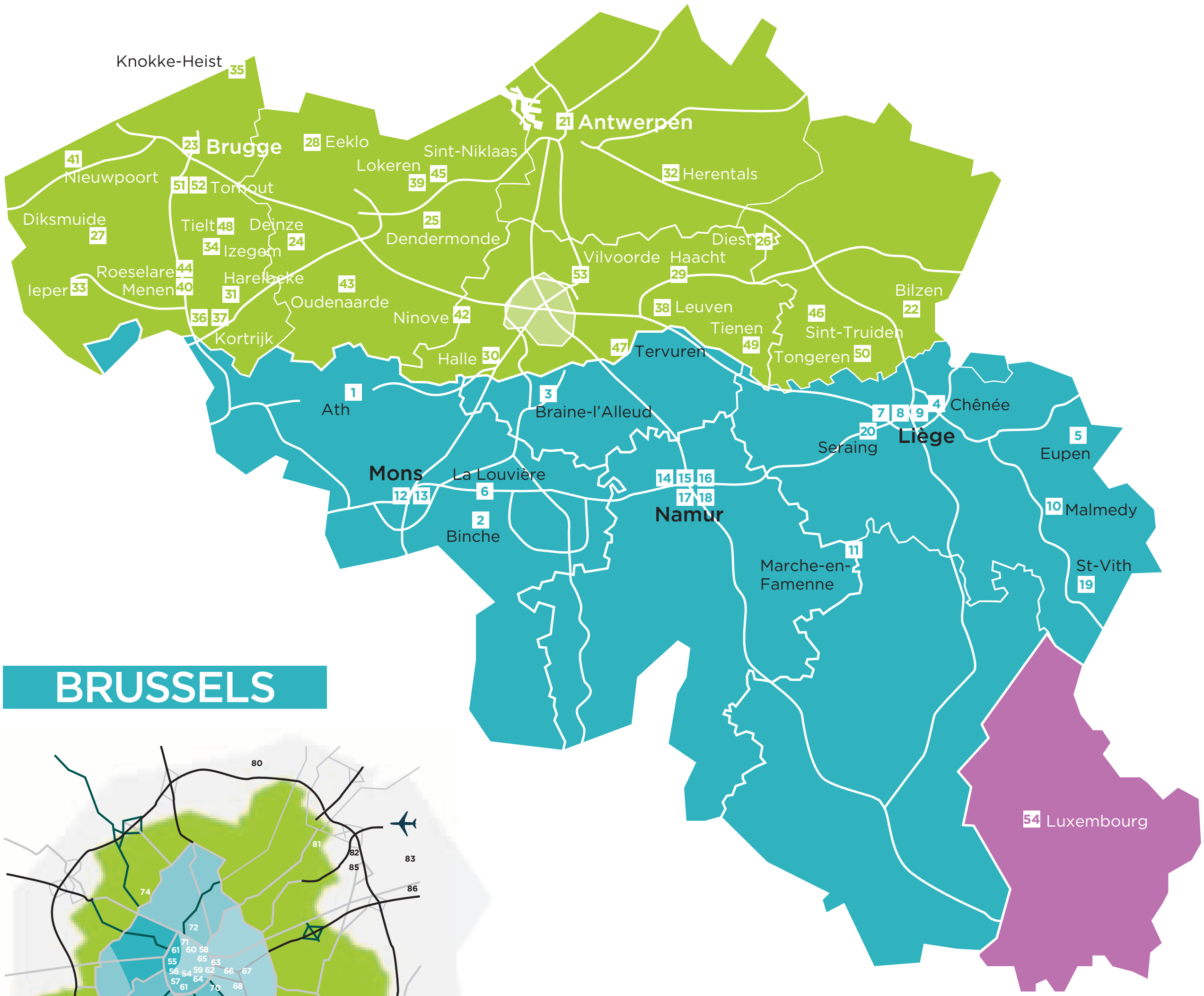
Flanders

21 **Antwerpen**, Meir 48
22 **Bilzen**, Brugstraat 2
23 **Brugge**, Boninvest 12
24 **Deinze**, Brielstraat 25
25 **Dendermonde**, St-Rochusstraat 63
26 **Diest**, Koning Albertstraat 12
27 **Diksmuide**, Woumenweg 49
28 **Eeklo**, Raamstraat 18
29 **Haacht**, Remi van de Sandelaan 1
30 **Halle**, Zuster Bernardastraat 32
31 **Harelbeke**, Kortrijksestraat 2
32 **Herentals**, Belgiëlaan 29
33 **Ieper**, Arsenaalstraat 4
34 **Izegem**, Kasteelstraat 15
35 **Knokke-Heist**, Majoor Vandammestraat 4
36 **Kortrijk**, Bloemistenstraat 23
37 **Kortrijk**, Ijzerkaai 26
38 **Leuven**, Vital Decosterstraat 42/44
39 **Lokeren**, Grote Kaai 20
40 **Menen**, Grote Markt 10
41 **Nieuwpoort**, Juul Filliaertweg 41
42 **Ninove**, Bevrijdingslaan 7
43 **Oudenaarde**, Marlboroughlaan 4
44 **Roeselare**, Rondekomstraat 30
45 **Sint-Niklaas**, Driekoningenstraat 4
46 **Sint-Truiden**, Abdijstraat 6
47 **Tervuren**, Leuvensesteenweg 17
48 **Tielt**, Tramstraat 48
49 **Tienen**, Goossensvest 3
50 **Tongeren**, Verbindingstraat 26
51 **Torhout**, Burg 28
52 **Torhout**, Elisabethlaan 27
53 **Vilvoorde**, Groenstraat 51

Luxembourg

54 **Axento**, Avenue John Fitzgerald Kennedy 44 (Plateau du Kirchberg)

BELGIUM & LUXEMBOURG



BRUSSELS

Brussels centre
54 Brederode 1 and 2 >> **55** Central Gate >> **56** Empereur >>
57 Montesquieu >> **58** Gouvernement Provisoire >> >>
59 Lambermont >> **60** Pachéco >> **61** Poelaert

Brussels Leopold district
62 Arts >> **63** Froissart >> **64** Guimard >> **65** Joseph II >>
66 Pavilion >> **67** Schuman 3 and 11 >> **68** Science-Montoyer >>
69 View Building >> **70** Wiertz

Brussels North area
71 Noord Building >> **72** WTC Towers II and III

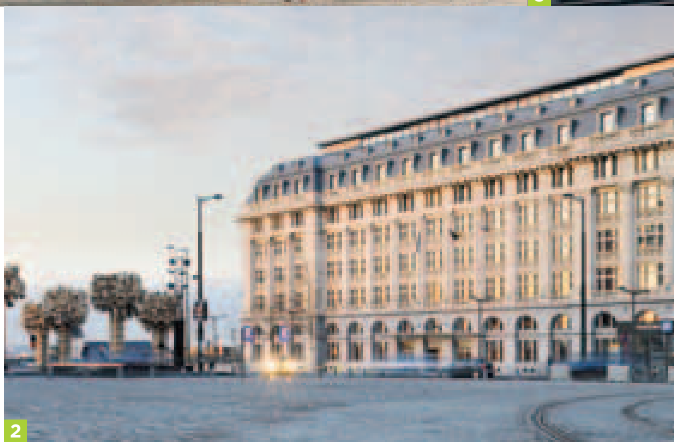
Brussels decentralised
73 Goemaere >> **74** Jean Dubrucq >> **75** La Plaine >>
76 Triomphe I, II and III

Brussels periphery
77 Eagle Building >> **78** Fountain Plaza >>
79 Ikaros Business Park >> **80** Media >> **81** Ocean House >>
82 Planet II >> **83** Waterloo Office Park

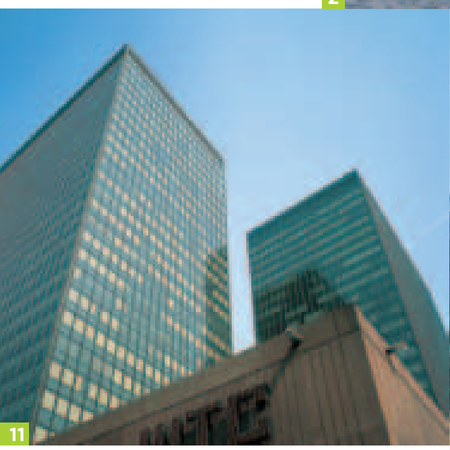
PORTFOLIO IN DETAIL


1

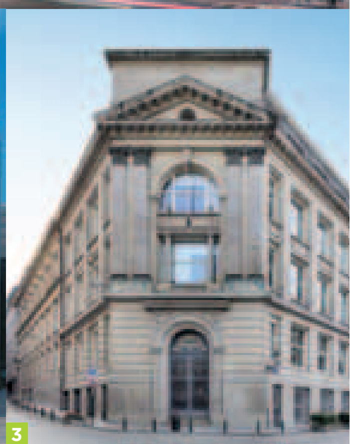

5


2


9


11


10


3

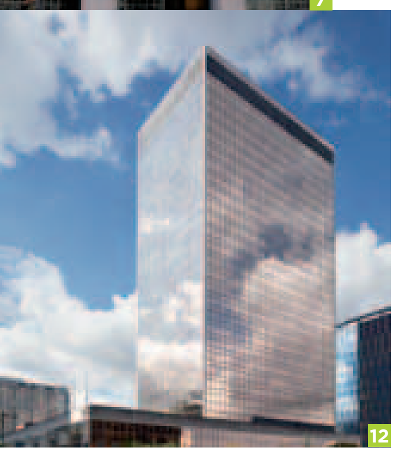

4


8

Office buildings (1) > 10,000 m²

6

7



12

1. Brussels centre
CENTRAL GATE

Rue Ravenstein 50-70
Cantersteen 39-55
1000 Brussels
Space: 32,373 m²
Year renovated: 2012

2. Brussels centre
POELAERT

Place Poelaert 2-4
1000 Brussels
Space: 14,146 m²
Year renovated: 2001

3. Brussels centre
BREDERODE 1

Rue de Brederode 13
& Rue Thérésienne
1000 Brussels
Space: 13,388 m²
Year renovated: 1996

4. Brussels centre
MONTESQUIEU

Rue des Quatre Bras 13
1000 Brussels
Space: 19,004 m²
Year renovated: 2009

5. Brussels Leopold district
WIERTZ

Rue Wiertz 30-50
1050 Brussels
Space: 10,865 m²
Year built: 1996

6. Brussels Leopold district
JOSEPH II

Rue Joseph II 27
1000 Brussels
Space: 12,831 m²
Year built: 1994

7. Brussels Leopold district
ARTS

Avenue des Arts 28/30
Rue du Commerce 96/112
1000 Brussels
Space: 16,793 m²
Year renovated: 2005

8. Brussels Leopold district
VIEW BUILDING

Rue de l'Industrie 26-38
1040 Brussels
Space: 11,156 m²
Year renovated: 2001

9. Brussels Leopold district
PAVILION

Rue de la Loi 70-72-74
1000 Brussels
Space: 19,641 m²
Year renovated: 2005

10. Brussels North area
NOORD BUILDING

Boulevard du Roi Albert II 156/1
1000 Brussels
Space: 42,726 m²
Year built: 1989

11. Brussels North area
WTC TOWER II

Boulevard du Roi Albert II 30
1000 Brussels
Space: 68,980 m²
Year built: 1973

12. Brussels North area
WTC TOWER III

Boulevard du Roi Albert II 30
1000 Brussels
Space: 75,800 m²
Year renovated: 2012

(1) A full list of all the buildings in Befimmo's consolidated portfolio is annexed to this Report.

Portfolio in detail


13


17


21


14


22


19


15


16


20

13. Brussels periphery
MEDIA

Medialaan 50
1800 Vilvoorde
Space: 18,104 m²
Year built: 1999

14. Brussels periphery
FOUNTAIN PLAZA

Belgicastraat 1-3-5-7
1930 Zaventem
Space: 18,415 m²
Year renovated: 2012

15. Brussels periphery
PLANET II

Leuvensesteenweg 542
1930 Zaventem
Space: 10,279 m²
Year built: 1988

16. Brussels periphery
IKAROS BUSINESS PARK
(PHASES I to V)

Ikaroslaan
1930 Zaventem
Space: 46,053 m²
Year built: 1990 to 2008

17. Brussels decentralised
LA PLAINE

Boulevard Général Jacques 263G
1050 Bruxelles
Space: 15,933 m²
Year built: 1995

18. Brussels decentralised
TRIOMPHE I & II

Avenue Arnaud Fraiteur 15-23
1050 Bruxelles
Space: 20,530 m²
Year built: 1998

19. Wallonia
LIÈGE PARADIS

Rue Paradis 1
4000 Liège
Space: 38,945 m²
Year built: 1987

20. Luxembourg
AXENTO

Avenue John Fitzgerald Kennedy 44
Plateau du Kirchberg
Space: 13,447 m²
Year built: 2009

21. Flanders
KORTRIJK - BLOEMISTENSTRAAT

Bloemistenstraat 23
8500 Kortrijk
Space: 11,505 m²
Year renovated: 1995

22. Flanders
ANTWERPEN - MEIR

Meir 48
2000 Antwerpen
Space: 20,612 m²
Year renovated [(1)]: 1985

23. Flanders
LEUVEN - VITAL

Vital Decosterstraat 42-44
2000 Leuven
Space: 19,033 m²
Year renovated: 1993

24. Flanders
TERVUREN - LEUVENSESTEENWEG

Leuvensesteenweg 17
3080 Tervuren
Space: 20,408 m²
Year built: 1980

(1) This is the construction year of a new building and the renovation of the old part of the building.

KEY EVENTS OF THE FISCAL PERIOD

Befimmo sole shareholder of Fedimmo, now an Institutional Sicafi

On 3 October 2012 [1], Befimmo acquired the shares in Fedimmo SA that it did not already own, namely 10% of the capital – half in cash and half by issuing new Befimmo shares. Through this operation, *Société Fédérale de Participations et d'Investissement* (SFPI) acquired a shareholding of some 3% in Befimmo.

Befimmo is now the sole beneficiary of Fedimmo results, which will ensure a recurring increase in its EPRA earnings per share.

On 25 January 2013, Fedimmo SA acquired the status of Institutional Sicafi. Befimmo's entire consolidated Belgian portfolio now benefits from the Sicafi regime.

In particular, Fedimmo will now prepare its financial statements in accordance with IFRS standards, thus enabling it to distribute its entire cash flow (EPRA earnings) to Befimmo, enhancing the latter's ability to guarantee the dividend that it offers to its shareholders.

In relation to the outlook published for the 2012 fiscal year, this operation has had a positive net impact on EPRA earnings of €0.01 per share and a one-time impact of €0.20 per share on the net asset value.

Simplification of the corporate structure

On 30 October 2012 [2] Befimmo concluded an agreement with AG Real Estate on:

(i) the acquisition by the Sicafi of its Managing Agent from AG Real Estate for a total amount of €21 million.
(ii) the takeover and internalisation of the property management activities run by AG Real Estate Property Management.

This agreement was concluded under the suspensory condition of the approval of the transformation of the legal form of Befimmo SCA into a Limited Liability Company, which was unanimously approved by the Extraordinary General Meeting of shareholders on 20 December 2012.

In relation to the outlook published for the 2012 fiscal year, this operation had a net positive impact on EPRA earnings of €0.06 per share and a one-time impact of -€1.12 per share on the net result and net asset value, and will ensure a recurring increase in EPRA earnings.

Property portfolio

FAIR VALUE OF THE PROPERTY PORTFOLIO [3]

Change and rotation of real-estate experts

Pursuant to the provisions of the Royal Decree on Sicafis of 7 December 2010, since the mandates of the two experts Jones Lang LaSalle and DTZ-Winssinger & Associés expired on 31 December 2011, new experts' mandates were assigned from 1 January 2012, for a three-year term, to Jones Lang LaSalle (for the Befimmo portfolio of property let to private-sector tenants), DTZ–Winssinger & Associés (for the Fedimmo's portfolio) and Price Waterhouse Coopers (for the Befimmo portfolio of property let mainly to public institution [4]).

Changes in fair value

Change in floor area between 1 January 2012 and 31 December 2012: departure from the portfolio of the Devroye building (sale completed in December 2012) and transfer of the Mons I building to the heading of properties held for sale (the tenant has exercised its purchase option in the third quarter of 2012 – sale completed in February 2013).

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

Offices	Change 2012[5] (in %)	Change 2011[6] (in %)	Proportion of portfolio[7] 31.12.2012 (in %)	Fair value 31.12.2012 (€ million)	Fair value 31.12.2011 (€ million)	Fair value 31.12.2010 (€ million)
Brussels centre (CBD)	0.05	-0.86	58.2	1 144.8	1 124.9	1 024.0
Brussels decentralised	-18.81	-3.66	5.1	101.2	127.3	129.4
Brussels periphery	-9.90	-4.79	7.5	147.0	156.3	158.9
Wallonia	1.11	-1.34	4.0	78.3	85.3	86.4
Flanders	-2.12	1.21	18.1	356.8	364.6	359.0
Luxembourg city	0.88	1.67	4.2	81.8	81.4	80.1
Properties available for lease	-2.33	-0.92	97.0	1 909.9	1 939.7	1 837.8
Properties that are being constructed or developed for own account in order to be leased	26.55	-1.99	2.6	50.8	31.5	40.8
Investment properties	**-1.75**	**-0.95**	**99.6**	**1 960.7**	**1 971.3**	**1 878.6**
Properties held for sale	**0.11**	**0.00**	**0.4**	**7.9**	**0.0**	**42.0**
Total	**-1.75**	**-0.93**	**100.0**	**1 968.6**	**1 971.3**	**1 920.6**

The fair value of Befimmo's consolidated portfolio as at 31 December 2012 was €1,968.6 million, as against €1,971.3 million as at 31 December 2011. This change in value incorporates investments in renovation work and disinvestments carried out in the portfolio over the fiscal year for a net amount of €32.5 million, and changes in fair value recorded.

Excluding investments, an unrealised decline in the fair value of the portfolio of €35.2 million (-1.75%) was observed over the fiscal year to 31 December 2012.

This negative change in value is due mainly to an adverse combination of the following:

- falling values of buildings on short leases or that have space available which are still suffering from pressure on estimated rental values, as is the case for properties located in decentralised areas and the periphery, and of buildings in the provinces occupied by the Belgian State that are approaching the end of their leases, even if they are often still some way off;
- rising values of property located in the Brussels Central Business District (CBD) and still on long-term leases to public institutions, owing to investors' propensity for properties in good locations that earn secure long-term income from public institutions, and specific increases in value relating in particular to (i) the conclusion of a 21-year usufruct agreement with the European Parliament for the Science-Montoyer building and (ii) the granting of the urban development permit for the construction of the new Paradis building in Liège.

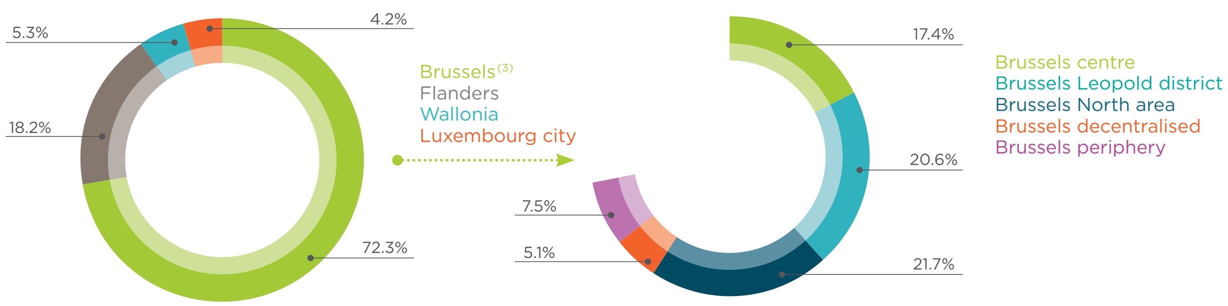
(1) For more information, please see the press release published on 3 October 2012 on the Befimmo website.
(2) For more information, please see the press release published on 31 October 2012 on the Befimmo website.
(3) These values are established in application of standard IAS 40 which requires investment 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.
(4) With the addition of the Meir building (Antwerp) and Vital building (Leuven), on long-term leases mainly to BNP Paribas Fortis.
(5) The change over the 2012 fiscal year is the change in fair values between 1 January 2012 and 31 December 2012 (excluding investments and disinvestments).
(6) The change over the 2011 fiscal year is the change in fair values between 1 January 2011 and 31 December 2011 (excluding investments and disinvestments).
(7) The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2012.

Key events of the fiscal period

Changes in fair value of buildings over the past two fiscal years by quarter

2012				2011 (restated period)[1]			
Q1	Q2	Q3	Q4	Q2	Q3	Q4	Q5
-0.76%	0.07%	-0.37%	-0.72%	-0.29%	-0.48%	-0.39%	0.19%
Q1 + Q2 + Q3 + Q4				Q2 + Q3 + Q4 + Q5			
-1.75%				-0.93%			

Geographical breakdown[2]



The buildings representing individually more than 5% of the fair value of the portfolio are the Tower II and III of the WTC, which represent approximately 17% together.

NEW LEASES AND LEASE RENEWALS

In a continuing challenging economic environment, Befimmo is pursuing its objective of securing the loyalty of its rental customers by continuing to focus on satisfying their needs.

Several new lease agreements and renewals came to fruition in the 2012 fiscal year. This is intended to ensure a continuity of Befimmo's medium- and long-term income. Thus for the 2013 fiscal year, 99.4% of budgeted rental earnings are already guaranteed under contract[4]. For 2014 the proportion is 96.9% and 85.0% for 2015.

As at 31 December 2012, the rental vacancy rate of the Brussels office market[5] was 11.1%, down from 11.5% as the year opened. There are still substantial differences between the various districts, however: the Central Business District (CBD) has 7.1% of vacant space in the Leopold district and 7.2% in the North area, while the actual city centre (inside the Pentagon) enjoys a lower vacancy rate, with only 5.0% of premises available. In the Brussels periphery and decentralised areas, the situation remains challenging, with vacancy rates of 21.9% and 15.6% respectively.

Over the 2012 fiscal year, Befimmo signed leases for space in excess of 23,800 m²: 21,500 m² of offices and 2,300 m² of retail, storage or multi-purpose space. Of the agreements signed over the year, 78.5% relate to leases signed with new tenants (17 transactions), the remainder being renewals of existing leases (10 transactions).

This total space of 23,800 m² is in line with the space let in previous fiscal years (32,500 m² in 2008, 18,944 m² in 2009 and 20,000 m² in 2010), with the exception of the 2010/2011 fiscal period (15 months), in which Befimmo exceptionally signed leases for a total space of 70,000 m².

In the Befimmo portfolio located in the **Brussels CBD**, during the year, the Company completed transactions for space totalling 9,039 m². The most important transactions included the 21-year usufruct agreement signed in May 2012 with the European Parliament for the Science-Montoyer building (5,379 m²) in the Leopold district of Brussels. This operation resulted in a positive revaluation of the property of the order of €4.1 million or 20% of its fair value. This building, winner of the "IBGE 2009 – Exemplary Buildings" competition and completely renovated in 2011, is the first building in Europe to be rated "Excellent" in the BREEAM Post Construction certification.

Befimmo also welcomed other new tenants in the CBD: Aston Carter, Ogilvy, Environmental Resources Management and Sisley.

Furthermore, some current tenants in the portfolio have renewed their leases for several years. Notable examples are BNP Paribas Fortis and Berlaymont 2000.

In the **Brussels periphery** some current tenants in the portfolio have renewed their confidence in Befimmo by renewing and extending leases for space totalling some 5,360 m². Notable examples are Lukoil and Carl Zeiss, along with Unamic, Electronic Partners, Krauss & Naimer and Toyota Boshoku.

Befimmo welcomed new tenants into its portfolio in the periphery for space totalling 7,640 m². In particular, a new lease (6/9 years) was signed with Goodman Management Services in the Media building (Brussels periphery) for leasing part of the space previously occupied by Samsung, which is still engaged for the remaining space until March 2015. Other transactions took place with Desmet Ballestra Group, Devoteam, Red Prairie, Compusearch, Pubmarket, Skidata, Shinano Kenshi Europe and Technogym Benelux.

Note that the terms of these new leases are in line with the assumptions used to determine the three-year outlook for EPRA earnings.

With these new leases and renewals, the occupancy rates of the Central Gate, Ocean House, and Axento buildings are close to 100%. Befimmo owes these good results, achieved in a challenging market context, to the quality of its portfolio, the pertinent investments it is making in it and the proactive approach of its commercial team.

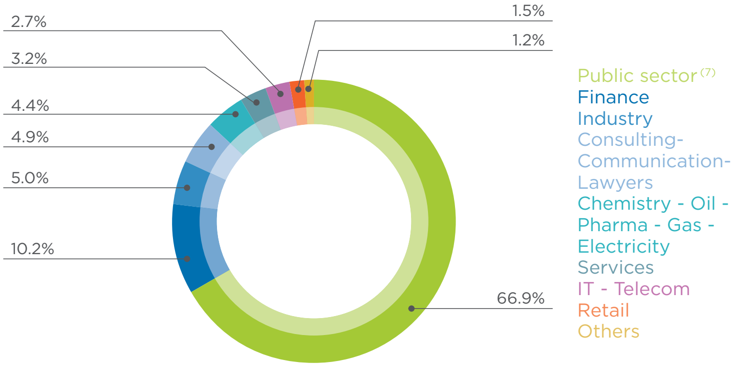
(1) As a reminder, the 2010/2011 fiscal period began on 1 October 2010 and ended on 31 December 2011 and therefore exceptionally lasted 5 quarters.
(2) The proportions are expressed on basis of fair value of the investment properties as at 31 December 2012.
(3) Brussels: this means Brussels and its Economic Hinterland, i.e. CBD, decentralised and periphery.
(4) Subject to the risk of a tenant defaulting.
(5) Source of market data: CBRE – 31 December 2012 (www.cbre.be).

Key events of the fiscal period

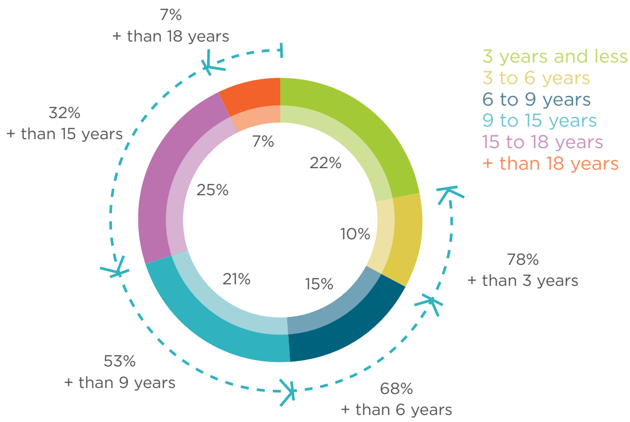
Tenants (as at 31.12.2012)

	Weighted average duration [1] (in years)	Percentage of the current rent (in %)
1. Public sector (federal & regional) [2]		57.1
2. European Institutions & representations [3]		9.9
Public sector	**11.3**	**66.9**
3. Fortis Banque and affiliated companies		4.6
4. Linklaters		3.2
5. BGL BNP Paribas and affiliated companies		2.4
6. Levi Strauss [4]		2.2
7. Citibank Belgium [5]		2.1
8. Sheraton Management LLC		1.4
9. General Electric		0.9
10. Federal Express		0.7
Next eight tenants	**7.3**	**17.6**
Next ten tenants	**3.5**	**3.9**
Top twenty tenants	**10.1**	**88.4**
±160 tenants	**3.1**	**11.6**
Total	**9.32**	**100.0**

Tenants (6)



Duration of leases (6)



OCCUPANCY RATE

The occupancy rate(8) of the property portfolio, calculated on the buildings available for lease and all the investment properties(9), was 95.87% at 31 December 2012 compared with 94.30% at 31 December 2011.

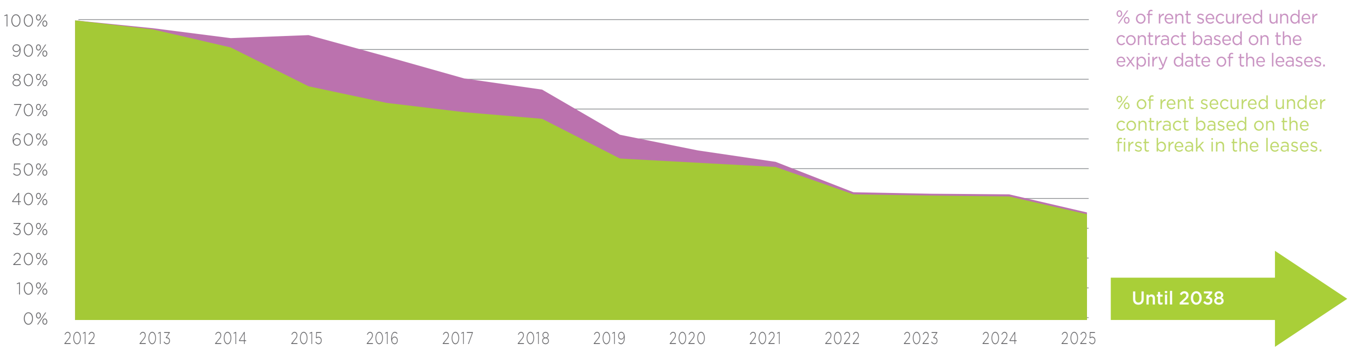
This rise is due, firstly, to the inclusion of new leases in the Central Gate, Ocean House and Axento buildings, and the 21-year usufruct agreement for the Science-Montoyer building with the European Parliament and, secondly, to the sale of the Devroye building, vacant when it was sold in December 2012.

WEIGHTED AVERAGE DURATION OF LEASES

At 31 December 2012, the weighted average duration of current leases stood at 9.32 years compared with 9.02 years at 31 December 2011. This rise in the weighted average duration of the leases since the beginning of the fiscal year is due to the inclusion, following the rejection by the Council of State of the actions for suspension of the permit(10), of the new 25-year lease with the Buildings Agency for the Paradis project (Liège), along with the long-term leases concluded during the year as indicated above.

(1) Weighted average duration of leases, i.e. the sum of (current annual rents 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.
(2) Public sector: Belgian Public Institutions: Federal (49.9%), Flemish Region (6.7%), Walloon Region (1%).
(3) European Institutions and delegations: European Commission (6.1%), European Parliament (3.3%) and delegations (0.4%).
(4) The lease of Levi Strauss expires as at 30 April 2013.
(5) As at 1 May 2012, Citibank Belgium was acquired by Crédit Mutuel Nord Europe (CMNE).
(6) The proportions are expressed on the basis of the current rent as at 31 December 2012.
(7) Public sector: Belgian Public Institutions (federal & regional), European Institutions and delegations.
(8) 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).
(9) This includes properties that are being constructed or developed for own account in order to be leased.
(10) Several actions for annulment are pending.
(11) 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 2012.

Percentage of rent secured under contract in relation to the residual duration of leases in the consolidated portfolio (11) (for ongoing ans signed future leases) (in %)



Key events of the fiscal period

Reversion rate (as at 31.12.2012)

	Current rent [1] (€ thousand)	Proportion of rents [2] (in %)	Weighted average duration [3] 1st break (years)	Reversion rate [4] (in %)
Brussels centre (CBD)	78 197	57.8	9.39	-14.3
Brussels decentralised	8 074	6.0	3.07	-14.4
Brussels periphery	11 155	8.2	2.45	-10.9
Wallonia	10 650	7.9	16.95	-9.9
Flanders	22 098	16.3	12.12	-6.3
Luxembourg city	5 200	3.8	3.14	-6.4
Properties available for lease	**135 374**	**100.0**	**9.32**	**-12.0**

REVERSION RATE

The reversion rate is a measure of the difference between the current rent and the market rent. It is therefore possible that the evolution of the real-estate market modifies this rate itself.

The reversion rate of the portfolio of investment properties as at 31 December 2012 was -12.02% (compared with -7.53% as at 31 December 2011). The increase in this rate is related to the combination of (i) high indexing of rents (above 2%), increasing the gap between current rents and estimated rental values, mainly for buildings in the portfolio on long-term leases, and (ii) a downward trend in market rental values, mainly in the decentralised and periphery segments.

This reversion rate is in principle not a real risk in the short term for Befimmo, because it must be assessed taking into account the long average duration of Befimmo's leases which has remained above 9 years since December 2006. The reversion risk arises in the shorter term, mainly in the decentralised and periphery area (14% of the total of the rents, with a weighted average duration of leases of 2.7 years). Excluding decentralised and periphery areas, the weighted average duration of the leases is 10.4 years.

If the full reversion is realised, the impact on the current rent as at 31 December 2012 (€135.4 million) of the potential negative reversion of the leases expiring over the next three years would be €3.4 million, or €0.18 per share.

The EPRA earnings forecasts presented hereafter page 65 take account of a potential reversion at the expiry of the current leases.

DISINVESTMENTS

Sale of the Devroye building

In December 2012, Befimmo completed the sale of the Devroye building for the sum of €3.5 million excluding fees. This operation generated a result of the order of €0.2 million, or €0.01 per share, in the 2012 fiscal year.

Exercise of the option to acquire the Mons I building

During the third quarter of 2012, the occupant of the Mons I building, the Ministry of Infrastructure and Transport, exercised its option to purchase the property. Accordingly, the building is transferred to the heading properties held for sale and was sold in February 2013 for around €8 million. This transaction has no impact on the 2013 income statement as the property is valued at the same price as the purchase option.

CONSTRUCTION AND RENOVATION PROJECTS

Befimmo aims 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 performance, to upgrade them or maintain them at a high level of quality for the benefit of its customers.

Overall rental yield (as at 31.12.2012) (in %)

	Initial yield (5) 31.12.2012	Initial yield (5) 31.12.2011	Potential yield (6) 31.12.2012	Potential yield (6) 31.12.2011
Brussels centre (CBD)	6.66	6.43	6.82	6.72
Brussels decentralised	7.79	6.24	9.03	7.33
Brussels periphery	7.40	7.09	9.06	8.69
Wallonia	13.11	13.23	13.11	13.23
Flanders	6.04	5.81	6.07	5.81
Luxembourg city	6.20	5.32	6.37	6.11
Properties available for lease	*6.91*	*6.61*	*7.21*	*7.01*
Total investment properties (7)	**6.73**	**6.51**	**7.02**	**6.90**

Accordingly, over the fiscal year Befimmo has carried out various investment works in its buildings at an overall cost of around €36.1 million. Between 8 and 10% of this overall investment went to improve the energy performance of its buildings and thus respond to current and future legislation and also to its tenants' expectations.

Furthermore, Befimmo has spent €7.0 million on maintenance, repairs and rehabilitation in its portfolio.

The excellent occupancy rate of the Befimmo portfolio demonstrates that the Company's investments are well targeted.

Construction of the new Finance Centre at rue Paradis in Liège

As announced at the time, in early 2009 the Buildings Agency signed a lease with Fedimmo, now a 100% subsidiary of Befimmo, for a building to be erected (39,000 m²) at rue Paradis in Liège under a public promotion contract. This building is to house the new offices of the Finance Federal Public Service.

In 2011, Fedimmo obtained the authorisations to erect this building, confirmed on appeal by the Ministerial Order of 10 February 2012. That Ministerial Order was challenged by several actions for suspension and annulment before the Council of State.

On 16 October 2012, the Council of State rejected the actions for suspension. Construction is in progress with a view to handing over the building to its tenant in the second half of 2014.

The total investment for this project is approximately €95 million and would generate rental income of some €6 million per year at the start of the lease.

This 27-storey building's architectural design and the cutting-edge technologies to be employed (triple glazing, condensing boilers, latest-generation cooling units, optimum management of artificial lighting, rainwater recovery, photovoltaic panels, etc.) will enable the building to meet the highest energy and environmental performance criteria (K37 and E65). The project is rated "Excellent" for its BREEAM Design certification.

(1) The current rent at the closing date plus future rent on leases signed as at 31 December 2012.
(2) The proportion of rents is calculated on the basis of the current rent as at 31 December 2012.
(3) 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.
(4) Reversion rate: 1-(current rent + estimated rental value of vacant space) / estimated rental value of total space).
(5) The initial yield corresponds to the overall rental yield on current rents.
(6) The potential yield corresponds to the overall rental yield on current rents plus the estimated rental value of vacant premises.
(7) Comprising properties that are being constructed or developed for own account in order to be leased.

Key events of the fiscal period

Liège Paradis – Phase 2

Fedimmo is also preparing to develop the second phase of the Paradis project in Liège for which it obtained a No 2 urban development certificate in 2008 for the construction of 26,000 m² of offices and housing. If the second phase goes ahead, it will begin only after the demolition of the existing Finance buildings, i.e. mid-2015 at the earliest. Fedimmo does not intend to begin this project until the occupation risk is substantially covered.

WTC III

The first two phases of the renovation work in Tower III in the World Trade Center (75,800 m²) in Brussels are finished, while the work in the third phase was handed over early in 2013.

The total budget for renovating this Tower, leased to the Buildings Agency until 2027, is estimated at €18.8 million.

Central Gate

During the third quarter of the fiscal year, Befimmo completed the programme to renovate the Central Gate building (32,500 m²), located opposite the Central Station in the heart of Brussels. The programme covered the refurbishment of the facades and roofing, rearrangement of the car parks, patios and internal routes, and a general facelift of the building's common areas.

Total investments in this building amount to €26.1 million.

During the fiscal year Befimmo welcomed new tenants to the building, 90.4% of which was let at 31 December 2012.

The building's energy performance has been improved considerably, in particular by replacing single glazed windows with high-performance double-glazed aluminium ones. The roof insulation was also checked and upgraded. Some flat roofs were transformed into green roofs while photovoltaic panels were installed on other roofs. A rainwater recovery system was installed to supply part of the building's toilets.

The investments made have significantly improved the environmental performance of the building, erected in 1930, raising its BREEAM In-Use rating (Asset level) from "Pass" to "Good".

Brederode 1

In 2011, Befimmo agreed a new 15-year lease with the law firm Linklaters to re-let the historic part of the building at rue Brederode No 13 (13,400 m²) which it has now occupied for nearly 30 years.

Under the agreement, this prestigious building, ideally located in the Brussels city centre, is to be fully renovated at a total cost of some €26.2 million. All the administrative permits (urban development and environmental) have been obtained. The work began in early September 2012 and should be completed by the end of March 2014. The new lease will commence when the renovation is complete. The buildings at rue Brederode No 9 and rue de Namur No 48, currently let to Linklaters, will be vacated when the new building is handed over and will thus be available to let during 2015, after a less significant renovation costing an estimated at €6.7 million.

Many alterations are planned to improve the building's energy performance, 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, installations such as rainwater recovery systems have been fitted to supply the toilets and green roofs will be foreseen.

The goal is to obtain a BREEAM Design certification rating of "Very Good" for the building.

Ikaros complex Phase II

Befimmo completed major renovation work in building 17/19 of Phase 2 of the Ikaros complex in July 2012, obtaining a "Very Good" rating for the "Design" phase of BREEAM certification. The total budget invested in this building was €2.4 million.

WTC IV

The WTC complex currently consists of two blocks, on either side of Boulevard Simon Bolivar, each with a base surmounted by two Towers (WTC I & II) on one side and one Tower (WTC III) on the other. Towers II and III, leased to the Buildings Agency, are owned by Befimmo and Fedimmo respectively.

In late 2012 Fedimmo, owner of the right to build Tower IV, obtained all the administrative authorisations (urban development and environmental permits) needed to build a "passive

Work planned over the next 3 years (€ million)

	Realised 2012	Forecasts 2013	2014	2015
Brederode 1 (13 400 m²)	1.3	16.8	9.6	4.1
Central Gate (33 000 m²)	14.7	1.3	–	–
New Finance centre (Tower Paradis) (39 000 m²)	8.5	41.8	30.7	2.1
Triomphe I & II (20 500 m²)	0.2	8.7	–	–
WTC Tower III (75 800 m²)	2.9	1.5	–	–
WTC Tower IV (PU) (1) (56 400 m²)	0.1	–	–	–
Others	6.7	13.9	2.4	8.3
Energy investments	**1.7**	**2.7**	**2.0**	**2.0**
Total	**36.1**	**86.7**	**44.7**	**16.5**

tower" of nearly 56,400 m². This is a sustainable project in the broad sense of the term, in that its design takes account of energy and environmental issues. It is to be constructed on land that is already built on, so the footprint will not be altered. WTC IV will be a new building, and completely independent – both technically and functionally – of the three existing Towers.

Befimmo's goal is to obtain an "Outstanding" rating in the BREEAM Design certification for this project.

The building won the IBGE "Exemplary Building 2012" award and will be one of the first fully passive large office buildings in Brussels.

Now that the permits have been obtained, this is now a definite project, fully available to major potential tenants, both public and private, whose needs are already clearly identified up to 2016-2017, while the expected competition in that time frame in terms of location, space and quality appears to be quite limited. Fedimmo has no intention to begin construction of this project before the occupation risk is covered satisfactorily.

Other projects

Befimmo carried out other work during the fiscal year, including the installation of air conditioning and landscaping of the area around the Fountain Plaza complex and the renovation of the Ocean House building at a total cost of €3.8 million.

Energy investments

Under its multi-annual investment programme to improve the energy performance of its operational buildings (Befimmo's portfolio excluding Fedimmo), Befimmo invested a total of €1.7 million over the current fiscal year basically covering their maintenance and upgrade.

The work carried out consisted mainly of the replacement of old boilers, cooling and forced-air units in the Goemaere building, replacement of glazing units in the Triomphe I & II buildings, fitting of photovoltaic panels and various sustainable-development measures in the Eagle and Ocean House buildings, located in the periphery.

Project WTC IV, Brussels centre

(1) *Permis d'urbanisme.*

Key events of the fiscal period

Evolution in environmental performance linked to major renovations (as at 31.12.2012)

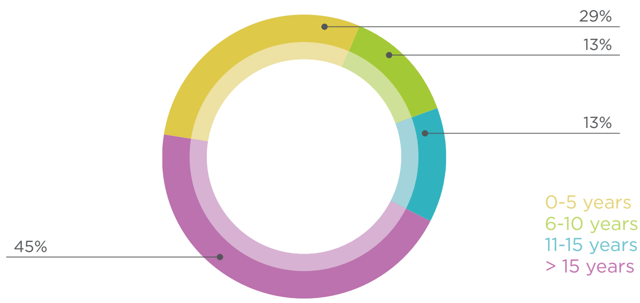
	Standard renovation Brussels (EPB) (1)	Froissart	New Finance centre (Tower Paradis)	Science-Montoyer	WTC IV
K-level (2)	45	25	37	29	30
E-level (3)	75	<70	60	59	45
CO_2 emissions (Kg/m^2)	65	27	11	21.5	8.35
Dedicated cost	**–**	**8.1%**	**8.1%**	**8.6%**	**6.0%**
BREEAM Certification Design	–	« Excellent »	« Excellent »	« Excellent »	« Outstanding »
BREEAM Certification Post Construction	–	« Very good »	–	« Excellent »	–

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

Offices	Acquisition price 31.12.2012	Insured value (4) 31.12.2012	Fair value 31.12.2012
Brussels centre (CBD)	976.6	876.0	1 144.8
Brussels decentralised	137.2	135.6	101.2
Brussels periphery	196.4	201.1	147.0
Wallonia	95.5	194.9	78.3
Flanders	368.7	434.6	356.8
Luxembourg city	– (5)	42.4	81.8
Properties available for lease	*1 749.2*	*1 884.7*	*1 909.9*
Properties that are being constructed or developed for own account in order to be leased	*46.6*	–	*50.8*
Investment properties	**1 795.8**	**1 884.7**	**1 960.7**
Properties held for sale		**12.5**	**7.9**
Total	**– (5)**	**1 897.2**	**1 968.6**

(Re)construction year of the portfolio

(distribution based on the surface as at 31.12.2012) (6)



Summary of data on properties in the Befimmo portfolio (as at 31.12.2012)

	Rental space (in m²)	Percentage of portfolio (7) (in %)	Current rent (8) (€ thousand)	Occupancy rate (in %)
Brussels centre 10 buildings	111 517	15.9	21 727	97.8
Brussels Leopold district 10 buildings	96 057	17.0	23 259	96.2
Brussels North area 3 buildings	187 506	24.3	33 211	98.9
Brussels Central Business District (CBD) 23 buildings	**395 080**	**57.2**	**78 197**	**97.8**
Brussels decentralised 6 buildings	**58 694**	**5.9**	**8 074**	**86.2**
Brussels periphery 7 buildings and office parks	**108 228**	**8.2**	**11 155**	**81.7**
Total Brussels 36 buildings	**562 002**	**71.3**	**97 425**	**94.6**
Wallonia 20 buildings	87 750	7.8	10 650	100.0
Flanders 33 buildings	180 563	16.2	22 098	99.5
Luxembourg city 1 building	13 447	3.8	5 200	97.4
Properties available for lease	*843 762*	*99.0*	*135 374*	*95.9*
Investment properties	**843 762**	**99.0**	**135 374**	**95.9**
Properties held for sale	**7 851**	**1.0**	**1 319**	**100.0**
Total	**851 613**	**100.0**	**136 692**	**95.9**

(1) For applied permit requests. PEB = Energy Performance of Buildings.
(2) Level K = a building's overall thermal insulation level.
(3) Level E = a building's primary energy consumption level.
(4) The insured value is the reconstruction value (exluding the land).
(5) Pursuant to the Royal Decree of 7 December 2010, a public Sicafi is entitled not to disclose the purchase price for a segment containing a single property.
(6) Excluding properties that are being constructed or developed for own account in order to be leased and properties held for sale, as well as the Brederode 1 building which will move into the section of properties that are being constructed or developed for own account in order to be leased.
(7) The proportion of the portfolio is calculated on the basis of the current annual rent as at 31 December 2012.
(8) The current annual rent at the closing date plus future rent on leases signed as at 31 December 2012.

BRUSSELS PROPERTY MARKET

The property market[1], in which Befimmo is active, may have bottomed out on the rental as well as on the investment market, as it now seems to be moving in a more positive direction. In 2012 it showed a slight improvement in relation to 2011, although it cannot yet be described as a real recovery.

There are several reasons for this development. Firstly the rental market has seen a rebound in activity (returning to the average level around 2010) with a take-up of 427,000 m^2 as against 320,000 m^2 the previous year. Second, the volume of projects handed over on the Brussels office market reached the lowest level in 12 years. These factors, combined with conversions of structurally vacant office buildings into residential premises, hotels or nursing homes, confirm the downward trend in rental vacancies, from 11.4% in 2011 to 11.1% at 31 December 2012.

In 2012, the market for investment in office buildings (in Belgium) is still weak, with a volume of some €600 million versus €528 million the previous fiscal year. This market could attract renewed interest from investors given the significant increases in values recorded in recent years in other segments (logistics, residential).

Brussels rental market

DEMAND

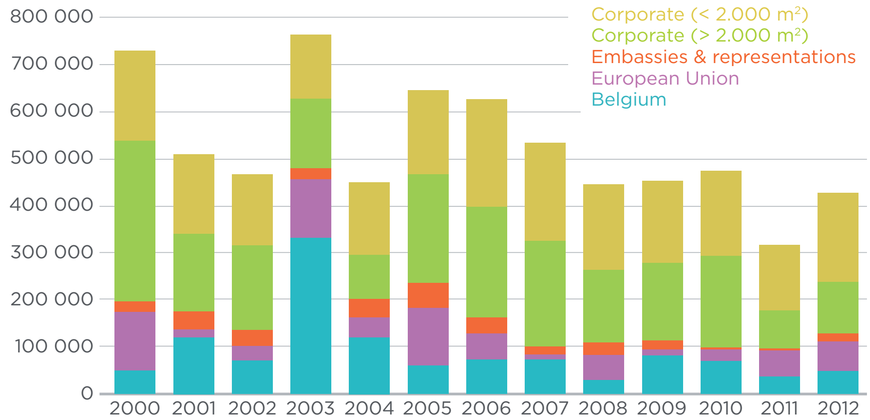
Demand in the Brussels office property market attained 427,000 m² in 2012, against 320,000 m² in 2011. Given that demand fell by 35% in 2011 in relation to 2010, it is reasonable to conclude that the trend on the Brussels real-estate rental market is looking much healthier. This increase in demand over the past year was sustained by the European Institutions which concluded major transactions in the first half, while the private sector began to emerge during the second half.

The **public sector**, especially the European Institutions, accounted for about 33% of the demand for office property in 2012.

The Leopold district is highly sought after; it alone accounted for 26% of total demand for office space for the year. This includes the take-up by the European Commission of 24,463 m² of space in the Espace Orban building, the letting of Befimmo's Science-Montoyer building (5,379 m²) to the European Parliament, and the transaction with the representation of Bundesland Hessen for the Montindu building (6,116 m²).

Some nice deals were also done in the North area of Brussels. These include the lease signed by the European Commission for the take-up of 19,494 m² in the Covent Garden building and SNCB's lease for nearly 7,000 m² in the Zenith building.

History of demand per sector (in m²)



The **private sector** also supported demand during the year, accounting for some 67% of total demand for office property.

The Brussels periphery was the area most in demand: it represented 30% of total demand for 2012, with transactions for some 128,205 m² of space. Transactions in the area relate to space ranging from 3,000 m² to 6,000 m².

It is too early to speak of a genuine recovery in the market, because a large proportion of private-sector demand is coming from occupants whose leases are expiring and who are taking the opportunity to cut their rental costs, sometimes after major restructuring in terms of staffing levels.

SUPPLY

During 2012, only 44,000 m² of new office space was handed over onto the Brussels market. The volume of projects handed over reached its lowest point in 12 years. It seems that this volume will remain low in the coming years but it is expected to increase slightly in 2013 with a limited number of speculative projects in the European quarter, where some developers are selectively implementing development projects, notably the Livingstone, Black Pearl and E-lite projects.

In 2013 and 2014, around 360,000 m² of space is expected on the market, only 60,000 m² of which is speculative.

(1) Source of market data:
CBRE – 31 December 2012 (www.cbre.be).

Brussels property market

The volume of hand-overs is continuing to decline across the board on the Brussels market, because developers are reluctant to build new speculative projects, i.e. without first obtaining a prior commitment from a tenant. The market for new buildings is therefore currently dominated by "build-to-suit" projects. Furthermore, a lack of bank financing and the current market conditions are holding back the launch of potential new projects. Ultimately, this could lead to a lack of "Grade A" office buildings on the Brussels market, particularly in the CBD.

RENTAL VACANCIES

As last year, the availability of offices on the Brussels market continued to decline, from 11.4% at the end of December 2011 to 11.1% at 31 December 2012.

This downward trend in vacancies is due to a combination of the following factors: the small number of new speculative buildings coming onto the market and the conversion of structurally empty offices for use as residential properties, hotels and nursing homes.

Over the past four years, some 500,000 m² of office space have been or are in the process of being converted to other uses: Parc Seny, Marcel Thiry 208 and Marcel Thiry Court D are the most recent examples of conversion projects. In 2012 and 2013, permits were issued for around 130,000 m² of office conversions.

The Brussels North area and periphery saw the largest declines in vacancies from 8.8% to 7.1% and from 23.3% to 21.9% respectively. "Grade A" available buildings are becoming scarcer in a market where the occupants are looking for new modern buildings meeting sustainable-development criteria.

RENTAL VALUES

Prime rent is holding at €285/m² and the weighted average of rents is €158/m². Note that in this context of a highly competitive rental market, gratuities and concessions to tenants by owners are relatively high, especially in the periphery and decentralised areas.

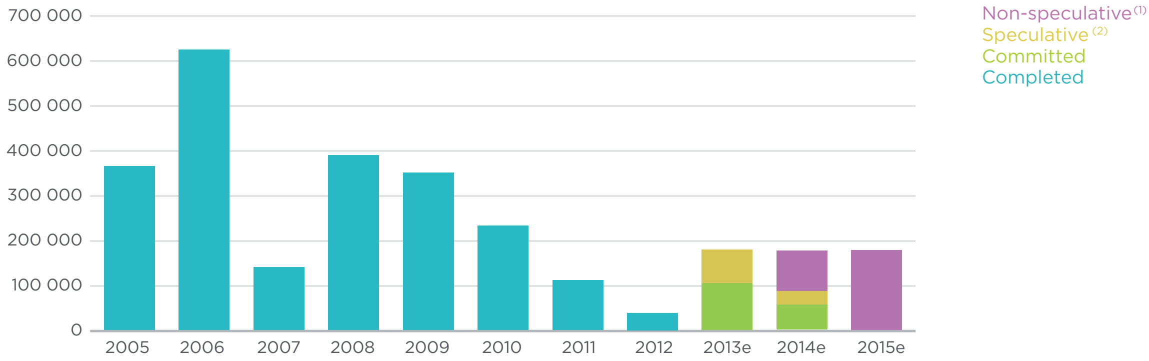
THE INVESTMENT MARKET

The investment market in offices (in Belgium) remains weak, totalling some €600 million in 2012 as against €528 million last year.

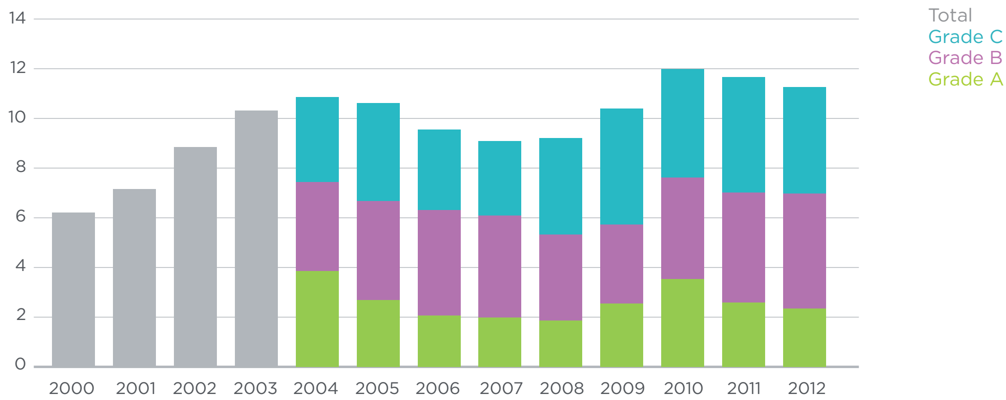
The number of transactions was very limited, although there is demand for quality core properties on the market. The poor liquidity of the investment market is explained by the lack of available "prime" products ensuring medium- to long-term income, and uncertainty about the fiscal treatment of property conveyancing brought about by the new anti-abuse measure.

Given the scarcity of these assets and genuine competition between investors for this type of property, values are nevertheless remaining high. For instance, yields for conventional leases (3/6/9 years) on this type of building are around 6.25%. Properties of the same type but leased long-term are earning around 5%.

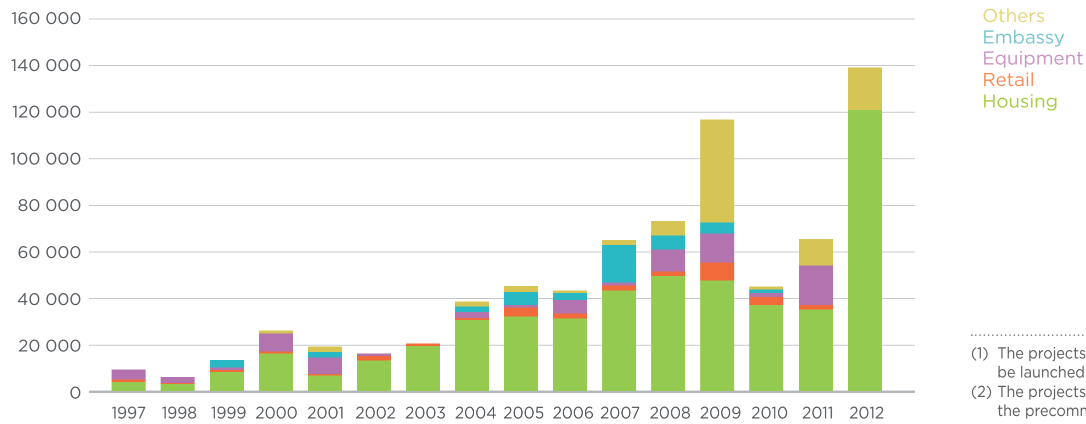
Development projects (in m²)



Rental vacancy per property category (in %)



Reconversion of offices into other appropriations (in m²)



(1) The projects are scheduled but will only be launched if a tenant signs.
(2) The projects are launched even without the precommitment of a tenant.

CONCLUSIONS OF THE REAL-ESTATE EXPERT

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

Dear Sirs,

Re: Valuation of the real-estate portfolio of Befimmo as at 31st December 2012.

CONTEXT

In accordance with Chapter IV, Section 4 of the Royal Decree of 7th December 2010 with regard to the Sicafis Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 31st December 2012. 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 Price Waterhouse Coopers 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 Price Waterhouse Coopers 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 fulfil 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 Sicafi 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 2012 amounts to a total of:

€2.019.199.290 (TWO BILLION AND NINETEEN MILLION ONE HUNDRED AND NINETY NINE THOUSAND TWO HUNDRED AND NINETY 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 31st December 2012 amounts to a total of:

€1.968.613.927
(ONE BILLION NINE HUNDRED AND SIXTY EIGHT MILLION SIX HUNDRED AND THIRTEEN THOUSAND NINE HUNDRED AND TWENTY SEVEN EURO); 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 6,91%. Should the vacant accommodation be fully let at estimated rental value, the initial yield would be 7,21% for the same portfolio. The occupation rate of the portfolio with properties held for letting is 95,87%.

For the total portfolio of investment properties this rate is also 95,87%. The average level of passing and contractual rent is currently approximately +/- 12,02% above the current estimated rental value of the portfolio.

The property portfolio comprises:

Offices	**Fair Value (€ millions)**	**(in %)**
Properties available for lease	*1 909.9*	*97.0*
Brussels centre (CBD)	1 144.8	58.2
Brussels decentralised	101.2	5.1
Brussels periphery	147.0	7.5
Wallonia	78.3	4.0
Flanders	356.8	18.1
Luxembourg City	81.8	4.2
Properties that are being constructed or developed for own account in order to be leased	*50.8*	*2.6*
Properties held for sale	*7.9*	*0.4*
Total	**1 968.6**	**100.0**

Yours sincerely.

Brussels, 29th January 2013

R.P. Scrivener M.R.I.C.S.
National Director Head of Valuations and Consulting
On behalf of Jones Lang LaSalle

FINANCIAL STRUCTURE

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

FINANCING POLICY

Befimmo proactively manages its financing cost, which is its main cost item and therefore has a significant influence on its result and EPRA earnings.

Befimmo strives to secure the availability of its financing over periods of renewals which ensure a balanced spread of their maturities. It makes sure that it keeps some variable interest rates, hedged against rate rises, on a portion of its borrowings.

Except in exceptional circumstances, this policy offers a degree of protection against the disruptions associated with changing economic cycles. When the economic climate is favourable, the cost of borrowing will certainly rise but will in principle be partly offset by an improvement in operating income (higher occupancy of buildings and inflation), possibly with a delayed action. As this offset effect is limited, a hedging policy has been put in place. Conversely, in an adverse economic climate, the reduction in finance costs offers a measure of compensation for any decrease in operating cash flows.

REALISED REFINANCING

Befimmo continued its overall programme to renew its financing and continued to focus on diversifying its sources of financing. Now, alongside the financing provided by the banks, Befimmo is also obtaining significant financing directly on the financial markets, from institutional investors and private individuals. Accordingly, the ratio of borrowings provided by bank financing was 55% as at 31 December 2012, as against 100% in early 2011.

The refinancing of its two syndicated loans, which mature in March 2013 (€220 million) and June 2013 (€300 million), totalling €520 million, is now finalised.

In addition to the refinancing arranged in 2011, the Company has arranged the following since January 2012:

- a United States private fixed-rate bond placement (USPP) in US dollars and pounds sterling for the equivalent of €150.3 million. Befimmo hedged the currency and rate risks by arranging Cross Currency Swaps;
- bilateral lines with 4 banks totalling €260 million.

Taking account of the refinancing arranged, the table hereafter sets out the schedule of financial commitments.

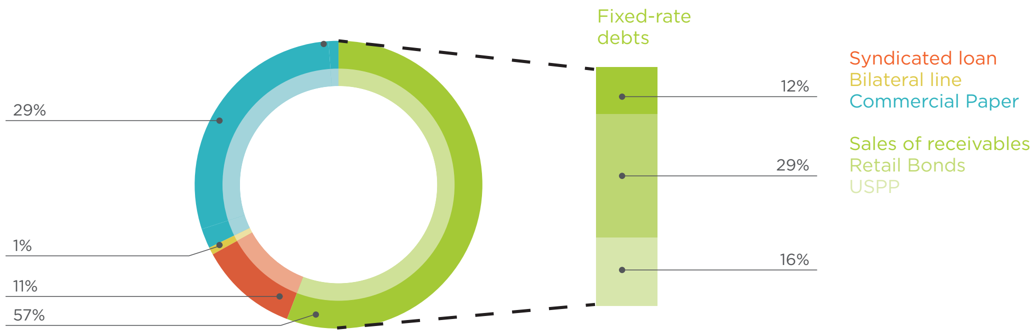
MAIN CHARACTERISTICS OF THE FINANCIAL STRUCTURE

As at 31 December 2012, the main characteristics of Befimmo's financial structure were as follows:

- total confirmed credit facilities of €1,335.2 million, €942.4 million of which was in use; the high level of unused lines is due to the decision to bring forward the refinancing of part of those maturing in 2013;
- a debt ratio of 49.31% [1], a Loan-to-value (LTV) ratio of 48.03% [2];
- a weighted average duration of borrowings of 4.45 years;
- 58.4% of total borrowings at fixed rates (including IRS);
- an average financing cost (hedging margin and cost included) amounting to 3.38% over the fiscal year, compared with 3.55% for 2011.

On 25 February 2013 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.

Debt distribution



Maturities for commitments by quarter

In order to reduce its financing costs, Befimmo has set up a commercial paper programme for up to €400 million. As at 31 December 2012, €276 million of this programme was in use. This programme has backup facilities consisting of the various credit lines arranged.

HEDGING THE INTEREST RATE AND EXCHANGE RISK

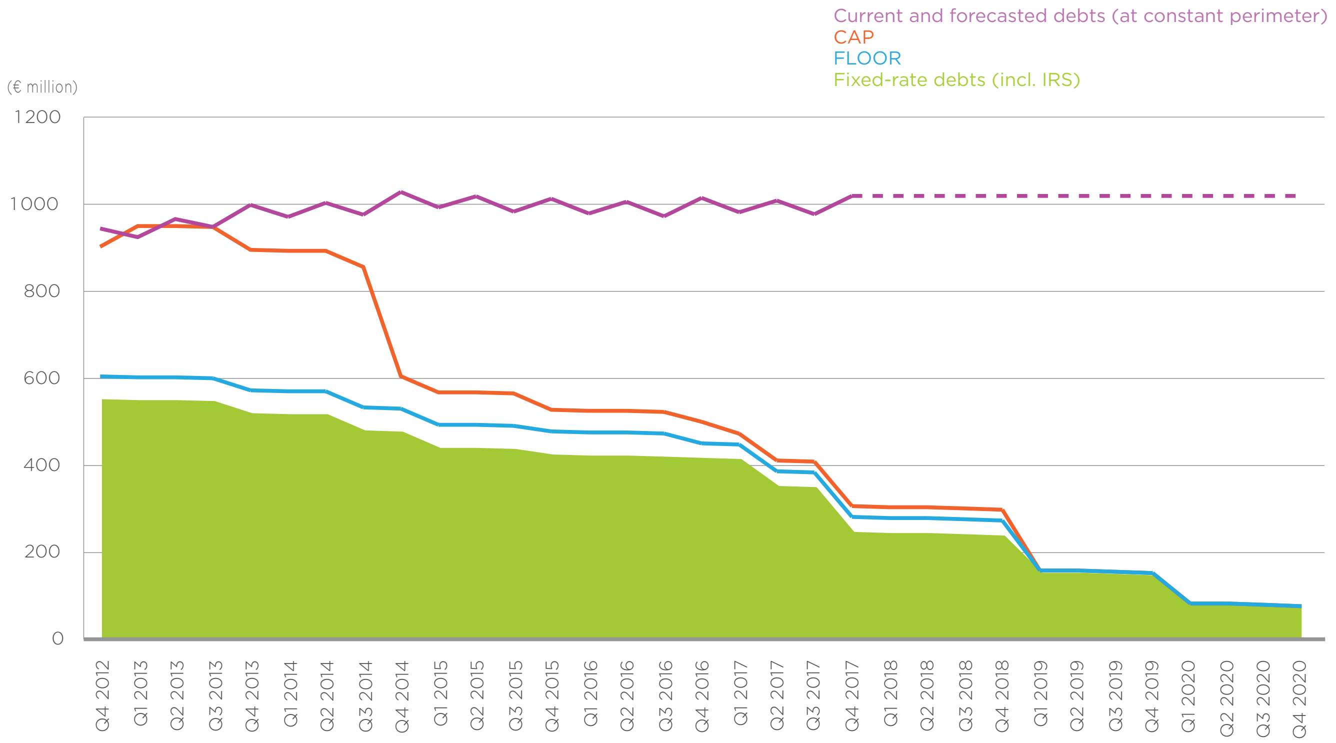
The interest rate hedging policy is designed to hedge a decreasing portion of borrowings over a 5 to 10 year period. The objectives and implementation of this policy are regularly reviewed. The choice of instruments and their level is based on an analysis of rate forecasts by a number of banks, and arbitrage between the cost of the instrument, the level and the kind of protection desired. Through its hedging policy the Company also aims to limit variations in financial charges under existing covenants and to protect EPRA earnings as required to pay the forecast dividend.

Befimmo has a portfolio of hedging instruments covering the (i) interest rate risk, consisting of interest rate swaps, CAP and COLLAR[3], and (ii) covering the exchange rate risk on its private placement of fixed-rate bonds in the United States (USPP) with a cross currency swap. The package of instruments currently in place give the Company a hedging ratio of 95.5%[4] as at 31 December 2012. This hedging ratio is above 95% until the fourth quarter of 2013, above 84% until the fourth quarter of 2014 and above 48% until the second quarter of 2017.

Under its hedging policy, the Company sold off various Interest Rate Swaps (IRS) type instruments over the year for a notional amount of €125 million. These swaps were actually duplicating the fixed-rate financing (USPP) arranged during the period.

(1) The debt ratio is calculated in accordance with the Royal Decree of 7 December 2010.
(2) Loan-to-value ("LTV") = (financial debts - cash)/fair value of portfolio.
(3) The subscription to COLLAR implies that a minimum rate level is paid (FLOOR).
(4) Hedging ratio = (fixed-rate borrowings + notional rate of IRS and CAP) / total borrowings.

Evolution of the **portfolio of hedging instruments** and **fixed-rate financing**



Annual average		2013	2014	2015	2016	2017	2018	2019	2020
CAP	Notional (€ million)	395	376	135	101	36	30	2	–
	Average rate (in %)	3.56%	3.53%	2.53%	2.14%	2.16%	2.25%	2.25%	–
FLOOR	Notional (€ million)	50	50	50	50	31	30	2	–
	Average rate (in %)	1.09%	1.09%	1.09%	1.09%	0.83%	0.82%	0.82%	–
Fixed-rate financing (incl. IRS)	Notional (€ million)	547	507	445	419	370	243	185	103
	Average rate [1] (in %)	2.38%	2.43%	2.45%	2.96%	2.92%	2.47%	2.53%	2.76%

FINANCIAL RESULTS

NET ASSET VALUE AS AT 31 DECEMBER 2012

As at 31 December 2012. Befimmo's total net asset value was €998.2 million.

The net asset value is therefore €54.10 per share. This value is down from €57.17 per share as at 31 December 2011.

(€ million)	
Net asset value as at 31 December 2011	1 002.6
Final dividend 2010/2011	-17.3
Impact related to the acquisition of 10% shareholding of Fedimmo	38.1
Interim dividend 2012	-48.6
Capital increase (optional dividend)	15.1
Effect of shares held by subsidiaries Meirfree and Vitalfree on the optional dividend	0.3
Result of the purchase/sale programme of own shares	0.1
Net result (group share) as at 31 December 2012	7.9
Net asset value as at 31 December 2012	**998.2**

Goemaere, Brussels decentralised

TREND OF RESULTS

Events with an impact on the Company's floor area

The floor area of the Company's property changed slightly during the fiscal year owing to the sale of the Devroye building (December 2012). Comparing the 2012 fiscal year with the restated figures for the 12 months ended 31 December 2011 (2), it was also influenced by the acquisition in February 2011 of Ringcenter SA, owner of the Pavilion complex.

Note also that, after acquiring the remaining 10% of shares in Fedimmo SA in October 2012, Befimmo enjoys, as of that moment, the full benefit of Fedimmo's results.

(1) Average fixed rate excluding credit margin.
(2) We would recall that, exceptionally, the 2010/2011 fiscal period lasted five quarters, from 1 October 2010 to 31 December 2011.

Financial results

Analytical income statement (€ thousand)

	31.12.2012	31.12.2011
Net rental result	128 754	124 629
Net property charges	-8 412	-7 638
Property operating result	**120 342**	**116 992**
Corporate overheads	-14 340	-14 218
Other operating income and charges	-19 247	-191
Operating result before result on portfolio	**86 755**	**102 583**
Gains or losses on disposals of investment properties (±)	206	14 623
Net property result	**86 961**	**117 206**
Financial result (excl. changes in fair value of financial assets and liabilites)	-29 601	-28 824
Corporate taxes	-750	-668
Net current result	**56 610**	**87 715**
Changes in fair value of investment properties	-35 172	-18 984
Changes in fair value of financial assets and liabilities	-11 000	-2 523
Changes in fair value of financial assets and liabilities and investment properties	**-46 172**	**-21 507**
Net result	10 438	66 208
Net result (group share)	7 868	61 992
Net result - minority interests	2 570	4 216
EPRA earnings (group share)	74 926	70 287
Net result (€/share) (group share)	**0.44**	**3.69**
Net current result (€/share) (group share)	**4.25**	**5.03**
EPRA earnings (€/share) (group share)	**4.24**	**4.18**

Analysis of the net result

The **net rental result** was €128.8 million at 31 December 2012, compared with €124.6 million one year previously, up €4.1 million or +3.3%. This increase is due mainly to the indexing of rents (+2.5%) and changes in floor area (+0.5%). For the 2012 fiscal year Befimmo benefited from the full indexing of its leases; the impact of the renegotiation of certain leases, some departures of tenants and to a lesser extent than last year spreading of rental gratuities (in accordance with IFRS standards (1)) was fully offset by the improved occupancy of various buildings, notably Axento and Central Gate.

Net property charges were €8.4 million as at 31 December 2012, compared with €7.6 million as at 31 December 2011. This rise is explained mainly by (i) the increase in commercial expenses in 2012 (following leases agreed), (ii) the absence of non-recurring income in contrast to that recorded in 2011 (compensation received in settlement of commercial disputes) and finally (iii) an increase in rental charges and taxes on unlet properties in 2012.

The above-mentioned factors have led to a **property operating result** of €120.3 million as at 31 December 2012, against €117.0 million as at 31 December 2011, up €3.3 million (+2.9%).

Overheads are stable in relation to the previous year (-€0.1 million) and stood at €14.3 million as at 31 December 2012.

Other operating income and charges amounted to -€19.2 million as at 31 December 2012 as against -€0.2 million one year earlier. This change is due to the one-time net negative impact of €20.6 million (2) booked following the transformation of the legal structure of the Sicafi flowing from the agreement with AG Real Estate. This heading also includes the fees charged for coordinating the initial installation work on behalf of the Belgian State, under the lease agreed for WTC Tower III in Brussels, and the IFRS restatement of rental gratuities included in income.

Result on disposals of investment properties amounted to €0.2 million following the sale of the Devroye building in December 2012, compared with €14.6 million recorded over the previous year for gains realised on several disposals of buildings (Empress Court, Kattendijkdok and various floors in the La Hulpe building).

The **change in fair value of investment properties** was -€35.2 million (-1.75%) over the past fiscal year as against -€19.0 million (-0.93%) over the last 12 months of the 2010/2011 fiscal period.

The **change in fair value of the financial assets and liabilities** was -€11.0 million over the past fiscal year as against -€2.5 million over the last 12 months of the 2010/2011 fiscal period. This change is explained by the additional impact of the decline in the interest rate curve on the fair value of the financial assets and liabilities.

The **financial result (excluding changes in the fair value of financial instruments)** was -€29.6 million as at 31 December 2012, compared with -€28.8 million as at 31 December 2011. The financial result is down €0.8 million or 2.7%. This decrease is due to the increase (+€36 million) in the average debt for the fiscal year, partially offset by the decline in average financing cost from 3.55% in 2010/2011 (12 months) to 3.38% over the past fiscal year.

The combination of these items gave a **net result** (group share) of €7.9 million as at 31 December 2012, compared with €62.0 million as at 31 December 2011.

EPRA earnings (group share) amounted to €74.9 million as at 31 December 2012, compared with €70.3 million as at 31 December 2011, up €4.6 million (+6.6%). As previously announced, it is higher than the outlook published in the Annual Financial Report 2011 (+9.7% per share).

Meanwhile, the **net current result** (group share) is down €9.5 million in relation to 31 December 2011, at €75.1 million.

(1) This spreading has a neutral effect on the Company's net result.
(2) This is the agreed price of €21 million for the purchase by the Sicafi of its Managing Agent, less the net equity of Befimmo SA at the purchase date.

APPROPRIATION OF THE RESULT

Appropriation of the result (statutory accounts)

The net result for the fiscal year is €17,033,914.91.

In view of the results reported at 31 December 2011 of €116,928,926.48, the result of the programme to buy back and resell own shares recognised directly in equity of €108,715.90 and the net result for the fiscal year, the result to be appropriated is amounts to €134,071,557.29.

The result for the fiscal year relates to 19,120,709 shares, an increase of 5.2% in relation to the previous fiscal year. The increase in the number of shares issued is the result of:

- the creation of 593,901 shares on 3 October 2012 in the framework of the acquisition of the shares in Fedimmo SA that Befimmo SA did not yet own;
- the creation of 351,368 shares on 20 December 2012 as part of the optional interim share dividend declared by Befimmo's Managing Agent on 23 November 2012.

In accordance with article 21(4) of the law of 3 August 2012 on certain forms of collective management of investment portfolios, no transfer was made to the legal reserve. The Ordinary General Meeting will be invited to:

- approve the annual accounts to 31 December 2012 which, in accordance with the Royal Decree of 7 December 2010 on Sicafis, contain appropriations to the statutory reserves;

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

A. Net result	**17 033 914.91**
B. Transfer to / from reserves (±)	**48 022 488.02**
I. Transfer to / from reserve of balance (positive or negative) of changes in fair value of properties (±)	33 309 027.83
- Accounting year	32 329 186.38
- Previous fiscal years	-
- Realisation of properties	979 841.45
II. Transfer to / from reserve of estimated fees and charges incurred in the hypothetical disposal of investment properties (±)	-281 731.84
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 (±)	-2 102 627.20
- Accounting year	-2 102 627.20
- Previous fiscal years	-
XI. Transfer to / from result brought forward from previous fiscal years (±)	17 097 819.23
C. Remuneration of capital	**-65 056 402.93**
- Interim dividend paid out in December 2012	-48 612 593.19
- Final dividend for the fiscal year (payable after the Ordinary General Meeting of 30 April 2013)	-16 443 809.74
D. Remuneration of capital apart from C	**-**

- distribute, as remuneration of capital, a dividend of €65,056,402.93. This dividend would comprise, firstly, the interim dividend of €48,612,593.19, or €2.59 gross per share, declared on 13 November 2012 for the 18,175,440 shares outstanding at that time and, secondly, a final dividend of €16,443,809.74, representing a gross rounded dividend of €0.86 for each of the 19,120,709 shares in the Company, payable by detaching coupon No 24;
- carry forward the balance again, i.e. the sum of €99,939,823.15.

It is the net amount of the final dividend that is payable: a coupon holder exempt from the 25%(1) withholding tax will receive an amount equal to the number of coupons held multiplied by €0.86.

The proposed dividend for fiscal year 2012 (including the interim dividend declared on 23 November 2012 and the final dividend referred to before) is consistent with article 27 of the Royal Decree of 7 December 2010 on Sicafis, 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 in the Company's borrowings over the fiscal period, as reflected in the statutory accounts.

Explanatory table of the **statutory result** of the 2012 fiscal year(2) (in €)

Result brought forward as at 30 September 2010	**108 005 562.71**
Result for the 2010/2011 fiscal period	79 526 913.20
Result Ringcenter brought forward	20 985 996.00
Result to be appropriated as at 31 December 2011	**208 518 471.91**
Interim dividend for the 2010/2011 fiscal year	-68 684 750.47
Impact of appropriation to reserves other than "(n) Result brought forward from previous years" (Royal Decree of 7 December 2010)	-4 959 423.82
Final dividend proposed for the 2010/2011 fiscal period	-17 945 371.14
Result to bring forward as at 31 December 2011	**116 928 926.48**
Impact of the realised result on direct sale of own shares	108 715.90
Result for the 2010/2011 fiscal period	17 033 914.91
Result to be appropriated as at 31 December 2012	**134 071 557.29**
Interim dividend for the 2012 fiscal year	-48 612 593.19
Impact of appropriation to reserves other than "(n) Result brought forward from previous years" (Royal Decree of 7 December 2010)	30 924 668.79
Final dividend proposed for the 2012 fiscal period	-16 443 809.74
Result to be carried forward as at 31 December 2012	**99 939 823.15**

(1) The rate of the withholding tax was raised from 21% to 25% by the programme law of 27 December 2012 published in the Belgian Official Gazette on 31 December 2012 (article 84). This amendment is applicable from 1 January 2013.
(2) Please see the note on statutory shareholders' equity on page 182 of the financial statements.

EPRA BEST PRACTICES

In August 2011 the Board of Directors of the European Public Real Estate Association (EPRA) published an update of the report entitled "Best Practices Recommendations"[1].

This document contains its 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 and supplies her investors with most of the EPRA recommendations.

The Statutory Auditor has checked whether the "EPRA earnings", "EPRA NAV" and "EPRA NNNAV" ratios have been calculated in accordance with the definitions given in the "EPRA Best Practices Recommendations" of August 2011 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		31.12.2012	31.12.2011
1	EPRA earnings	Recurring earnings from core operational activities			
			€ thousand	74 926	70 287
			€/share	4.24	4.18
2	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	999 851	1 006 222
			€/share	54.18	57.37
3	EPRA NNNAV	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes			
			€ thousand	984 624	1 000 114
			€/share	53.36	57.03
4	(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		6.35%	6.06%
	(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)		6.53%	6.26%
5	EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio		4.62%	6.13%

Table 1 – EPRA earnings

(€ thousand)	31.12.2012	31.12.2011
Net result IFRS (group share)	**7 868**	**61 992**
Ajustments to calculate EPRA earnings	**67 058**	**8 294**
To exclude:		
I. Changes in fair value of investment properties and porperties held for sale	35 172	18 984
II. Gains and losses on disposals of investment properties	-206	-14 623
V. Negative goodwill/goodwill impairment	20 594	–
VI. Changes in fair value of financial assets and liabilities and close out costs	11 741	3 129
X. Adjustments in respect of non-controlling interests	-243	805
EPRA earnings (group share)	**74 926**	**70 287**
EPRA earnings (€/share) (group share)	**4.24**	**4.18**

(1) The report is available on the EPRA website: www.epra.com.
(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 2012 as reviewed by the real-estate experts).

Tables 2 et 3 – EPRA NAV & NNNAV

(€ thousand)	31.12.2012	31.12.2011
Net asset value (IFRS) (group share)	**998 239**	**1 002 628**
Net asset value (IFRS) (€/share) (group share)	**54.10**	**57.17**
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	**998 239**	**1 002 628**
To include:		
II. Revaluation at fair value of finance lease credit	117	-14
To exclude:		
IV. Fair value of financial instruments	1 503	3 606
To include/exclude:		
Adjustments in respect of non-controlling interests	-8	1
EPRA NAV (group share)	**999 851**	**1 006 222**
EPRA NAV (€/share) (group share)	**54.18**	**57.37**
To include:		
I. Fair value of financial instruments	-1 503	-3 606
II. Revaluations at fair value of fixed-rate loans	-14 071	-2 540
To include/exclude:		
Adjustments in respect of non-controlling interests	348	38
EPRA NNNAV (group share)	**984 624**	**1 000 114**
EPRA NNNAV (€/share) (group share)	**53.36**	**57.03**

Table 4 – EPRA Net Initial Yield (NIY) & Topped-up NIY

(€ thousand)	31.12.2012	31.12.2011
Investment properties and properties held for sale	1 968 614	1 971 282
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	-50 800	-31 550
Properties held for sale	-7 896	-
Properties available for lease	1 909 918	1 939 732
To include:		
Allowance for estimated purchasers' cost	49 057	49 662
Investment value of properties available for lease (B)	**1 958 975**	**1 989 394**
Annualised cash passing rental income	131 823	127 546
To exclude:		
Property charges[1]	-7 410	-7 018
Annualised net rents (A)	**124 413**	**120 528**
To include:		
- Notional rent expiration of rent free periods or other lease incentives	1 232	2 484
- Future rent on signed contracts	2 337	1 535
Topped-up annualised net rents (C)	**127 981**	**124 547**
(in %)		
EPRA Net Initial Yield (A/B)	**6.35**	**6.06**
EPRA Topped-up Net Initial Yield (C/B)	**6.53**	**6.26**

(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 "Real-estate charges" as presented in the consolidated IFRS accounts.

Tableau 5 – **Investment Property Rental Data** (as at 31.12.2012)

Segment	Gross rental income (€ thousand)	Net rental income (€ thousand)
Brussels centre (CBD)	72 032	68 864
Brussels decentralised	7 909	6 632
Brussels periphery	10 789	9 009
Wallonia	10 415	9 828
Flanders	21 784	20 730
Luxembourg city	4 480	4 256
Total properties available for lease	**127 409**	**119 319**
Reconciliation to the consolidated IFRS income statement		
Rental income related to :		
- Properties booked as financial leases (IAS 17)	–	-2
- Properties held for sale	1 292	1 197
- Investment properties sold during the last 12 months	53	-172
Total	**128 754** (1)	**120 342** (2)

Lettable space (in m²)	Current rent (3) (€ thousand)	Estimated rental value (ERV) on vacant spaces (€ thousand)	Estimated rental value (ERV) (€ thousand)	Vacancy rate 31.12.2012 (in %)	Vacancy rate 31.12.2011 (in %)
395 080	78 197	1 785	69 955	2.6	4.6
58 694	8 074	1 290	8 183	15.8	16.0
108 228	11 155	2 492	12 306	20.3	18.9
87 750	10 650	0	9 688	0.0	0.0
180 563	22 098	121	20 906	0.6	0.0
13 447	5 200	140	5 018	2.8	12.8
843 762	**135 374**	**5 828**	**126 056**	**4.6**	**6.13**

(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 2012.

Investment properties – Like for Like

Segment	31.12.2012					
(€ thousand)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Investment properties held for sale	Properties that are being constructed or developed (1)	Total net rental income (2)
Brussels centre (CBD)	64 827	4 088			-52	68 864
Brussels decentralised	6 632		10			6 642
Brussels periphery	9 009					9 009
Wallonia	9 828			1 197		11 025
Flanders	20 730					20 730
Luxembourg city	4 256					4 256
Total	**115 282**	**4 088**	**10**	**1 197**	**-52**	**120 526**
Reconciliation to the consolidated IFRS income statement						
Net rental income related to:						
- Investment properties sold earlier on (before 1 January 2011)						-182
- Properties booked as financial leases (IAS 17)						-2
Property operating result in the consolidated IFRS income statement						**120 342**

31.12.2011						Evolution
Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Investment properties held for sale	Properties that are being constructed or developed (1)	Total net rental income (2)	Properties owned throughout 2 consecutive years
63 400	3 459			-132	66 727	2.3%
7 138		272			7 409	-7.1%
9 249					9 249	-2.6%
9 529			1 146		10 674	3.1%
19 310		103			19 413	7.4%
3 726					3 726	14.2%
112 351	**3 459**	**375**	**1 146**	**-132**	**117 198**	**2.6%**
					-204	
					-3	
					116 992	

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

Investment properties – Valuation data

Segment	Fair value (€ thousand) 31.12.2012	Fair value (€ thousand) 31.12.2011	Changes in fair value (€ thousand) 31.12.2012	Changes in fair value (€ thousand) 31.12.2011	Changes in fair value (in %) 31.12.2012	Changes in fair value (in %) 31.12.2011
Brussels centre (CBD)	1 144 844	1 124 874	555	-9 814	0.05	-0.86
Brussels decentralised	101 162	127 275	-24 185	-4 836	-18.81	-3.66
Brussels periphery	146 965	156 323	-16 153	-7 871	-9.90	-4.79
Wallonia	78 317	85 255	949	-1 154	1.11	-1.34
Flanders	356 796	364 590	-7 722	4 347	-2.12	1.21
Luxembourg city	81 834	81 415	713	1 337	0.88	1.67
Total properties available for lease	**1 909 918**	**1 939 732**	**-45 843**	**-17 992**	**-2.33**	**-0.92**
Reconciliation to the consolidated IFRS balance sheet						
Properties that are being constructed or developed for own account in order to be leased	50 800	31 550			26.55	-1.99
Investment properties in the consolidated IFRS balance sheet	**1 960 718**	**1 971 282**				

EPRA Net Initial Yield (in %) 31.12.2012	EPRA Net Initial Yield (in %) 31.12.2011	Reversion rate (in %) 31.12.2012	Reversion rate (in %) 31.12.2011	Weighted average duration (in years) 31.12.2012	Weighted average duration (in years) 31.12.2011
6.27	6.00	-14.33	-6.82	9.39	10.18
6.53	5.33	-14.44	-7.52	3.07	3.93
5.53	6.03	-10.90	-2.85	2.45	2.72
12.39	12.47	-9.93	-20.92	16.95	5.96
5.74	5.36	-6.28	-8.81	12.12	13.01
5.48	4.39	-6.42	0.33	3.14	3.52
6.35	**6.06**	**-12.02**	**-7.53**	**9.32**	**9.02**

Investment properties - **Lease data**

	Average duration of leases as at 31.12.2012 (in years)	Final expiry date: Current rent of the leases reaching final expiry (€ thousand)			
	final expiry	in 2013	in 2014	in 2015-2017	from 2018
Brussels centre (CBD)	9.89	856	2 711	12 232	62 407
Brussels decentralised	4.09	3 095	139	1	4 839
Brussels periphery	5.25	1 578	741	3 110	5 725
Wallonia	16.95	1 544	329	901	7 877
Flanders	12.15	165	–	1 695	20 183
Luxembourg city	6.55	–	–	–	5 200
Total properties available for lease	**10.03**	**7 238**	**3 920**	**17 938**	**106 231**

	Average duration of leases as at 31.12.2012 (in years)	Final expiry date: Current rent of the leases reaching next break (€ thousand)			
	1st break	in 2013	in 2014	in 2015-2017	from 2018
Brussels centre (CBD)	9.39	1 379	3 557	15 099	58 168
Brussels decentralised	3.07	3 329	909	678	3 157
Brussels periphery	2.45	3 714	2 944	3 084	1 412
Wallonia	16.95	1 544	329	901	7 877
Flanders	12.12	165	97	1 695	20 086
Luxembourg city	3.14	–	–	4 522	679
Total properties available for lease	**9.32**	**10 132**	**7 837**	**25 979**	**91 380**

Properties that are being constructed or developed **for own account in order to be leased** (as at 31.12.2012)

	Cost to date (€ thousand)	Costs to complete (€ thousand)	Future interest to be capitalised (€ thousand)
New Finance center (Tower Paradis)	14 532	77 767	2 702
Total	**14 532**	**77 767**	**2 702**
Reconciliation to the consolidated IFRS balance sheet			
Difference between the cost to date and the fair value	11 478		
Fair value of the project WTC IV	24 790		
Properties that are being constructed or developed for own account in order to be leased	**50 800**		

Final expiry date			
Estimated rental value (ERV) of the leases reaching final expiry (€ thousand)			
in 2013	in 2014	in 2015-2017	from 2018
715	2 269	11 794	53 578
2 363	134	–	4 396
1 141	497	2 556	5 715
1 236	261	786	7 405
170	–	1 503	19 052
–	–	–	4 878
5 624	**3 161**	**16 640**	**95 024**

Final expiry date			
Estimated rental value (ERV) of the leases reaching next break (€ thousand)			
in 2013	in 2014	in 2015-2017	from 2018
1 255	3 171	14 719	49 210
2 569	808	627	2 888
3 175	2 609	2 745	1 380
1 236	261	786	7 405
170	79	1 503	18 973
–	–	4 219	658
8 405	**6 929**	**24 600**	**80 514**

Forecast total cost (€ thousand)	Forecast completion date	Lettable space (in m²)	% let
95 000	fin 2014	48 600	100
95 000			

SUBSEQUENT EVENTS AFTER YEAR-END CLOSING

- As at 25 January 2013, Fedimmo was attributed the Institutional Sicafi status. The entire consolidated Belgian portfolio of Befimmo will from then on benefit from the Sicafi regime.

- As at 26 February 2013, Befimmo sold, as planned, the building Mons I.

Project Paradis, Liège

OUTLOOK AND DIVIDEND POLICY

Outlook

The outlook for the next three fiscal years, prepared in accordance with IFRS standards and presented on consolidated basis, is based on information available as at 31 December 2012 (principally existing agreements) and on Befimmo's assumptions [1] and assessments of certain risks.

These forecasts may not be interpreted as a commitment on the part of Befimmo to achieve them. 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 results, may differ substantially from these forecasts. Given these uncertainties, shareholders should not give undue credence to these forecasts.

Moreover, they 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 Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market.

In the current economic context and given the lack of sufficient reference transactions on certain segments of the office property market, it would not seem appropriate for Befimmo to comment on changes of values in the real-estate portfolio beyond fiscal year 2013. Befimmo is therefore not publishing any such forecasts.

After consulting its real-estate experts, Befimmo does consider, however, that, unless other factors intervene, unrealised annual changes in property values that can still reasonably be expected over the coming years would be lower than those taking place during the 2013 fiscal year.

Accordingly, as the Company isn't publishing forecasts for (unrealised) changes in property values (IAS 40) beyond the year 2013, Befimmo considers that it's not relevant to publish changes in values of financial assets and liabilities (IAS 39). IAS 39 and 40 aggregates are in fact unrealised items of the income statement.

After fiscal year 2013, Befimmo is therefore making forecasts regarding only its future EPRA earnings, on which it is particularly focused.

As an indication, it can be estimated that a 1% decline in the fair value of the property portfolio (IAS 40) would have an impact of the order of -€1.09 on the net asset value per share and +0.50% on the Loan-to-value. Furthermore, a change in the forecast movements of short-term interest rates could alter the fair value of the financial assets and liabilities booked at fair value (IAS 39). Based on their fair value as at 31 December 2012, it can be estimated that if the Euro, US Dollar, Pound Sterling rate curve at 31 December 2012 had been 0.5% lower than the reference rate curve, the change in fair value of the financial assets and liabilities would have been -€6.5 million. In the opposite case, the change would have been +€6.7 million.

Note that such changes have no impact on the Company's EPRA earnings.

Aside from these general market trends, Befimmo has incorporated into its forecasts the actual characteristics of its buildings, mainly in terms of their rental situation (notably the residual duration of the leases), potential reversion and their obsolescence (technical and environmental performance, etc.).

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

This growth can take two forms:
- internal, steady and gradual 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.

(1) Notably regarding renewal of leases or finding new rental customers, but also changes in rates of interest and inflation.

Outlook and dividend policy

At cruising speed, Befimmo's Loan-to-value ratio would be around 50% so as to optimise the use of its borrowing capacity.

The forecasts are nevertheless made on the basis of a stable perimeter in terms of assets and equity, although it is assumed that shareholders avail themselves each year of the opportunity to obtain a dividend in new shares (of about 30% of the interim dividend proposed in December for nine months of the fiscal year) and although the forecasts take into account limited property disposals (of buildings no longer strategic) foreseen in 2013 and 2015 (€19.4 million and €16.5 million respectively). They do not take account of any new investments.

Accordingly, these projections do not include any external growth.

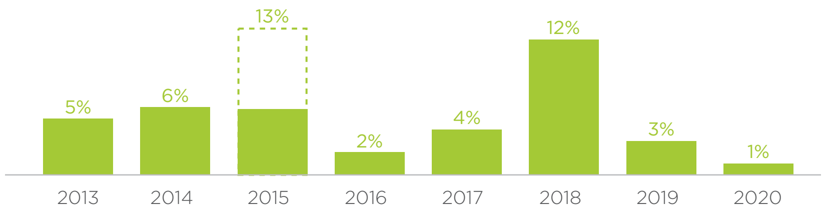
The following **external** and **internal assumptions** are made:

	Realised		Assumptions		
	2011	2012	2013	2014	2015
External assumptions					
Weighted average inflation rate	2.92%	3.06%	1.51%	1.52%	1.80%
Average of Euribor 1- and 3-month interest rates	1.29%	0.45%	0.24%	0.53%	1.03%
Internal assumptions					
Actual net income/potential income [1]	90.9%	94.2%	93.4%	92.7%	93.3%
Average financing cost (including margin and hedging costs)	3.55%	3.38%	3.38%	3.37%	3.46%
Changes in values of consolidated portfolio	-0.93%	-1.75%	-1.20%		
Total number of shares in circulation	**17 538 069**	**18 452 987**	**18 705 138**	**18 929 600**	**19 166 220**

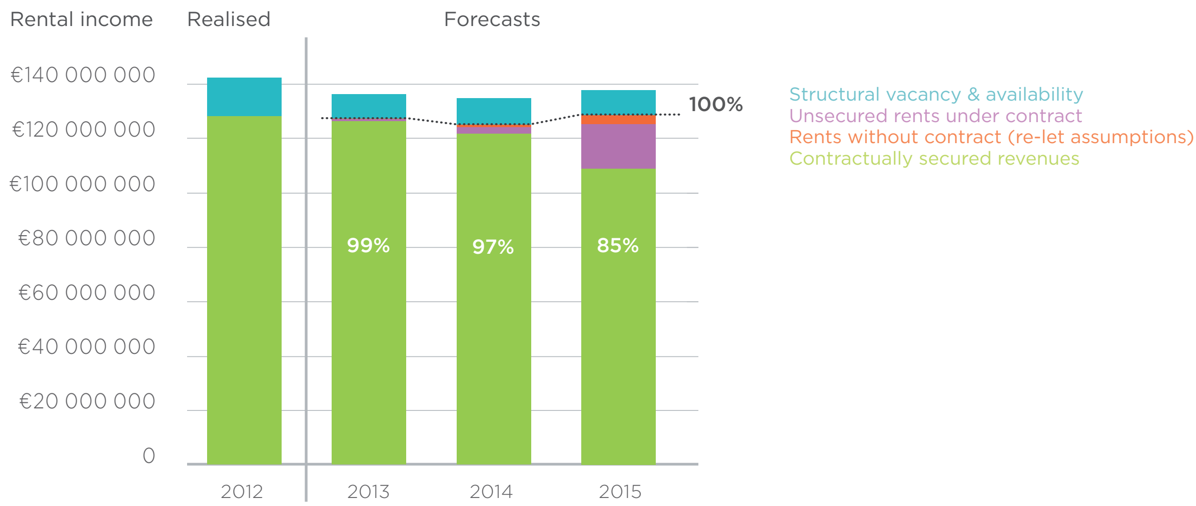
EXPIRY OF LEASES (FIRST BREAK)

Each percentage is the sum of the annual rents of leases with an intermediate break or final expiry during the year. The proportions are expressed on the basis of the current rent as at 31 December 2012.
Note that for fiscal year 2015, Befimmo considers it highly unlikely that 5.9% of the forecast 13% will be achieved.

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



INCOME GUARANTEED UNDER CONTRACT



(1) 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).

Outlook and dividend policy

CONSOLIDATED ANALYTICAL INCOME STATEMENT FORECAST

When integrating the property management activities, the Company reviewed the breakdown of the income statement. As a result, from the 2013 fiscal year, operating costs (staff, projects, etc.) directly related to property, previously booked under “Corporate overheads” will now come under the item “Net property charges". For ease of comparison, the 2012 fiscal year has been restated on that basis.

	Realised		Forecasts	
(€ thousand)	**2012**	**2013**	**2014**	**2015**
Rental income	129 313	127 335	125 526	127 903
Charges linked to letting	-559	-400	-400	-400
Net rental result	**128 754**	**126 935**	**125 126**	**127 503**
Net property charges	-12 538	-13 456	-13 738	-12 269
Property operating result	**116 216**	**113 478**	**111 389**	**115 234**
Corporate overheads	-10 215	-10 153	-9 821	-9 929
Other operating income and charges (excl. negative goodwill/goodwill impairment)	1 348	307	–	–
Operating result before result on portfolio	**107 349**	**103 632**	**101 568**	**105 305**
Financial result (excl. the changes in fair value of the assets and liabilities and close-out costs)[1]	-28 860	-28 387	-29 470	-33 461
Corporate taxes	-750	-765	-780	-796
EPRA earnings 100%	**77 739**	**74 481**	**71 318**	**71 049**
EPRA earnings - non-controlling interests	**2 813**	–	–	–
EPRA earnings - group share	**74 926**	**74 481**	**71 318**	**71 049**
EPRA earnings - group share (€/share)	**4.24**	**4.03**	**3.81**	**3.75**

Result on disposals of investment properties	206	–
Net current result - group share	**75 132**	**74 481**
Net result - group share (€/share)	**4.25**	**4.03**

Changes in fair value of investment properties (IAS 40)	-35 172	-24 794
Changes in fair value of the financial assets and liabilities (IAS 39)	-11 000	-3
Close-out costs on financial assets and liabilities	741	–
Negative goodwill / goodwill impairment	20 594	–
Non-controlling interests	243	–
Net result - group share	**7 868**	**49 683**
Net result - group share (€/share)	**0.44**	**2.69**

CONSOLIDATED BALANCE SHEET FORECAST

(€ thousand)	Realised 2012	Forecasts 2013
Total assets	**2 027 248**	**2 074 774**
Real-estate portfolio	1 968 614	2 011 005
Other assets	58 634	63 769
Total shareholders' equity	**998 239**	**996 418**
Shareholders' equity	998 239	996 418
Total passif	**1 029 009**	**1 078 356**
Current en non-current financial debts	949 860	1 007 034
Other liabilities	79 149	71 322
Total liabilities and shareholders' equity	**2 027 248**	**2 074 774**
Net asset value - group share (€/share)	**54.10**	**53.27**
Debt ratio according to the Royal Decree	**49.3%**	**51.1%**
Loan-to-value	**48.0%**	**50.0%**

Dividend policy

The assumptions used for making forecasts indicate, at a **constant perimeter**, that EPRA earnings for the 2013 fiscal year should be €4.03 per share.

The moderate decline in estimated EPRA earnings for 2013 compared with 2012 is explained by a slight decrease in property operating income and a sharp drop in fees collected for coordinating initial installation work on behalf of the Belgian Government (now nearing completion), partially offset by a slight decrease in financial charge and a whole year's impact of the full result of Fedimmo.

On the basis of its forecasts, at **constant floor area and perimeter**, Befimmo expects to be able to keep its gross dividend at **€3.45 per share for the 2013 fiscal year**, payable as an interim dividend of €2.59 in December 2013 and a final dividend of €0.86 in May 2014. Based on the share price of €48.83 at 31 December 2012, this would amount to a gross yield of 7.07% and, based on the net asset value of €54.10 at 31 December 2012, with a gross yield of 6.38%.

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.

(1) The financial result includes the activation of interim interest on the renovation projects amounting to €1.5 million in 2013, €1.7 million in 2014 and €0.1 million in 2015.

BEFIMMO SHARE

EVOLUTION OF THE BEFIMMO SHARE

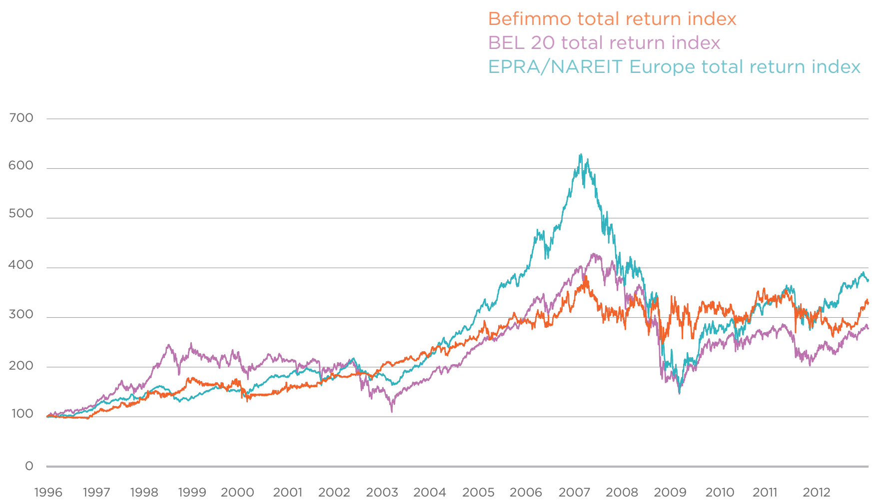
After reaching a low of €42.72 on 18 May 2012, the stock has recovered markedly since the summer of 2012, especially after the announcements of the acquisition of the Fedimmo shares that Befimmo did not already own, the agreement with AG Real Estate to simplify the Company's structure and the transformation into a Limited Liability Company and finally the confirmation of the investment strategy focused on the Belgian and Luxembourg markets.

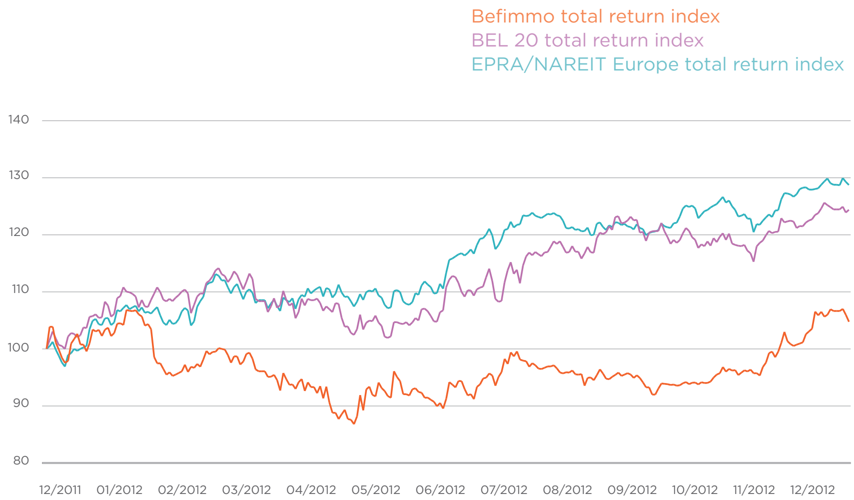
It closed at €48.83 on 31 December 2012, as against €52.22 at 1 January 2012. Note that the total number of shares outstanding over the period increased by 5.2% from 18,175,440 to 19,120,709 as a result of (i) the capital increases in connection with the operation of acquiring the Fedimmo shares and (ii) the distribution of the interim dividend in shares.

At 31 December 2012, the Befimmo share was trading at a discount of 9.74% in relation to net asset value. During the 2012 fiscal year, the liquidity of the Befimmo share remained relatively stable in comparison with the 2011 fiscal year, with a daily volume of around 20,000 shares, which corresponds to an annual float velocity of around 36%[1].

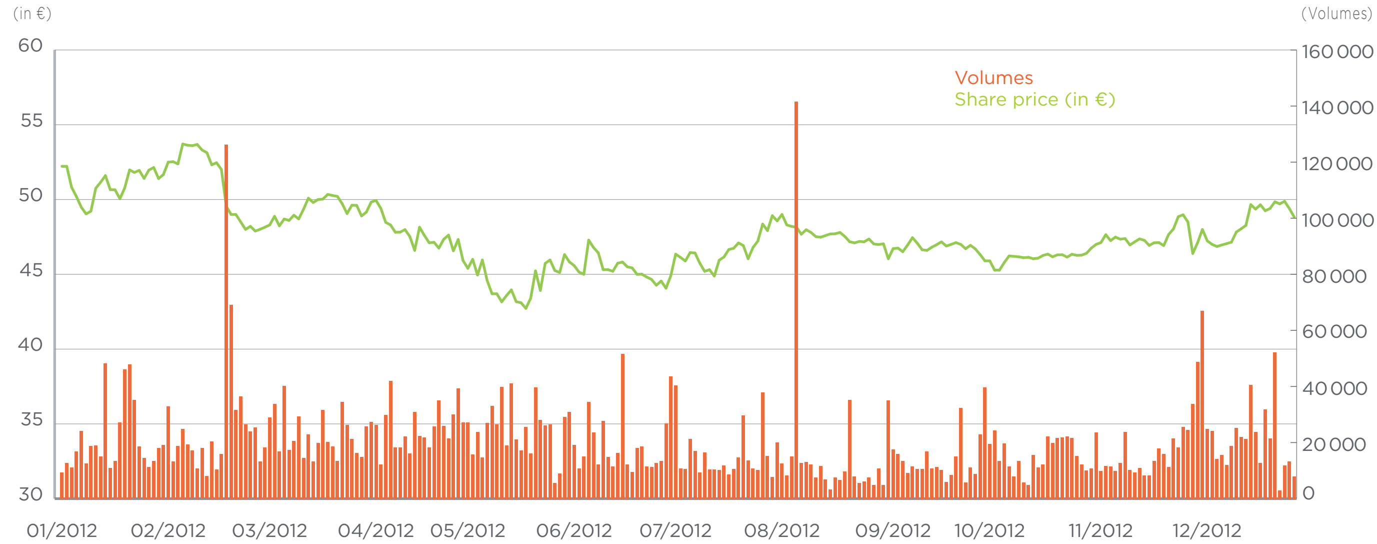
Over the 17 years since it was floated on the stock market in 1996, the Befimmo share has offered a total annualised yield of 6.95%[2].

Performance of Befimmo's **total return index** in relation to the total return index of the BEL 20 and EPRA/NAREIT Europe indexes[3]

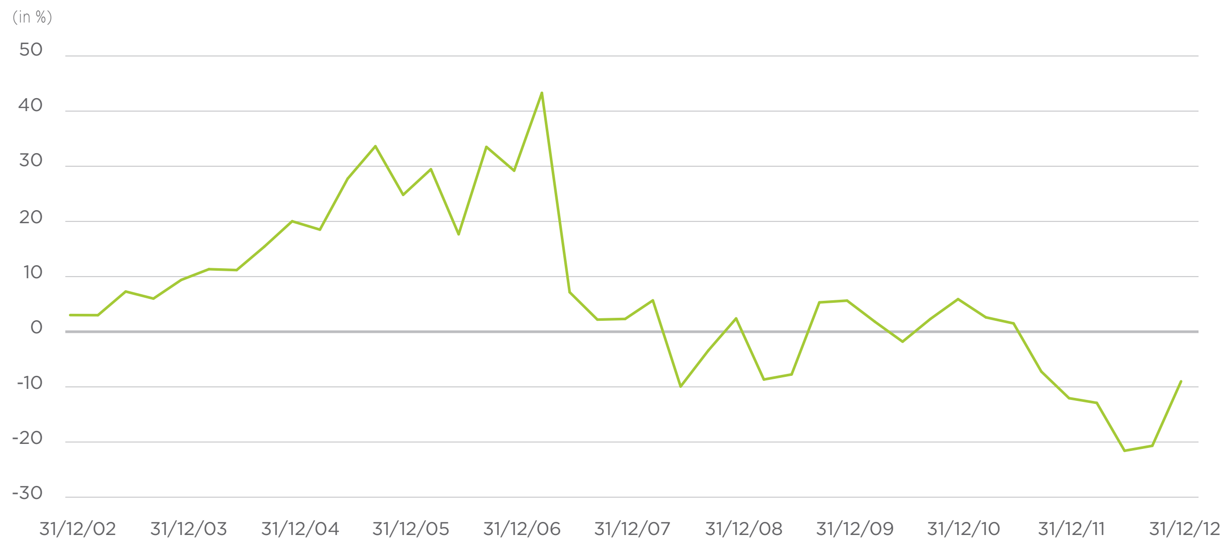




Share price and volumes (01.01.2012 – 31.12.2012)



Premium and discount on a 10-year period



(1) Assuming that dividends received are reinvested.
(2) Source: KBC Securities.
(3) Based on the volumes processed on NYSE Euronext Brussels only.

Data per **share**

	2012	2011
Number of outstanding shares	19 120 709	18 175 440
Number of shares in circulation	18 452 987	17 538 069
Number of shares in circulation during the fiscal year	17 687 471	16 822 216
Share price		
Highest	53.71 €	64.40 €
Lowest	42.72 €	47.11 €
Closing	48.83 €	50.28 €
Net asset value	54.10 €	57.17 €
Distribution ratio	87%	96%
Gross dividend	3.45 €	3.94 € [1]
Gross yield	7.07%	7.84%

Velocity [2] (January to December)

	2012	2011
Number of shares traded	5 198 146	5 691 401
Average daily turnover	20 305	22 146
Free float velocity [3]	36%	42%

Summary of **transactions on own shares**

Befimmo consolidated	Total number of shares	Number of own shares held	Distribution of own shares held (per entity)	Distribution of own shares held (per entity)	Distribution of own shares held (per entity)	Accountable par (in €, rounded)	Counter value per share (in €)	Percentage in capital (based on the number of securities)
			Befimmo	Meirfree	Vitalfree			
Situation as at 01.01.2012	**18 175 440**	**637 371**	**0**	**424 914**	**212 457**	**14.53**	**57.88**	**3.51%**
Purchases of own shares		25 127	25 127			14.53	44.65	0.14%
Sale of own shares		-4 779	-4 779			14.53	47.03	-0.03%
Issue as at 3 october 2012	593 901					14.53		
Sale of own shares		-20 348	-20 348			14.53	47.49	-0.11%
Issue as at 19 December 2012	351 368	30 351		20 234	10 117	14.53	42.97	0.16%
Situation as at 31.12.2012	**19 120 709**	**667 722**	**0**	**445 148**	**222 574**	**14.53**	**57.20**	**3.49%**

DISTRIBUTION OF INTERIM DIVIDEND: 39.3% OF INTERIM DIVIDEND REINVESTED IN NEW SHARES

Of the optional interim dividend in shares – offered to Befimmo's shareholders in December 2012 – 39.3% was distributed in new shares, which led to the issue of 351,368 new shares and an increase in the Company's equity of €15.1 million.

For shareholders who opted for a stock dividend, return on equity was 1.82% and return on the share price was 4.84% over the fiscal year. Shareholders opting for a cash dividend earned a return on equity of 0.9% and a return on the share price of 4.28% over the fiscal year.

BUYBACK AND RESALE PROGRAMME OF OWN SHARES

Since the Annual General Meeting of 22 June 2011, Befimmo's Board of Directors is authorised[4], for a three-year period, to acquire, pledge and dispose of the Company's own shares on behalf of Befimmo.

During the period, Befimmo decided to realise a share buyback programme for up to €4.5 million over a period of around three months, starting on 21 May and closing on 20 August 2012. At the end of this programme, Befimmo bought back a total of 25,127 shares on NYSE Euronext Brussels at an average price of €44.57 per share (excluding fees).

The programme was a response to the troubled economic climate, marked by a significant but, in the view of the Managing Agent, unjustified decline in the share price. It reflected Befimmo's confidence in its strategy and the realisation that its share price had reached a particularly low level in relation to net asset value.

Befimmo sold all of these own shares over the last three months of the 2012 fiscal year at an average price of €49.07 per share (excluding fees).

(1) On the 2010/2011 fiscal period (15 months) Befimmo distributed a gross dividend of €4.93.
(2) Based on the volumes traded on NYSE Euronext Brussels.
(3) Free-float velocity is the total number of shares traded divided by the total number of shares from Befimmo's free float.
(4) For more information, please refer to article 12 of the consolidated text of the Company's articles of association dated 20 December 2012 (www.befimmo.be/en/coordinated-articles-association).

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:

Shareholder (as at 31.12.2012)

Declarants	Number of shares declared the day of statement	(in %)
AG Insurance and affiliated companies	3 156 080	16.5 (1)
Société Fédérale de Participations et d'Investissement (SFPI)	619 798	3.2 (2)
Befimmo's subsidiaries		
Meirfree SA	445 148	2.3
Vitalfree SA	222 574	1.2
Free float	14 677 109	76.8
Number of shares	**19 120 709**	**100.0**

KEY DATES FOR SHAREHOLDERS

Key dates for shareholders 2013

Online publication of the Annual Financial Report 2012	Friday 29 March 2013
Ordinary General Meeting	Tuesday 30 April 2013
Payment of the final dividend of the 2012 fiscal year on presentation of coupon No 24	
Ex-date	*Friday 3 May 2013*
Record date	*Tuesday 7 May 2013*
Payment date	*from Wednesday 8 May 2013*
Interim statement - publication of the net asset value as at 31 March 2013	Thursday 16 May 2013[3]
Publication of the half-yearly results and the net asset value as at 30 June 2013, and online publication of the Half-Yearly Financial Report 2013	Thursday 1 August 2013[3]
Interim statement - publication of the net asset value as at 30 September 2013	Thursday 14 November 2013[3]
Payment of the interim dividend of the 2013 fiscal year on presentation of coupon No 25	
Ex-date	*Wednesday 27 November 2013*
Record date	*Friday 29 November 2013*
Payment date	*from Thursday 19 December 2013*
Publication of the annual results and the net asset value as at 31 December 2013	Thursday 20 February 2014 [3]
Online publication of the Annual Financial Report 2013 on Befimmo's website	Friday 28 March 2014
Ordinary General Meeting of the fiscal year closing as at 31 December 2013	Tuesday 29 April 2014
Payment of the final dividend of the 2013 fiscal year on presentation of coupon No 26	
Ex-date	*Friday 2 May 2014*
Record date	*Tuesday 6 May 2014*
Payment date	*from Wednesday 7 May 2014*

(1) Based on the transarency declaration received on 15 October 2008 and the prior undertaking to subscribe to the capital increase of June 2009 for all the rights they held .
(2) Based on the transparency declaration received on 8 October 2012 and on the information received on 25 February 2013.
(3) Publication after closing of the stock exchange.

CORPORATE SOCIAL RESPONSIBILITY REPORT

As stated earlier in the chapter on strategy, for some years, Befimmo has been building the environmental, economic and social principles of corporate social responsibility into its strategic policy and day-to-day operations.

Since it is in the real-estate business, the main scope for Befimmo's corporate social responsibility relates to the environment. Moreover, Befimmo is aware that the value of a building is measured today largely from the standpoint of its performance in terms of sustainable development. Befimmo's achievements and the qualitative and quantitative targets it has set itself are discussed in this chapter.

Regarding the economic component of its corporate social responsibility, Befimmo abides by the applicable legal requirements and has developed a code of ethics setting out the values to govern relations it has with its stakeholders.

Befimmo's social responsibility lies at the heart of its human resource management policy as the Company strives to offer a stimulating and quality working environment to its staff, and a training and awareness programme on environmental issues has been implemented for them.

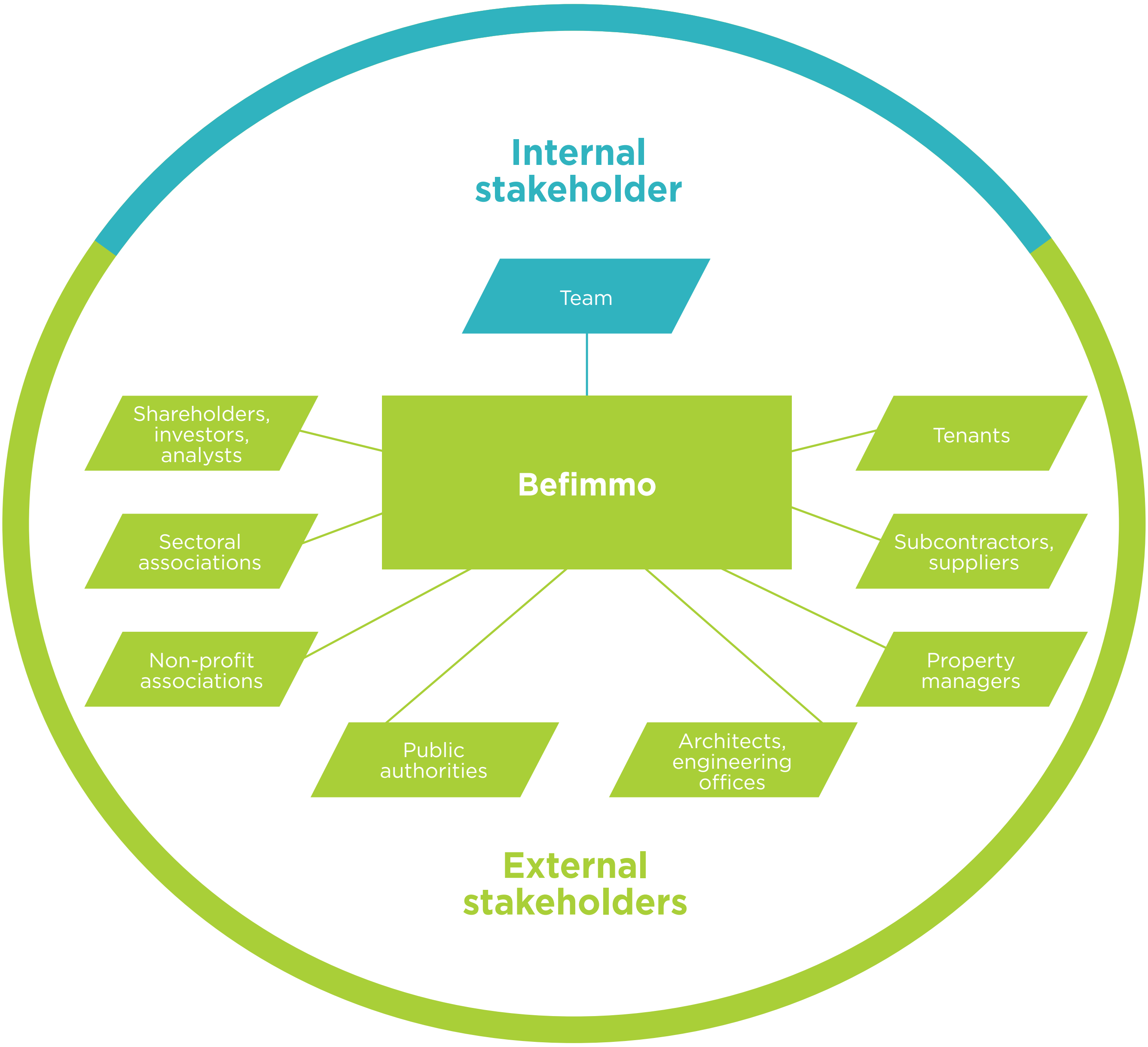
INTERNAL AND EXTERNAL STAKEHOLDERS

Any business needs to communicate about its activities, commitments and performance as, in an increasingly interactive world, nothing can be built in isolation. Accordingly, Befimmo has identified each of its partners and stakeholders (any player actively or passively affected by a decision or project of the Company). The following diagram illustrates Befimmo's main internal and external stakeholders. A description of its interaction with most of them can be found in the table on page 202.

Befimmo commits to take account of the reasonable expectations of its stakeholders and partners in devising its strategy and to establish an open dialogue and constructive consultation with them.

FAQs on corporate social responsibility

Since Befimmo joined the BEL 20 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 prepared frequently asked questions (FAQs) on corporate social responsibility. This document is available on Befimmo's website at www.befimmo.be/en/faq and important new data and the main questions raised by stakeholders will be added.



MATERIALITY

Befimmo continues to implement the measures that it believes are needed to reduce the environmental impact of the activities it controls and influences directly.

Generally speaking, the following points remain **systemic priorities**:
- compliance with legislation;
- education and training of employees and external stakeholders (especially tenants);
- audits on managers and other players working for Befimmo;
- energy performance: improving the energy performance of the property portfolio via a gradual approach that includes investment in renewable energy, more energy-efficient technical installations, etc. ;
- raising awareness among all Company staff of corporate social responsibility.

Befimmo has established a number of corporate social responsibility priorities. If they are to be met, they must be reported effectively. The standards applied and the tools used on a daily basis to ensure proper implementation of the corporate social responsibility strategy are described in the table below.

The environmental priorities linked to Befimmo's activities are:
- energy management;
- natural resource management;
- waste management;
- water management.

While the concept of corporate social responsibility discussed in this chapter covers environmental as well as social and economic issues, Befimmo's main impact is on the environmental level. Most of the management activities currently focus on this aspect. For the social and economic aspects, a number of KPIs are being monitored and reported.

Note 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 these activities. Nevertheless, the environmental performances of the buildings are gradually being improved through regular dialogue and consultation with the Buildings Agency and Fedesco.

Level	
Corporate	**An exercise to analyse the business's environmental aspects and impacts,** linked to the development of Befimmo's in-house ISO 14001 Environmental Management System. **Applicable environmental and social legislation**.
Operational	**BREEAM specifications:** BREEAM guidelines are an essential tool for assessing improvements in Befimmo's environmental performance. **EPB certification** (Energy Performance in Buildings). Regarding **operational control**, Befimmo's influence varies depending on the type of tenant and its importance in the building [building with multiple tenants (M), a single tenant (S) or let to the Buildings Agency (B)].
Communication	**Application of the GRI standard** including a review of the GRI real-estate sector supplement, GRI-CRESS. **Publication of the KPIs laid down by EPRA.** **Analysis of sector reports** on corporate social responsibility in the real-estate sector. **Questions from stakeholders:** where necessary, Befimmo fine-tunes the measures to be taken, based on questions and remarks by stakeholders such as institutional investors or company employees.
Data management	**Installation of digital meters** throughout the Befimmo portfolio (excluding Fedimmo). Contacts with **utility companies** with a view to obtaining consumption data at source. Use of sustainable development reporting software (SOFI).

INTERNAL ORGANISATION

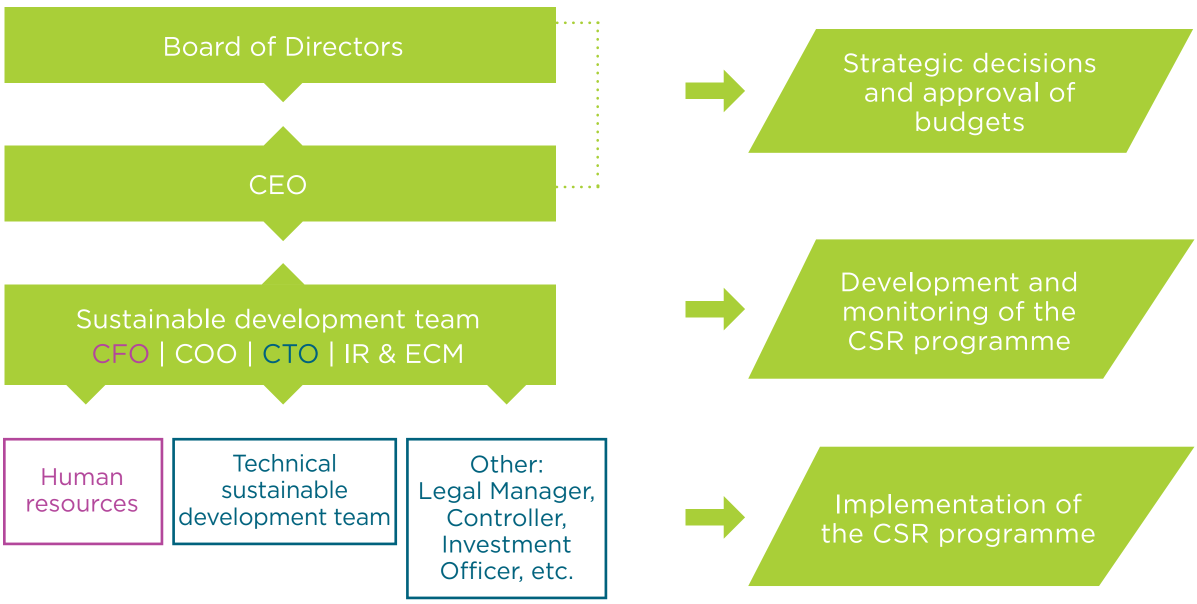
Befimmo's corporate social responsibility is now fully integrated into its day-to-day management. Befimmo staff are increasingly involved in this policy, one way or another depending on their field of expertise, and are aware of the major impact the real-estate sector on the environment.

At **strategic level**, the sustainable development team consists of four people: the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"), which are Executive Officers, the Chief Technical Officer ("CTO"), and the Investor Relations & External Communication Manager ("IR & ECM"). This team, in consultation with the Chief Executive Officer ("CEO"), is responsible for developing and monitoring the corporate social responsibility programme (1), freeing up sufficient human resources, and conducting the annual management review.

At **operational level**, the environmental technical team ("ETT"), consisting of three people specialising in energy and environment, is responsible for regularly assessing the implementation of the Environmental Management System ("EMS") and corporate social responsibility programme.

Since 1 April 2012, a member of the **human resources** department has been responsible for raising all team members' awareness of environmental considerations.

Other staff members also have responsibilities specifically defined in the EMS:
- Legal Manager ("LM");
- Head of Portfolio ("HOP");
- Investment Officer ("IO");
- Controller;
- Internal auditor;
- Project Managers ("PM");
- Managers.



(1) Formerly known as the environmental programme.

Corporate social responsibility report

GENERAL INFORMATION

GRI KPI reporting and EPRA KPI reporting	In recent years, Befimmo has embarked upon the standardisation of financial reporting and reporting on corporate social responsibility by adopting **GRI** (with a view to obtaining application level B) and **EPRA reporting guidelines**. The GRI content index and the summary table of key EPRA indicators are on page 216 and page 226 respectively of this Report.
Reporting period	This Report covers activities over the 2012 fiscal year. The perimeter is set at 31 December 2012.
Reporting perimeter	There were no changes in Befimmo's internal operations over the fiscal year. A major change is expected in fiscal year 2013, namely the integration of the property management business (this point is discussed more fully on page 93 hereafter). 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. The EMS covers the activities under Befimmo's direct control. Initially, the operational aspects of the EMS are 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 review	As part of the GRI reporting of its sustainable development indicators, Befimmo tasked Deloitte with a limited assurance review with a view to adding a "+" to the GRI score of B. Data marked with the ✓ symbol have been audited by Deloitte as part of this limited assurance mission.
Methodology	The reporting methodology is described page 207.

FURTHER INFORMATION

In addition to the documents described at the end of the chapter, Befimmo's website (www.befimmo.be/en/corporate-social-responsability-policy) provides additional information that may be a helpful supplement to the "Corporate Social Responsibility" chapter of this Annual Financial Report, namely:

- corporate social responsibility policy (March 2012);
- the corporate social responsibility chapter in previous Annual Financial Reports, as well as this one;
- previous Annual Financial Reports;
- ISO 14001 certificate;
- BREEAM certificates;
- environmental passports;
- status of the corporate social responsibility programmes and the new corporate social responsibility programme for 2013;
- external stakeholders' answers to questionnaires;
- questionnaire for external stakeholders.

A **glossary** is provided on page 198 of the Annual Financial Report to facilitate the reading of this chapter by explaining a number of terms used.

The corporate social responsibility Report has been divided into two separate sections for ease of reading: environmental and social aspects. They describe Befimmo's achievements and commitments in recent years, the key results of the past fiscal year and the goals the Company has set itself for 2013 and future years.

Remember that in addition to these environmental and social aspects, Befimmo accepts its full corporate social responsibility on economic aspects. Befimmo abides the applicable legislation and the values set out in its code of ethics in relations with its customers, management team, partners and shareholders. In line with this code of ethics, Befimmo abides by in-house rules designed to limit the risks associated with money laundering and funding of terrorism. Befimmo also has a corporate governance charter and terms of reference setting out all the rules, procedures and practices that define how the Company is managed and controlled. Befimmo has adopted the 2009 Belgian Code of Corporate Governance as a benchmark. Detailed information on the subject is given on page 98.

Environmental activity report

ENVIRONMENTAL Management System ISO 14001

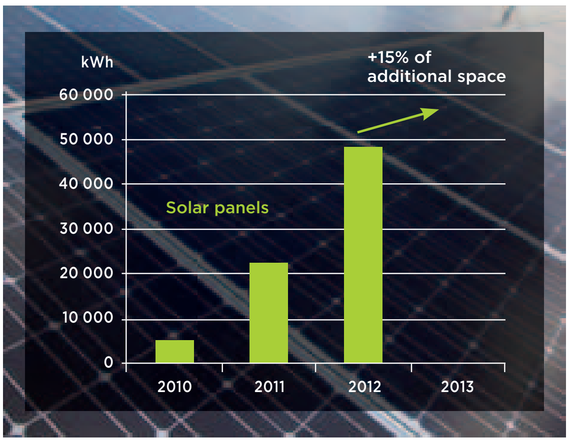
Between **8** and **10%** of the overall investment went to improve energy performance in response to current and future legislation and also to the tenants' expectations.

Telemonitoring of the buildings' consumption in terms of gas, electricity and water now covers

95%

of Befimmo's portfolio.

On large sites, Befimmo is very careful to manage the waste produced, following the guidelines for BREEAM certification that it carries out for all its major renovations.



The **cogeneration** system in WTC III commissioned in February 2012 has given rise to 668 green certificates and cut overall CO_2 emissions by 16%.

Direct energy consumption | Gas

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	**73%**	**75%**	**78%**	**91%**	**90%**		
Total comsumption (million kWh)	31.6	33.2	37.8	34.7 ✓	39.4 ✓	EN3	Absolute Measures
Total consumption | weighted by degree-days (million kWh)	31.6	33.2	30.9	39.8	37.5	EN3	Absolute Measures
Reporting perimeter	**71%**	**73%**	**74%**	**80%**	**91%**		
Normalised direct consumption (kWh/m²)	88.0	88.0	81.4	89.1	79.3	CRESS-CRE1	Intensity Measures
Fedimmo portfolio							
Reporting perimeter	**58%**	**65%**	**68%**	**75%**	**77%**		
Total consumption (million kWh)	29.8	30.1	31.3	24.6	29.6	EN3	Absolute Measures
Total consumption | weighted by degree-days (million kWh)	29.8	30.1	25.6	28.2	28.2	EN3	Absolute Measures
Normalised direct consumption (kWh/m²)	147.2	134.7	110	113.8	110.6	CRESS-CRE1	Intensity Measures

Direct energy consumption | Heating oil

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	**100%**	**100%**	**100%**	**100%**	**100%**		
Total consumption (thousand litres)	636.7	603.2	713.2	248.5 ✓	no more oil-fired boilers	EN3	Absolute Measures
Total consumption | weighted by degree-days (thousand litres)	636.7	603.4	583.9	285.2		EN3	Absolute Measures
Normalised direct total consumption (litres/m²)	9.2	10.5	6.1	–		CRESS-CRE1	Intensity Measures

Indirect energy consumption | Electricity

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	**84%**	**87%**	**88%**	**93%**	**92%**		
Total consumption | common areas (million kWh)	22.3	23.7	23.0	22.8 ✓	20.2 ✓	EN4	Absolute Measures
Total consumption | private areas (million kWh)	17.8	17.4	17.9	16.8 ✓	27.0 ✓	EN4	Absolute Measures
Total consumption | common and private areas (million kWh)	40.1	41.1	40.9	39.6	47.2	EN4	Absolute Measures
Green electricity consumption (solar panels) (kWh)				13.0	41.0		
Reporting perimeter	**59%**	**58%**	**60%**	**63%**	**77%**		
Normalised consumption | common areas (kWh/m²)	55.9	53.3	51.8	48.7	42.4	CRESS-CRE1	Intensity Measures
Normalised consumption | private areas (kWh/m²)	58.1	56.8	56.1	51.4	65.7	CRESS-CRE1	Intensity Measures
Normalised consumption | common and private areas (kWh/m²)	114	110.1	107.9	100.1	108.1	CRESS-CRE1	Intensity Measures
Fedimmo portfolio							
Reporting perimeter	**60%**	**71%**	**79%**	**82%**	**80%**		
Total consumption (million kWh)	10.5	11.9	13.9	14.1	13.2	EN4	Absolute Measures
Green electricity consumption (solar panels and cogen) (kWh)			5 210	9 500	1 305 893		
Normalised consumption | common areas (kWh/m²)	19.9	19.5	20.5	20.8	19.8	CRESS-CRE1	Intensity Measures
Normalised consumption | private areas (kWh/m²)	29.8	29.3	30.8	31.2	29.7	CRESS-CRE1	Intensity Measures
Normalised consumption | common and private areas (kWh/m²)	49.7	48.8	51.3	52	49.5	CRESS-CRE1	Intensity Measures

Water withdrawal

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	**81%**	**77%**	**81%**	**80%**	**84%**		
Total withdrawal (thousand m^3)	104.8	93.8	100.9	91.3 ✓	113.9 ✓	EN8	Absolute Measures
Normalised withdrawal (m^3/m^2)	0.255	0.237	0.243	0.220	0.255	CRESS-CRE2	Intensity Measures

Direct and indirect CO_2 emissions

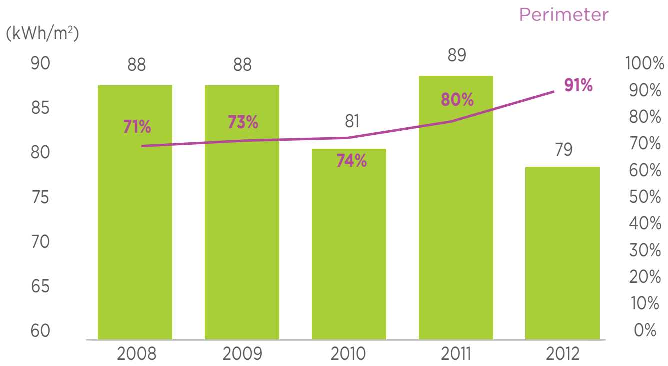
	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	**84%**	**87%**	**88%**	**93%**	**94%**		
Total emissions (thousand tonnes of CO_2)	13.1	13.5	14.9	13.2 ✓	12.6 ✓	EN16	Absolute Measures
Reporting perimeter	**59%**	**58%**	**60%**	**63%**	**79%**		
Emissions from electricity (kg/m^2)	14.6	14.4	14.3	13.4	7.5	CRESS3	Intensity Measures
Reporting perimeter	**73%**	**75%**	**78%**	**91%**	**91%**		
Emissions from gas (kg/m^2)	17.7	17.7	19.5	15.1	17.1	CRESS3	Intensity Measures
Reporting perimeter	**100%**	**100%**	**100%**	**100%**			
Emissions from heating oil (kg/m^2)	27.9	28.1	33.1	11.6	0	CRESS3	Intensity Measures
Fedimmo portfolio							
Reporting perimeter	**60%**	**71%**	**79%**	**82%**	**80%**		
Total emissions (thousand tonnes of CO_2)	8.8	9.2	9.9	8.6	9.4	EN16	Absolute Measures

Waste

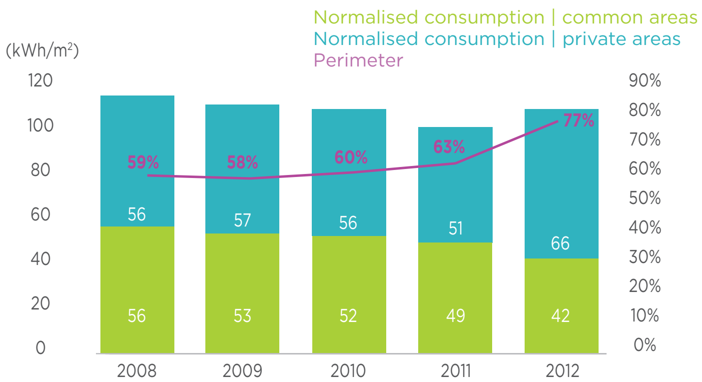
	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter		**57%**	**59%**	**62%**	**67%**		
Waste (total from all) (thousand m^3)		11 867	12 635	12 050 ✓	11 400 ✓	EN22	Absolute Measures
Paper/cardboard (thousand m^3)		10 203	15 275	12 683 ✓	12 745 ✓	EN22	Absolute Measures
Plastic, metal cartons (thousand m^3)		816	1 173	1 278 ✓	1 466 ✓	EN22	Absolute Measures
Glass (thousand m^3)		11	141	48 ✓	44.8 ✓	EN22	Absolute Measures
Total recycled (%)		48	57	54 ✓	55.6 ✓	EN22	Absolute Measures

Corporate social responsibility report

Gas
Normalised direct consumption
(Befimmo portfolio excluding Fedimmo)



Electricity
Normalised consumption
(Befimmo portfolio excluding Fedimmo)



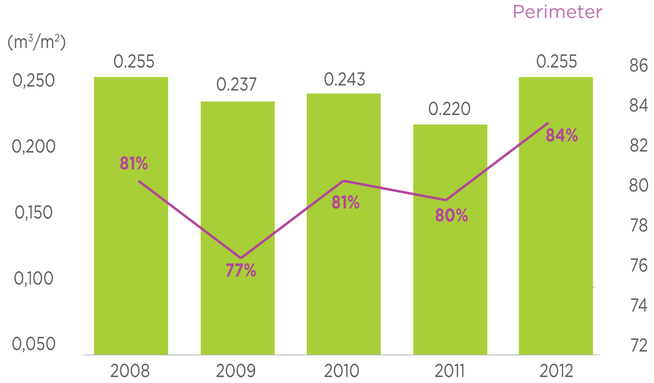
Gas

Specific direct gas consumption has been relatively stable, with the exception of 2010 when an exceptionally long and cold winter probably led to improved efficiency of heating systems by reducing stop-start sequences and losses when stopped. Consumption for 2011 has suffered some technical deficiencies in some high-consuming buildings but also a lack or reactivity from the maintenance companies on technical installations when returning to “normal” weather conditions. In 2012, the level of specific consumption fell by 11% in relation to 2011 despite overconsumption observed in some large buildings managed by the occupants themselves.

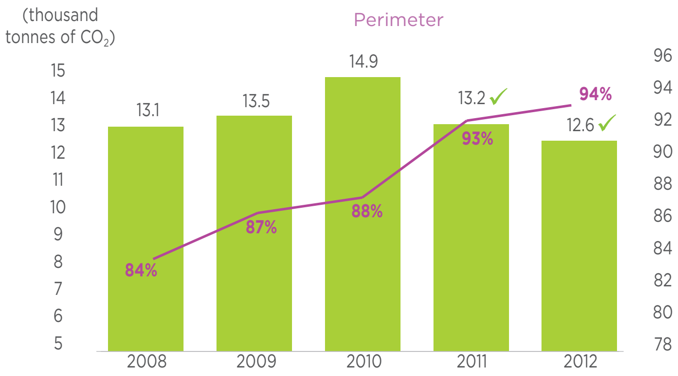
Electricity

There was a decline in specific consumption for common areas between 2011 and 2012 of 12.5%. These data should nevertheless be analysed with care because the score achieved in 2012 is not only the result of investments in Befimmo's portfolio but is also increased by a change in calculation method for apportioning consumption between common and private areas, from 50/50 to 40/60. Private consumption is higher firstly as a result of applying the same apportionment to consumption and, secondly, because more complete data for private consumption were obtained than were available in previous years. Note that the proportion of green electricity produced with solar panels is low but has been constantly increasing since 2012.

Water
Normalised consumption
(Befimmo portfolio excluding Fedimmo)



CO_2
Direct and indirect emissions
(Befimmo portfolio excluding Fedimmo)



Water
The increase in specific water withdrawal between 2011 and 2012 is partly explained by the expansion of the measurement perimeter and having obtained more comprehensive and reliable consumption data. The situation of some large single-occupant buildings managed directly by the tenant is detrimental to the average specific withdrawal. These figures were pushed up these somewhat by factors such as some leaks and corrective action that sometimes came too late, and the systematic installation of showers with a view to improving the BREEAM certification. Withdrawal is still stable, however.

CO_2 emissions
CO_2 emissions are directly related to energy consumption, which explains an overall downward trend of 2012 data in line with 2011. The completion in 2012 of the replacement of all oil-fired boilers (high emissions factor) with gas ones explains the overall reduction in CO_2 emissions and the rising figures for gas. The installation of solar panels and some tenants signing contracts for green electricity for their private areas have also helped to cut CO_2 emissions to the atmosphere.

ACHIEVEMENTS, COMMITMENTS AND GOALS

The **corporate social responsibility programme** is available on page 209. In addition to completing the targets which were achieved only partially or not at all last year, Befimmo is setting new targets for next fiscal year.

BREEAM

Befimmo applies the BREEAM guidelines so as to follow a structured approach and to obtain validation of the objectives achieved. This method can be used to measure the degree of sustainability of the buildings and offers a recognised and respected certification.

BREEAM Design, **refurbishment and renovation work**

Buildings	Design	Post Construction
2010 and 2011		
Froissart	"Excellent"	"Very Good"
Science-Montoyer	"Excellent"	"Excellent"
2012		
Ikaros 17-19	"Very Good"	Pending: dossier sent to BREEAM
Ocean House	Pending: dossier sent to BREEAM with the goal of obtaining a "Good" rating	
Brederode 1	"Very Good"	Work in progress
Paradis	"Excellent"	Under construction

Buildings	Design
Targets 2013	
Triomphe I	Dossier in preparation for sending to BREEAM
WTC IV	Pending: dossier sent to BREEAM with the goal of obtaining an "Outstanding" rating

BREEAM In-Use, **existing buildings** (1)

Befimmo portfolio (excluding Fedimmo)		Number of buildings
	2012	
BREEAM In-Use Asset	"Good"	30
	"Pass"	34
BREEAM In-Use Management	"Good"	2
	"Pass"	62

As at 1 January 2012, ±50% of the Befimmo certified portfolio was rated "Good" at Asset level. Take for example the Central Gate building: the investments made have significantly improved the environmental performance of the building, erected in 1930, raising its BREEAM In-Use rating (Asset level) from "Pass" to "Good".

As at 1 January 2012, 85% of the Befimmo portfolio was rated "Pass" for "Management" while the remaining 15% were rated "Acceptable". This situation remains unchanged at 1 January 2013. Befimmo nevertheless began an initial test to improve the rating for the Media building. It has been temporarily suspended on account of the integration of property management but will be resumed later.

At "Asset" level, Befimmo's goal over the next four years is to raise its entire portfolio to a "Good" rating, i.e. 12% of buildings annually, or 7 to 8 a year. Note that only the buildings in which work is carried out to improve the BREEAM rating will be re-certified annually.

At "Management" level, the situation will be reviewed when property management is integrated.

Befimmo portfolio (excluding Fedimmo)		Number of buildings
	Targets 2013	
BREEAM In-Use Asset	"Good"	38
	"Pass"	26
BREEAM In-Use Management	"Good"	2
	"Pass"	62

Targets

Energy Performance Certificates (PEB)

Befimmo portfolio

Energy performance certification has already been carried out for many of the buildings located in the Brussels-Capital Region.

Fedimmo portfolio

The majority of Fedimmo buildings are occupied by public bodies that display the energy performance certificates of the buildings they occupy. Befimmo is gradually collecting and mapping this information.

In 2013, Befimmo will continue to have the remainder of its portfolio certified in response to changing legislation in the regions. This includes obtaining certificates for the Joseph II, Montesquieu and Poelaert buildings. Regarding the latter two buildings on a long-term lease to a single tenant, the tenant is applying for certification itself. It has undertaken to provide us with the documents.

Budgets have been earmarked for implementing EPC for the buildings located in Flanders and Wallonia. No action is planned, however, before the relevant legislation is introduced.

In case of major works, Befimmo will also make sure the certificates are updated as was the case in particular after the renovation of the Central Gate building in 2012. Although theoretical, the data of the certificates are also compared with the actual specific consumption figures.

ISO 14001

The Environmental Management System has been in place for over 3 years. Both internal and external audits show that, on the whole, Befimmo has succeeded in managing the EMS well. Numerous measures have been taken and environmental awareness among staff is clearly observable. In particular, awareness-raising features a discussion process to improve the implementation of the register of legislation, the introduction of environment coordinators and site audits.

Befimmo's EMS is maturing and is playing an increasingly prominent role in the Company's operating methods. Befimmo achieved a big step forward a few months ago by taking ownership of the system and in particular since the necessary resources were put in place.

Over the coming months, Befimmo will seek to improve the efficiency of the EMS, adapt it to the integration of property management and simplify it, while continuing to improve the level of environmental performance.

Data management of consumption

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

Telemonitoring currently covers 95% of Befimmo's portfolio and 15% of Fedimmo's portfolio. The collected data generally cover all utilities (water, gas and electricity). Regarding electricity, work is ongoing to apportion consumption data between private and common areas, to ensure that common consumption can be cut by 5% by 2014 (base 2011). The alarms added to the telemonitoring system allow Befimmo to detect anomalies in consumption in real time and take immediate corrective action as required.

During the 2012 fiscal year, Befimmo pursued efforts and contacts with utility companies in order to obtain the data for consumption (gas and electricity) at source. For Brussels, the utility company has provided Befimmo with complete and reliable information and a three-year history (2008-2011). Regarding Flanders and Wallonia, the information has been obtained for 2012 through Fedesco but Befimmo will in principle be able to access it directly from 2013.

Other contacts were also made with the current utility company (gas and electricity) to obtain billing data electronically.

From 2013, data will be automatically consolidated and verified upstream before it is integrated into the new sustainable development reporting software (SOFI[2]).

(1) The data in this table include the Ikaros 17-19 and Pavilion buildings.
(2) During the 2012 fiscal year, Befimmo decided to abandon its collaboration with ISA (International Sustainability Alliance) because the tools developed in the framework of this partnership did not meet Befimmo's requirements or expectations. Since then, Befimmo has been working with PE International which provides the SOFI software.

Corporate social responsibility report

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 performance, to upgrade them or maintain them at a high level of quality for the benefit of its customers. To that end, Befimmo has implemented a multi-annual investment plan.

This plan was devised for the sustainable optimisation of operational properties (Befimmo portfolio excluding Fedimmo) that are not due to undergo major renovation. To improve their environmental performance, Befimmo invested a total of €1.7 million during the 2012 fiscal year. These investments are detailed on page 32 of this Report.

For major renovations, part of the overall renovation budget is allocated to sustainable optimisation of the building. Accordingly, over the fiscal year Befimmo carried out investment work in its buildings at an overall cost of around €36.1 million. Between 8 and 10% of this overall investment went to improve their environmental performance and thus respond to current and future legislation and also to its tenants' expectations.

Befimmo intends to continue on that path.

	Realised	Forecasts		
(€ million)	2012	2013	2014	2015
	1.7	2.7	2.0	2.0

Renewable energy generation

Current total coverage with **solar panels** is around 1,048 m^2 compared with 735 m^2 at the end of 2011. The total power is 133,830 kWp while the sites already in production and handed over have generated the equivalent of 29,149 kWp (excluding Axento) and earned the equivalent of 128 green certificates.

Note that the Axento building generates 18,922 kWh from photovoltaic panels. All of this electricity is fed back into the grid and produces no green certificate as stipulated by the regulations in Luxembourg.

The target of increasing their areas by 15% was achieved and even exceeded.

Target of 15% area increases maintained for 2013.

The **cogeneration** system in WTC III commissioned in February 2012 has earned us to 668 green certificates and cut overall CO_2 emissions by 16%. The principle of cogeneration is that it generates heat and power at the same time. This combined generation cuts energy losses significantly. Thus, cogeneration can save between 15 and 20% in primary energy in relation to separate production of the same amounts of heat and power. In addition, CO_2 emissions from the use of cogeneration are substantially less than with conventional heat production and electricity generation.

In principle, cogeneration is more suitable and efficient for sites needing constant heat (hot water), such as hospitals, nursing homes, etc. It is therefore best to target buildings for which this technology is properly suited.

Befimmo has planned a feasibility study in 2013 for five of its buildings to determine whether or not it is worth implementing this technology on part of its portfolio. The five buildings selected include the View Building which houses a fitness centre with a swimming pool.

Targets

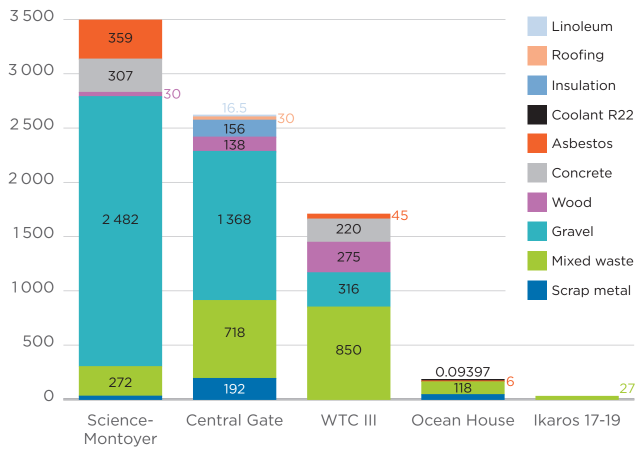
Waste management & recycling

In the 2012 fiscal year, work continued on gradually collecting data on the volume of waste (paper/cardboard, plastic, metal and drinks cartons and household waste) and the processing of waste (recycling and incineration).

One of the main companies responsible for collecting and sorting waste in the Befimmo portfolio continued its efforts to raise awareness among tenants and in particular to those who were clearly identified as major waste producers.

Befimmo is very careful to manage the waste produced, following the guidelines for BREEAM certification that it carries out for all its major renovations. This was done in 2012 for the renovation of the Science-Montoyer building for which accurate data are available and included in this report.

Site waste (tonnes)



In 2013 Befimmo made initial contacts with non-profit association ROTOR which was commissioned by the IBGE to set up a platform (Opalis) bringing business people into contact with a network of resale professionals who might be interested in the material cleared from Brussels building sites. The advantages of future collaboration are clear and will be assessed on two test sites in 2013.

Energy consumption

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.

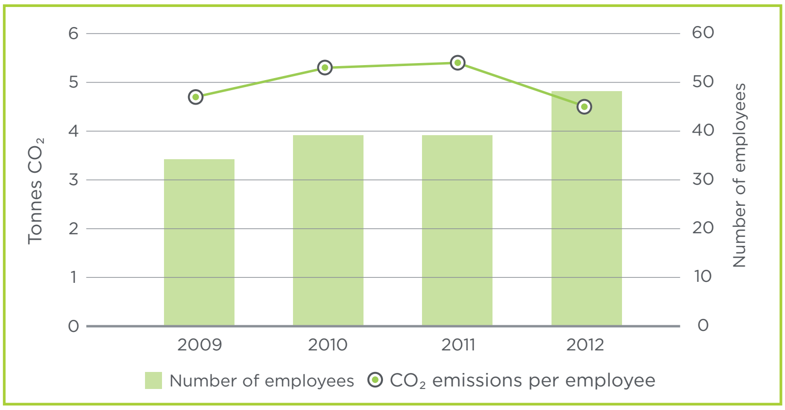
The goal of cutting gas and electricity consumption by 5% by 2014 in relation to the reference year 2011 was achieved and even exceeded in 2012.

Since the comfort level of some buildings is being or will be upgraded, notably by fitting air conditioning, we are maintaining the same reduction target for the next two years, to cut consumption by 5% by the end of 2014. Rainwater recovery projects are still on the agenda. In view of the difficulty of integrating such systems into existing buildings in operation, the focus is on renovation projects where the technical installations, especially the water distribution circuits, are to be renewed.

Social activity report

Team of 48 qualified staff members

- ✓ 65% have a university degree and 52% of those graduates also have a post-graduate diploma
- ✓ 58% men and 42% women



Befimmo has set up an intranet, a true driver of communication within the Company.

All staff receive awareness training in sustainable development and an introduction to the EMS.

Befimmo plans to continue its efforts to raise awareness among its staff of its sustainable development policy.

In 2013 Befimmo will take on 15 new employees working in property management.

Appraisal & training

CO_2 EMISSIONS RELATED TO BEFIMMO'S OWN ACTIVITIES ACCORDING TO THE CARBON BALANCE METHOD

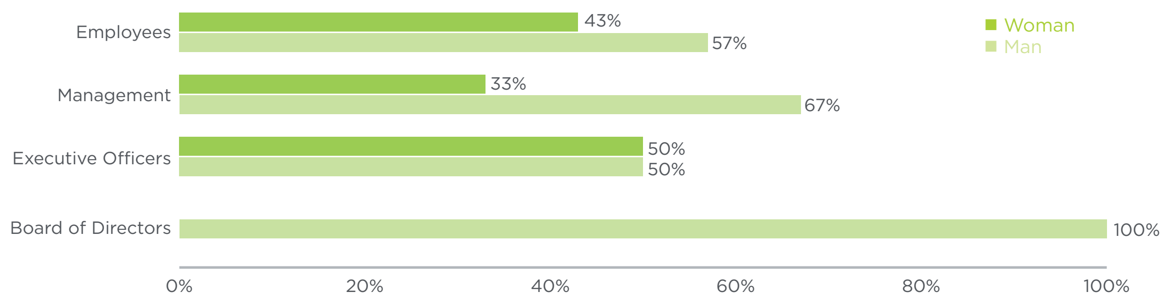
CO_2 emissions linked to Befimmo's business, i.e. the IT activities of his office staff, were evaluated according to the carbon balance method, developed by ADEME (the French environment and energy management agency – *Agence (française) de l'Environnement et de la Maîtrise de l'Énergie)* [1]. The operational scope covers travel in company cars, business travel by air and rail, the use of paper and the use of the Company's headquarters.

Source	Unit	2009	2010	2011	2012	CO_2 emission factors (in kg)	Tonnes CO_2e 2009	Tonnes CO_2e 2010	Tonnes CO_2e 2011	Tonnes CO_2e 2012	%/year 2009	%/year 2010	%/year 2011	%/year 2012
Corporate							**30.8**	**39.0**	**23.7**	**22.6**	**19.4**	**18.8**	**11.3**	**10.5**
Electricity	kWh	268 480	230 484	158 097	172 040	0.000	0.0	0.0	0.0	0.0				
Gas	kWh	144 585	190 226	115 417	110 155	0.205	29.6	39.0	23.7	22.6				
Air conditioning	kg	0.6	0.0	0.0	0.0	1 976.351	1.1	0.0	0.0	0.0				
Vehicle fleet							**123.7**	**153.1**	**176.5**	**179.8**	**77.7**	**74.0**	**84.2**	**83.8**
Diesel	litres	43 046	48 248	56 082	57 629	2.662	114.6	142.0	165.0	169.6				
Petrol	litres	3 744	3 911	4 060	3 608	2.425	9.1	11.1	11.5	10.2				
Business trips							**0.3**	**10.27**	**6.24**	**7.68**	**0.2**	**5.0**	**3.0**	**3.6**
Short-haul flights	km	2 200	16 292	16 480	16 480	0.126	0.3	2.1	2.1	2.1				
Long-haul flights			70 848	35 424	47 232	0.113		8.0	4.0	5.3				
High-speed train	km	1 280	14 380	11 030	18 060	0.015	0.02	0.22	0.17	0.27				
Paper							**4.3**	**4.6**	**3.3**	**4.5**	**2.7**	**2.2**	**1.6**	**2.1**
Paper	kg	3 268	3 500	2 500	3 420	1.320	4.3	4.6	3.3	4.5				
Total CO_2 emissions							**159.1**	**206.9**	**209.7**	**214.6**	**100**	**100**	**100**	**100**
Number of full time equivalents		34	39	39	48									
CO_2 emissions per employee							4.7	5.3	5.4	4.5				

SOCIAL INDICATORS

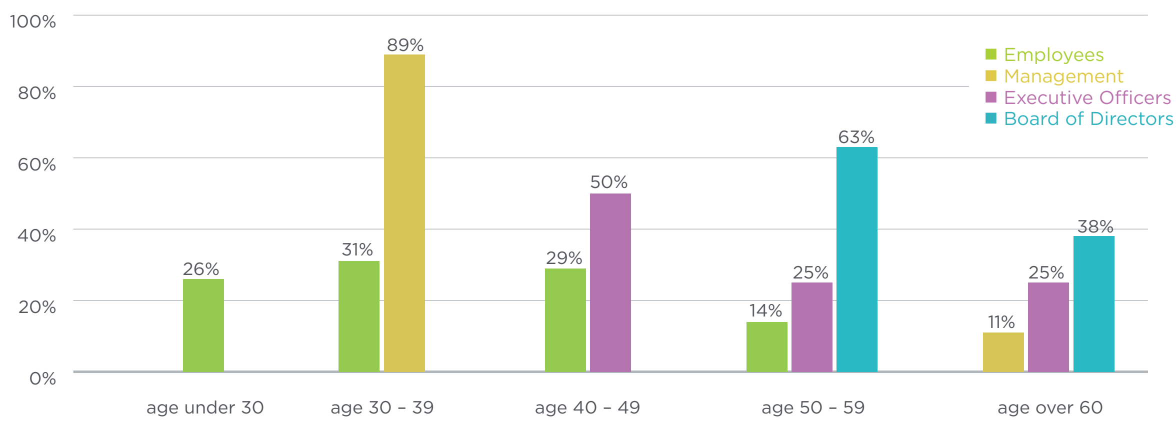
Composition of **governing bodies** and **breakdown of employees by gender**

(as at 31 December 2012)



Composition of **governing bodies** and **breakdown of employees by age**

(as at 31 December 2012)



As at 31 December 2012, there were 48 staff on the team (58% men and 42% women). With the exception of the CEO, all team members are employed on a contract of indefinite duration. Within the team, 65% have a university degree and 52% of those graduates also have a post-graduate diploma.

The average age of the Befimmo SA team (excluding the Board of Directors) is 40.

Over the 2012 fiscal year, Befimmo recruited 10 new staff members and two left.

Over the past fiscal year, Befimmo had no cases of occupational diseases and only one occupational accident. Absenteeism [2] amounted to 1.62% of the total number of hours worked, which is well below the average rate of 2.44% [3] 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 staff 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 system) and their length of service in the Company.

More detailed information can be found in the note “Employee benefits” on page 171 of this Annual Financial Report.

With the integration of the property management business, Befimmo is preparing to take on 15 staff members during the second quarter of 2013. The arrival of this new team is discussed further in this chapter.

(1) www.site-index.fr/ademe/bilan-carbone.html
(2) Absenteeism rate: ratio of the number of hours of short-term sickness (< 30 days) to the total hours worked.
(3) Source: “Absenteeism 2012, management and figures”, SDWorx.

ACHIEVEMENTS, COMMITMENTS AND GOALS

Appraisal and training

Befimmo attaches great importance to managing the skills of its team members.

The effective development of the skills of each staff member requires a positive climate in which to assess each individual in a constructive way, validate this assessment with the person concerned, build a development plan in tune with the company context, set clear priorities and implement a motivational process for the staff member whose continual efforts and progress will be supported by Befimmo's management.

The present appraisal system provides for an annual interview between each employee and his manager.

This interview is based on a framework that looks first at the achievements over the past year and any difficulties the employee has encountered. In the second stage, the objectives that were set for the previous year are reviewed and set against the achievements in the context of an open discussion.

Finally, the employee's development priorities are determined, highlighting any training needs, and are followed up later. Accordingly, new targets have been set for the coming year.

During the 2012 fiscal year, many training courses were offered to staff. In addition to the language courses and many individual courses, undertaken by the staff, managers continued with the leadership skills development programme begun in 2011.

Over the past fiscal year, Befimmo imparted an average of 51 hours' training per staff member, more than half of which related to language courses. For members of the technical department and the sustainable development team, a significant proportion of individual training was also devoted to sustainable development issues and Befimmo's policy in that area, covering topics such as BREEAM certification, water recycling techniques, sustainable urban projects and passive construction.

The education and training programme is also continuing for all staff:
- each employee receives sustainable development awareness training and an introduction to the EMS;
- more in-depth training on the EMS is offered to employees who have a specific task defined in the EMS;
- in the technical department, monthly meetings are held during which EMS procedures are reviewed as required. This is also an opportunity to share the know-how acquired on external training courses;
- whenever results are presented to staff, there is a section devoted to progress on sustainable development activities and Befimmo's strategy in this area. On such occasions, the most sustainable projects are highlighted and commented for the benefit of the staff.

Finally, in view of the major challenge of integrating the property management team in the second quarter of 2013, Befimmo plans to continue its soft skills training cycle and, in the last quarter of 2013, training in communication for all interested employees.

Befimmo will continue to focus its efforts on developing the skills of its team, and hence on their training and appraisal. A new procedure for enrolment in training courses will offer a broader and clearer view of the training each individual receives, so that the relevance of training can be assessed across the whole Company. There will also be more systematic feedback on training.

In 2013, in addition to individual and specific needs for training in IT or specific operational subjects, Befimmo aims to offer to all staff introductory training to the ISO 14001 standard, and a presentation on sustainable construction and soft skills training focused on communication.

Managers will also be made aware of the importance of setting and appraising environmental objectives for their staff and individual monitoring of staff training.

Targets

Efficiency and well-being
The Befimmo team continues to evolve. Ten new talented people joined the Company this year.

In 2012, Befimmo intends to work towards achieving an ideal balance between efficiency and well-being for its staff. During a workshop on this topic in 2011, a need for better in-house communication emerged and, in response to that, Befimmo has set up an intranet, a genuine vehicle for communication within the Company. Details of this project are given in the section "activities at corporate level".

Befimmo has also worked to implement other suggestions made at that workshop: staff health-care cover has been further improved, a welcome brochure has been produced for new employees, staff can now take subscriptions to a gym, the leave-management system has been improved by installing dedicated software, etc.

The integration of the property management business into the Company was also raised by staff during the workshop, as a factor that could improve the Company's operational efficiency.

In 2013 that project will come to fruition when in the second quarter Befimmo takes over the management of 28 buildings and office parks, previously handled by AG Real Estate 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. By fully integrating its property management, all day-to-day contact with tenants will take place directly with Befimmo.

It will be a substantial change for the team too, since Befimmo will take on 15 new employees dedicated to property management, all former staff of AG Real Estate Property Management.

This is obviously far from being a trivial operation since it means a 30% increase in the Company staff. To ensure it is successful, current employees have been made aware of their role in integrating their new colleagues.

In order to measure the expectations of the team once again at the end of this integration, Befimmo is planning a new staff satisfaction survey during the second half of 2013.

Staff awareness

The key achievement of this fiscal year has undoubtedly been the setting up jointly by the communication department and the human resources department of an intranet dedicated to communication with staff.

This intranet, online since September 2012, is used to post a wide variety of information on the Company's business, events, publications, procedures, human resource management, etc. Regular, concise and effective "news" items posted on the home page keep staff informed of developments in the Company and communicate all kinds of practical information. These publications are also intended to explain how everyone works and raise awareness of their jobs and skills. The intranet also has a CSR section, which plays an important role in educating the staff about Befimmo's sustainable development policy. It contains some general information on CSR, a link to the EMS procedures and highlights some key Company projects.

Finally, there is a quiz to test their knowledge with questions about social responsibility, and how well they know their colleagues or the Company's business.

The intranet will undoubtedly continue to be a valuable education and communication tool in 2013, when the new employees are integrated.

In this regard, a welcome brochure for newcomers was also produced in 2012. In addition to the contractual documentation (regulations, etc.) which must always be given to all employees taking up their posts, it contains valuable information on fringe benefits, the team – with a "who's who" guide, corporate social responsibility policy and the day-to-day functioning of our Company.

In 2012, Befimmo also decided to raise staff awareness on sustainable development through its team-building initiative. The key activity this time was in fact the visit to Thorntonbank, an offshore wind farm located about thirty kilometres off the Belgian coast.

Befimmo obviously plans to continue its efforts to raise awareness among its staff of its sustainable development policy. This is all the more necessary since several new employees will be joining the team in 2013.

The intranet will continue to be the main vehicle for this process. "News" items will be posted regularly with the aim of explaining a variety of points related to Befimmo's corporate social responsibility or the EMS.

Finally, presentations of the results to staff will continue to include a CSR section to inform them of the Company's plans in that area.

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 sports, cultural, festive, charity and family activities.

In 2012, Comité B+ has chosen to focus its voluntary work on a partnership that began in 2011 with the Red Cross (Auderghem local unit).

The Committee organised two blood donations, in March and September, at its premises in the Goemaere building, and other tenants in the building were able to take part. In view of the success of the initiative, Comité B+ will continue to organise two blood donations a year from now on.

Several staff members also took part in the Red Cross *Quinzaine*, which takes place every spring, and helped to sell adhesive plasters for the Auderghem local unit in aid of the "Holidays for all" programme, a camp for children from unpriviledged backgrounds.

The more athletic staff members took part in the Brussels 20 km run for the *Infirmiers de rue* team [1].

Finally, as in previous years, the Befimmo team took part in the Shoe-Box [2] project to collect food for the homeless and poor and needy in Belgium.

Comité B+ intends to continue its social outreach in 2013. 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 staff.

CO_2 EMISSIONS

Following the introduction of a new car policy within the Company, the goal of cutting the average CO_2 emissions of the vehicle fleet by 5% has almost been achieved. The reduction was in fact 4.61%. This cut was obtained after 3 vehicles left the Befimmo fleet and 6 vehicles joined it in 2012.

Befimmo is setting itself the target of cutting the average CO_2 emissions of its vehicle fleet by a further 3% in 2013.

Furthermore, in 2013 Befimmo intends to test the use of a pool of electric cars for use by staff for short business trips during the day.

Finally, Befimmo intends to continue its policy of raising staff awareness by organising monthly "green mobility days". Everyone is encouraged to take part, by carpooling, using public transport, or – for the more energetic – cycling.

SUSTAINABLE PROCUREMENT POLICY

Befimmo plans to analyse more closely the sustainability of its purchases, ranging from furniture to office supplies. To that end it will analyse its usual orders to identify any more sustainable alternatives while nevertheless controlling its procurement costs.

PAPER CONSUMPTION

The installation in 2010 of an electronic document management system helped to reduce paper consumption, which fell from 96 kg per person in 2009 to 89 kg per person in 2010 and 64 kg per person in 2011. Unfortunately, Befimmo has seen an increase in the volume of paper consumed in 2012, with average consumption of 71 kg per person.

Befimmo is determined to pursue its efforts to encourage staff to become aware of their paper consumption and try to bring it down. Advice will be posted on the intranet to help team members achieve that.

Befimmo is challenging its whole team by setting a target of cutting paper consumption (per person) in 2013 in relation to 2012.

Targets

(1) www.infirmiersderue.be/index.php?id=1.
(2) www.shoe-box.be/en/particuliers.

KEEPING OUR COMMITMENTS IN MIND

CORPORATE GOVERNANCE STATEMENT

Brederode 1,
Brussels centre

Corporate governance statement

This section of the Annual Financial Report contains information on Befimmo's practice of the principles of governance over the past fiscal year.

Principles

Befimmo applies the Belgian Code on Corporate Governance published on 12 March 2009 (hereafter, the "2009 Code"), which is Befimmo's reference code within the meaning of article 96(2)(1) of the Code of Company Law and which can be viewed on the Guberna website: www.guberna.be. The Board of Directors declares that to its knowledge, the corporate governance practised by Befimmo complies with the 2009 Code.

The following documents relating to the governance of the Company are published on the Befimmo website www.befimmo.be : 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 charter of the Supervisory College of the day-to-day management;
- the terms of reference of the internal audit;
- the remuneration policy.

These documents were not amended up to 20 December 2012. On that date, the governance charter and four terms of reference were adapted following the change of the structure of the Sicafi from a *Société en Commandite par Actions* into a *Société Anonyme*[1].

The first section of this chapter describes the structure and organisation of the Company from 1 January to 20 December 2012. The second section sets out the changes made to the governance structure from 20 December 2012.

Governance structure up to 20.12.2012

MANAGING AGENT

Befimmo SA manages the Sicafi Befimmo SCA. In accordance with the Sicafi's articles of association up to 20 December 2012, as Managing Agent, Befimmo SA is empowered in particular to carry out all acts necessary or useful for achieving the corporate aims of Befimmo SCA, with the exception of those reserved by law or the articles of association to the General Meeting, to draft the quarterly statements, Half-Yearly and Annual Reports and prospectuses for Befimmo SCA, to appoint real-estate experts, to propose changes to the list of experts, to grant special powers to its authorised representatives, to determine their remuneration, to increase the company capital within the limits of the

authorised capital and to carry out all operations intended to benefit Befimmo SCA, whether by merger or other transaction, with all companies having similar aims.

In accordance with article 18 of the articles of association, the Managing Agent may not be dismissed, except by a court on just grounds.

In addition to the reimbursement of any costs directly relating to its mission, Befimmo SA is entitled to receive remuneration in proportion to the Company's net result for the fiscal year. This remuneration is calculated every year on the basis of the consolidated pre-tax result, group share, for the accounting year concerned, shown by the accounts drawn up in accordance with IFRS standards as adopted in the European Union.

This result is adapted as follows for the purposes of calculating that remuneration:

(i) gains or losses resulting from the valuation at fair value of the properties of the Company or its subsidiaries and other real-estate property within the meaning of the Royal Decree of 7 December 2010, will be excluded from the result in so far as they relate to the excess of the purchase value of these items (including subsequent investments);

(ii) where buildings and other real-estate property referred to at (i) above are realised during the course of the fiscal year, the result of the realisation will be corrected so that the gain or loss made is calculated with reference to whichever is the lower of the purchase value (including subsequent investments) and the latest fair value of the realised asset booked to the quarterly accounts, without prejudice to the application of point (i).

This remuneration amounts to 2/100ths of a benchmark profit (if a profit was made) corresponding to 100/98ths of the result referred to in the previous paragraph and after this remuneration has been booked to the fiscal year concerned; in this way, once the remuneration has been entered into Befimmo SCA's accounts, the remuneration for the year will represent 2.04% of the above-mentioned result.

This remuneration is due on 31 December of the fiscal year concerned, but is payable only after approval of the annual accounts. The calculation of the remuneration is checked by the Statutory Auditor.

PERMANENT REPRESENTATIVE

In accordance with the law, Befimmo SA has appointed a Permanent Representative in the Sicafi, responsible for implementing on behalf of Befimmo SA the decisions taken by the competent bodies of Befimmo SA, namely the Board of Directors and the Managing Director.

He is Mr Benoît De Blieck.

(1) The Charter of the Supervisory College of the day-to-day management has meanwhile become redundant following the decision of the Board of Directors to abolish the College from 1 January 2013 (see page 101).

BOARD OF DIRECTORS OF THE MANAGING AGENT BEFIMMO SA

Composition of the Board of Directors

The Board has eight Directors: one Executive Director, two Non-Executive Directors linked to the Promoter, and five Non-Executive Directors, classed as independent pursuant to article 526ter of the Code of Company Law.

The Directors of Befimmo SA are appointed for up to four years and may be re-elected.

The Board of Directors is well aware of the recommendations of the Corporate Governance Committee of 11 January 2011 and the provisions of article 518bis of the Code of Company Law regarding the target for gender diversity within the Board. The Board will ensure compliance within the time allowed.

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 Directorships – other than those held in the Sicafi – held by the Directors over the past five calendar years, is set out hereafter.

Procedure for appointment and reappointment of Directors

Directors are appointed and their directorships renewed by the General Meeting of Shareholders of the Managing Agent, Befimmo SA, on a proposal of the Board of Directors.

Before putting its proposals to the Meeting, the Board 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 being considered for renewal, as the case may be;
- 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 the 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 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 other director, will allow the work of the Board and its 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.

Role of the Board of Directors

The Board of Directors of Befimmo SA, Managing Agent of Befimmo SCA, acts in the sole interest of all the shareholders, ruling on strategic decisions, investments, disinvestments and long-term financing. It closes the annual accounts and establishes the half-yearly and quarterly accounts of the Sicafi; 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 and Half-Yearly Financial Reports, and quarterly statements, and published press releases.

The Board of Directors met 23 times during the fiscal year (up to 20 December 2012).

The Board of Directors made decisions on the following topics:

- strategic monitoring and review;
- the acquisitions and sales of buildings that the Sicafi considered, all of which related to office buildings in Belgium, Luxembourg and France;
- key investments in the property portfolio, including in sustainable development;
- the terms of the most important rental deals;
- the refinancing of borrowings (notably the issue of bonds in a United States private placement during the first half of 2012 and the arrangement of bilateral lines) and the interest rate hedging policy;
- the acquisition of the remaining 10% of the shares in its subsidiary Fedimmo that the Sicafi did not yet own;
- the purchase by the Company of the shares in its Managing Agent, Befimmo SA, and the adoption of a new governance structure;
- the buyback (and subsequent resale) of the Company's own shares.

It was also regularly informed of the activities of the Audit Committee, the Appointment and Remuneration Committee and the Supervisory College of the day-to-day management. On 3 October 2012 the Board of Directors carried out a capital increase within the authorised capital, in exchange for the contribution of Fedimmo shares to the Sicafi. It also decided to distribute an interim dividend in December 2012, in the form of an optional dividend, thereby increasing the Sicafi's capital, using the authorised capital again. Finally, the Board of Directors convened an Extraordinary General Meeting, which was held on 20 December 2012, to propose to the shareholders a transformation of the Sicafi structure from a *Société en Commandite par Actions* into a *Société Anonyme*, and to submit the relevant changes to the articles of association for their approval.

The Board of Befimmo SA also decided on the position of Befimmo SCA as a shareholder of Fedimmo on the following dossiers:

- Liège Paradis: monitoring the process of obtaining the permit for the construction of a building to house the Federal Finance Service in Liège (follow-up of appeals to the Council of State, interruption and resumption of work);
- composition of the Board of Directors of Fedimmo after all the Company's shares were acquired by Befimmo SCA;
- adoption by Fedimmo of the status of Institutional Sicafi.

Self-assessment 2012

The Board of Directors had already carried out an initial in-depth self-assessment in 2009 and, in June 2010, completed the follow-up of the points raised during that procedure.

In accordance with its terms of reference and also the 2009 Code, the Board decided to carry out a new self-assessment in 2012. The Board members received and completed a very detailed questionnaire. After reviewing the responses, the Chairman of the Board met each Director individually to gather additional comments and refine the study of questionnaire results.

On the basis of these responses and the individual interviews, in December 2012 the Board adopted a self-assessment which drew the following main conclusions:

- subject to compliance with the recommendation on gender diversity (which has not yet been achieved), the Board is satisfied with its composition, operation, the information provided by the management and contacts with the latter and the two Board Committees;
- relationships and information flow between the Board and the CEO, and with the various Committees are regarded as excellent;
- while noting that the absence of an executive committee means that meetings of the Board of Directors are more frequent, the Board considers that it is not appropriate to set one up in Befimmo at the present time. Indeed, given the skills, experience and personalities of the members of the Board and management and the current composition of these two groups, the interaction between the Board of Directors and the management is more beneficial to the Company than it would be with an executive committee;
- since the Board meets very often and is very regularly informed between meetings, by the CEO, of events affecting the Company, all the Directors felt that there was no need to retain the Supervisory College of the day-to-day management. Accordingly, the Board decided to abolish the Supervisory College of the day-to-day management (see hereafter) as of 1 January 2013. The Board decided that, in any case, certain subjects hitherto discussed by the College would now be brought up once or twice a year at Board meetings;

Corporate governance statement

- the Directors made suggestions regarding agendas, the conduct of meetings, minutes of Board meetings, the holding of "off site" meetings and areas that the Board could give more attention. In particular, they mentioned the supervision of risk management, the analysis of which was already well monitored, in the first instance, by the Audit Committee. Another point was regular information on management follow-up of Board decisions;
- finally, the Board invited the Appointment and Remuneration Committee to conduct an analysis (benchmark) of the remuneration of directors of other Belgian companies and to submit any appropriate proposals for adjustments to bring the remuneration of the Directors of Befimmo SA into line with market practice.

Remuneration

With the exception of the Managing Director, the directors receive attendance tokens drawn on Befimmo SCA for €2,500 per Board meeting, in addition to a fixed remuneration of €10,000 a year. Details of the remuneration earned by the Directors are set out in the remuneration report hereafter.

Board of Directors

Composition of the Board of Directors of Befimmo up to 20 december 2012

1 **Alain Devos** Chairman, Non-Executive Director, linked to the Promoter
First appointed: October 2002, **Directorship expires:** May 2015
Board meetings attended over the 2012 fiscal year: 20[1]

Mr Devos (1953) is Chairman of Befimmo SA and is also a member of the Appointment and Remuneration Committee. After studying as a Solvay sales engineer at ULB (1975), he 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 being member of the Executive Committee. Alain Devos is the permanent representative of A. Devos SPRL, who was the CEO of AG Real Estate SA (formerly Fortis Real Estate) from 2003 until 30 April 2012. He holds directly or indirectly many directorships in companies affiliated with AG Real Estate SA, as listed hereafter.

2 **Benoît De Blieck** Executive Director, not linked to the Promoter
First appointed: August 1999, **Directorship expires:** May 2015
Board meetings attended over the 2012 fiscal year: 23

Mr De Blieck (1957) has been Managing Director of Befimmo SA since August 1999 and of its subsidiary Fedimmo SA since December 2006. 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, responsible for 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.

3 **BVBA Arcade Consult** represented by its permanent representative, André Sougné, Independent Non-Executive Director
First appointed: March 2006, **Directorship expires:** May 2013
Board meetings attended over the 2012 fiscal year: 22

André Sougné (1944) has been an Independent Director of Befimmo SA since March 2006 and a member of its Supervisory Committee of the day-to-day management since March 2011. A Doctor of Law (ULG), André Sougné began his career in 1967, focusing entirely on real-estate promotion and management. He worked for over 20 years in the real-estate subsidiary of the An-Hyp savings bank as Secretary-General, Director and then Managing Director.

4 **Hugues Delpire** Independent Non-Executive Director
First appointed: March 2011, **Directorship expires:** May 2015
Board meetings attended over the 2012 fiscal year: 20

Mr Delpire (1956) 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 director and CFO of the insurance cluster, he launched the activities of AXA Real Estate Investment Manager Benelux as Managing Director. He has been General Manager, Member of the Executive Board and Chief Legal & Finance Officer of the Oxylane Group (Decathlon) since December 2000. He also acts as a director or consultant for several subsidiaries in France and other countries. Alongside this business career, Mr Delpire also taught finance in several Belgian universities for more than 15 years.

(1) Under the rules to prevent conflicts of interest laid down in the Company's corporate governance charter, Mr A. Devos and Mr B. Godts did not attend three Board meetings, which discussed the proposed acquisition by the Company of its Managing Agent, Befimmo SA, and the takeover by the Company of the property management business operated by AG Real Estate Property Management SA under a service agreement with the Company.

Corporate governance statement

5 **SPRL Etienne Dewulf** represented by its permanent representative, Etienne Dewulf, Independent Non-Executive Director
First appointed: March 2011, **Directorship expires:** May 2015
Board meetings attended over the 2012 fiscal year: 22

Mr Etienne Dewulf (1955), has been a Independent Director of Befimmo SA and a member of its Appointment and Remuneration Committee since March 2011. He is a graduate in Commercial and Financial Science (ICHEC). He began his career in sales functions at GB-INNO-BM (1981-1983) and Materne Confilux (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 à 2010: Executive Assistant at Maurice Delens SA (later Valens SA) in 1987, then Managing Director of Soficom Development (1989). Acting on behalf of Etienne Dewulf SPRL, Mr Dewulf currently works as a consultant, mainly in real estate.

6 **Benoît Godts** Non-Executive Director, linked to the Promoter
First appointed: November 1995, **Directorship expires:** May 2015
Board meetings attended over the 2012 fiscal year: 19 (1)

Mr Benoît Godts (1956) has been a Director of Befimmo SA since November 1995 and a member of its Audit Committee and Supervisory Committee of the day-to-day management. He is also a Director of Fedimmo. A 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 Sicafi Ascencio SCA, as well as Chairman of the Board of Immo Nation SPPICAV.

7 **BVBA Roude** represented by its permanent representative, Jacques Rousseaux, Independent Non-Executive Director
First appointed: March 2006, **Directorship expires:** May 2013
Board meetings attended over the 2012 fiscal year: 23

Mr Jacques Rousseaux (1938) has been an Independent Director of Befimmo SA since March 2006 and is Chairman of its Audit Committee. He is also a Director of Fedimmo. 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.

8 **Marcus Van Heddeghem** Independent Non-Executive Director
First appointed: July 2004, **Directorship expires:** May 2014
Board meetings attended over the 2012 fiscal year: 17

Mr Van Heddeghem (1949) has been an Independent Director of Befimmo SA since July 2004. He chairs the Appointment and Remuneration Committee. He began his career in 1972 as an industrial engineer with a variety of building contractors. After that, 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, after which he was managing director of Redevco until the end of 2010.

(1) Under the rules to prevent conflicts of interest laid down in the Company's corporate governance charter, Mr A. Devos and Mr B. Godts did not attend three Board meetings, which discussed the proposed acquisition by the Company of its Managing Agent, Befimmo SA, and the takeover by the Company of the property management business operated by AG Real Estate Property Management SA under a service agreement with the Company.
(2) As permanent representative of Arcade Consult BVBA.

1	**Alain Devos**	
	Directorships held at 20 December 2012:	Manager of A. Devos SPRL; Member of the Board of Trustees of Guberna; Director of Brussels Enterprises Commerce and Industry (BECI); Fellow member of the Royal Institution of Chartered Surveyors (RICS).
	Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Permanent representative of the CEO of Real Estate AG (formerly Fortis Real Estate); Vice-chairman of Interparking; Director of the Professional Union of the Real-Estate Sector (UPSI); Director of Ascencio SA, Managing Agent of the Sicafi Ascencio SCA; Director of Access; Director of AG Finance; Director of AG Real Estate Asset Management; Director of AG Real Estate Development; Director of AG Real Estate Finance; Director of AG Real Estate Group Asset Management; Director of AG Real Estate Management; Director of AG Real Estate Property Management; Director of Association for Actions Countering Exclusion in Brussels; Director of Beheerscentrale; Director of Centre 58; Chairman of Citymo; Director of Crystal-Cortenberg; Director of DBFM Scholen van Morgen; Director of FScholen; Director of North Light; Director of North Star; Director of Nouvelles Galeries du Boulevard Anspach; Director of Parc de l'Alliance; Director of Parc de Louvresses I; Director of Parc de Louvresses II; Director of Parc de Louvresses III; Director of Parc de Louvresses IV; Director of Pole Star; Director of Shopimmo; Director of Société de Développement Commercial d'Anderlecht pour 2000; Chairman of Société de Développement Immobilier Conseil; Chairman of Société Hôtelière du Wiltchers; Chairman of Toleda Invest; Chairman of Warehouse and Industrial Properties.
2	**Benoît De Blieck**	
	Directorships held at 20 December 2012:	Managing Director of the subsidiary Fedimmo SA; Managing Director of the subsidiary Axento SA; Director of subsidiaries Meirfree SA and Vitalfree SA; Director of the Professional Union of the Real-Estate Sector (UPSI) since 2008; Fellow member of the Royal Institution of Chartered Surveyors (RICS) since 2008; Managing Director of Noblieck SA; Manager of BVR SPRL; Manager of BDB Management SPRLu.
	Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Director of the Chambre Belgo-Luxembourgeoise in France; Member of the Management Board of the European Public Real Estate Association (EPRA).
3	**André Sougné (2)**	
	Directorships held at 20 December 2012:	Manager of Arcade Consult BVBA; Permanent representative of Arcade Consult on the Board of Directors of the following companies: ◦ Compagnie Het Zoute Real Estate NV, ◦ Investissement Foncier Woluwé Shopping Center SA, Investissement Foncier Westland Shopping Center SA, Investissement Foncier Auderghem SA and Investissement Foncier Machelen Kuurne SA; Honorary Chairman of the Professional Union of the Real-Estate Sector (UPSI) and of the European Union of Developers and House Builders (UEPC).
	Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Director of Compagnie Het Zoute NV and Compagnie Het Zoute Reserve NV; Managing Director of Danan Invest SA.
4	**Hugues Delpire**	
	Directorships held at 20 December 2012:	Member of the Board and Managing Director of Decathlon SA; Managing Director of Weddell SA; Director of Alsolia SA; Director of Ogea SAS; Member of the Supervisory Board of Décathlon International Shareholding Plan SCA; Member of the Supervisory Board of Oxyval, a joint corporate investment fund under French law.
	Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Director of Ansimmo SA, a subsidiary of Decathlon.

Corporate governance statement

5 Etienne Dewulf [1]

Directorships held at 20 December 2012:	Chairman of the Professional Union of the Real-Estate Sector (UPSI) since 2 February 2012; Permanent representative of Etienne Dewulf SPRL, Director of Thomas & Piron SA and Managing Director of Thomas & Piron Bâtiments SA; Honorary Chairman of the not-for-profit Association des Entrepreneurs Belges de Grands Travaux; Director of the Confédération Construction and member of the Steering Committee; Director of the not-for-profit Association Paroles d'Ados; Director of the Maison de la route; Director of Foncière Kerkedelle SA; Director of Foncière Bavière SA.
Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Chairman and Managing Director of Eiffage Benelux SA and 46 directorships in companies affiliated to Eiffage Group Benelux; Director of Conception et Coordination Léopold SA (CCL); Chairman and Director of Chauffage Central Antoine, Massart et Davin SA.

6 Benoît Godts

Directorships held at 20 December 2012:	Director and member of the Executive Committee of AG Real Estate Group Asset Management; Director and member of the Audit Committee of Ascencio SA, Managing Agent of the Sicafi Ascencio SCA; Director of Fedimmo SA (since it was founded in December 2006); Director of Investissement Foncier Westland Shopping Center; Director of Wolf-Safco; Director of the Conseil Belgo-Luxembourgeois des Centres Commerciaux (Belgo-Luxembourg Council of Shopping Centres); Chairman of the Board of Directors of Immo Nation.
Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Directorships in the following companies: Access, AG Real Estate Asset Management, AG Real Estate Finance, AG Real Estate Management, AG Real Estate Property Management, Certinvest, Crystal Cortenberg, Immolouneuve, IREC Westland, Patrimoine Immobilier, Investissement Foncier Auderghem, Investissement Foncier Woluwe Shopping Center, Investissement Foncier Chaussée de la Hulpe, Investissement Foncier Woluwe Extension, Investissement Foncier Kortrijk Shopping Center, Investissement Foncier Cortenbergh Le Correge, Investissement Foncier Boulevard de Waterloo, Machelen Kuurne, Metropolitan Buildings, Portici, Shopimmo and Sodecoma 2000.

7 Jacques Rousseaux [2]

Directorships held at 20 December 2012:	Manager of Roude BVBA; Director of Fedimmo SA; Director of Luxafoil NV; Director of Private Insurer NV; Director of The Belgian NV; Member of the Guberna Board of Trustees and Chairman of the Guberna Alumni Association; Director/treasurer of not-for-profit association Schoolcomité Sint-Jozef.
Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Director of Ibling NV.

8 Marcus Van Heddeghem

Directorships held at 20 December 2012:	Director of Compagnie Het Zoute NV; Director of Compagnie Het Zoute Real Estate NV; Director of Kinepolis Group NV; Director of Besix Real-Estate Development SA; Manager of MarcVH-Consult BVBA.
Directorships expired at 20 December 2012, held during the years 2008 to 2012:	Director of Leasinvest Real Estate SA (Sicafi); Managing Director of Redevco Retail Comm.V.; Managing Director of Redevco Industrial Comm.V.; Managing Director of Redevco Offices Comm.V.; 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.

COMMITTEES AND COLLEGE

Audit Committee

The Audit Committee assists the Board of Directors of Befimmo SA and the Executive Officers of Befimmo SCA to ensure the accuracy and truthfulness of the Company accounts and financial information of Befimmo SCA. 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 it over and above its statutory duties.

The Committee is composed of three members, two of whom are Independent Directors.

All members of the Audit Committee are competent in accounting, auditing and finance.

During fiscal year 2012, the Committee met eight times and the three members of the Committee attended all meetings.
Over this fiscal year, the members of the Audit Committee of Befimmo SA were:
Jacques Rousseaux (2), Independent Director and Chairman of the Audit Committee;
Benoît Godts, Director linked to the Promoter;
Hugues Delpire, Independent Director.

The remuneration of the members of this Committee is €1,500 per meeting. It is charged to Befimmo SCA.

During the 2012 fiscal year, the following topics were discussed:

- quarterly, half-yearly and annual accounts; presentation of the Annual Financial Report 2011 (fiscal period of five quarters, impact on the presentation of the accounts of the Royal Decree of 7 December 2010 on Sicafis);
- accounting treatment of specific transactions (United States bond issue and private placement, buildings undergoing redevelopment);
- financing policy;
- interest-rate and foreign-exchange risk hedging policy (United States private bond placement);
- examination of the conditions and documents relating to the refinancing operations (quotations by banks, duration of instruments, agreements, etc.);
- contacts with the Statutory Auditor;
- monitoring of the internal audit;
- risk management (review of disputes, monitoring of internal control, etc.);
- review of budgets and outlook for future years (including stress tests);
- regulatory framework: potential impact of the AIFM directive and other regulations;
- implementation of a "liquidity provider and corporate access" agreement;
- buyback (and subsequent resale) of the Company's own shares;
- inter-company financing agreements;
- capital increase of the subsidiaries Meirfree and Vitalfree;
- acquisition of the 10% of the shares in Fedimmo subsidiary that the Company did not yet own;
- distribution of an interim dividend in the form of optional dividend;
- financial impact of the integration of the property management business.

Self-assessment 2011/2012

The Audit Committee conducted an initial self-assessment in 2008. It decided not to conduct a new self-assessment until the latter months of the 2010/2011 fiscal period, to give its new member, appointed in March 2011, time to familiarise himself with the Committee's workings.

In late 2011, the Committee members received and completed a detailed questionnaire, specifically adapted to the role of an audit committee. Based on responses to the questionnaire (and secondarily on the findings of the assessment exercise carried out in 2008), the Audit Committee completed its self-evaluation report on 28 February and presented it to the Board of Directors on 27 March 2012.

(1) In his capacity as permanent representative of Etienne Dewulf SPRL.
(2) In his capacity as permanent representative of Roude BVBA.

Corporate governance statement

The key findings of this report are as follows:
- the composition of the Committee and the expertise of its members comply with the provisions of the 2009 Code and article 526bis of the Code of Company Law, and meet the needs and specific features of the Company;
- the Committee would like to devote more time to supervising risk management (based on an inventory of risks to be updated by the management) and the internal control systems;
- the Committee made some suggestions to improve the effectiveness of its meetings;
- the Committee expressed its complete satisfaction with its relationship with management, the Board and the Company's Statutory Auditor.

Appointment and Remuneration Committee

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 SCA;
- seeking candidates for positions to be filled in the Board of Directors and 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.

Regarding remuneration, the Committee assists the Board of Directors of Befimmo SA by making proposals on:
- the remuneration policy;
- the individual remuneration, setting of performance objectives and performance appraisal for the CEO and other Executive Officers.

The Committee also prepares the remuneration report, which is included in Befimmo SCA's corporate governance statement, and presents it at the General Meeting of shareholders.

The Committee met seven times in the 2012 fiscal year.

The members of the Appointment and Remuneration Committee are:
Marcus Van Heddeghem, Independent Director; Chairman of the Committee; Committee meetings attended during the fiscal year: 7;
Alain Devos, Director linked to the Promoter; Committee meetings attended during the year: 7;
Etienne Dewulf[1], Independent Director; Committee meetings attended during the year: 6.

The remuneration of the members of this Committee is €750 per meeting. It is charged to Befimmo SCA.

The Committee's main activities during the 2012 fiscal year were as follows:
- drafting of the remuneration report for the Annual Financial Report 2010/2011;
- search for a new secretary-general - executive officer and monitoring of the recruitment process during the first half of 2012;
- appointment of the secretary-general as executive officer and compliance officer;
- consideration of the process for the shareholders' approval of the remuneration report at the General Meeting;
- recommendation to the Board of Directors regarding the adjustment of Company salaries with effect from 1 January 2013 and the award of variable remuneration for 2012;
- review of the financial terms of the contracts of employment of staff of AG Real Estate Property Management who will join Befimmo in 2013;
- recommendations to be made to the Board regarding a termination agreement to be concluded with the Managing Director of Befimmo SA and an agreement to be concluded with the new Managing Director with effect from 20 December 2012;
- consideration and discussion of results of surveys on the remuneration of Belgian executive and non-executive company directors.

Self-assessment

The Appointment and Remuneration Committee conducted its first self-assessment during the second half of the year. Its members received and completed a brief questionnaire and then discussed their responses to the questionnaire.
The Committee drafted a self-assessment report and presented it to the Board of Directors on 10 December 2012.

The main conclusions of this self-assessment are:
- the composition of the Committee, the skills of its members and the role it performs comply with the applicable corporate governance provisions (the 2009 Code and article 526quater of the Code of Company Law);

- the Committee is fully satisfied with his relationship with the CEO and with the Board of Directors;
- regarding appointments, the Committee notes that there is no succession planning in the Company. The Committee has not so far considered that such plans were needed, particularly with regard to the size of the Company, internal resources and, where appropriate, recruitment opportunities in the business segment; however, it specifically drew the Board's attention to the matter;
- regarding remuneration, the Committee concluded that it should pay more attention to setting performance targets for the CEO and other Executive Officers, to provide a more objective basis for the award of any variable annual remuneration.

Supervisory College of the day-to-day management

The Supervisory College of the day-to-day management ensures that the Managing Director and other Executive Officers implement and abide by procedures and methods covering all day-to-day management. Its duties do not include checking all the actions of the Managing Director and other executive officers nor assessing the merits of the decisions they take.

The College consists of two Non-Executive Directors, who meet the Managing Director as appropriate.

During the 2012 fiscal year, the Committee met 7 times and the two members attended all meetings.

The members of the College during this financial year were:
Benoît Godts, Director linked to the Promoter;
André Sougné (2), Independent Director.

The remuneration of the members of this Committee is €750 per meeting. It is charged to Befimmo SCA.

Apart from monitoring the ongoing real-estate business, the Committee was called upon in particular to consider the following issues:

- recruitment of a secretary-general and organisation of legal activity;
- selection procedures for architects and contractors and standard architecture contracts;
- selection procedure for consultants (particularly on environmental issues), lawyers and tax advisers and consultants;
- management of the various types of insurance policies;
- the Company staff recruitment procedure;
- the organisation of the future integration within the Sicafi of the property-management team from AG Real Estate Property Management.

MANAGING DIRECTOR OF BEFIMMO SA, MANAGING AGENT OF THE SICAFI

The Board of Directors delegates day-to-day management to the Managing Director who regularly reports back on his management activities, prepares the meetings of the Board of Directors and implements the management decisions.

The Managing Director makes proposals to the Board of Directors on strategic matters, investments, disinvestments and financing. Currently, the Managing Director of Befimmo SA is also Befimmo SA's permanent representative in the Sicafi and the CEO.

He is Mr Benoît De Blieck.

The Managing Director's remuneration is set out in the remuneration report hereafter.

EXECUTIVE OFFICERS

Pursuant to article 39 of the law of 3 August 2012, Befimmo SCA has appointed the following Executive Officers for an indefinite duration: the Managing Director of Befimmo SA (Mr Benoît De Blieck, Chief Executive Officer of Befimmo), Mrs Martine Rorif, Chief Operating Officer of Befimmo, Mr Laurent Carlier, Chief Financial Officer of Befimmo and Mrs Jeannine Quaetaert, who also served as General Counsel and

(1) In his capacity as permanent representative of Roude BVBA.
(2) In his capacity as permanent representative of Etienne Dewulf SPRL.

Corporate governance statement

Secretary-General of Befimmo until 30 June 2012.

Under their terms of reference, the Executive Officers are responsible for running Befimmo and its policy-making in accordance with the decisions of the Board.

With the exception of the CEO, the Executive Officers are remunerated in their capacity as members of the management team, under a contract of employment with Befimmo SCA.

The various components of the Executive Officers' remuneration are described in the remuneration report hereafter. They do not receive any remuneration from Fedimmo SA. The attendance tokens received by Mr De Blieck, Mr Carlier and Mrs Rorif as directors of Fedimmo SA, are automatically returned to Befimmo SCA.

The Executive Officers lead a team of 48 staff (as at 31 December 2012) 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) Mr Rikkert Leeman (Chief Technical Officer) and Mrs Emilie Delacroix (Investor Relations and External Communication Manager).

Befimmo's corporate social responsibility is fully integrated into its day-to-day management.

At the strategic level, the sustainable development team consists of four people, two of whom are Executive Officers: the Chief Financial Officer, the Chief Operating Officer, the Chief Technical Officer and the Investor Relations & External Communication Manager. This team, in cooperation with the Chief Executive Officer, is responsible for developing and monitoring the environmental programme, freeing up sufficient human resources, and conducting the annual management review.

The position of General Counsel and Secretary-General of Befimmo was held by Mrs Jeannine Quaetaert until 30 June 2012 and Mrs Aminata Kaké from 1 July 2012.

REMUNERATION REPORT

General

During fiscal year 2009/2010, the Appointment and Remuneration Committee drafted a document describing the remuneration policy for the Directors of Befimmo SA and the Company's Executive Officers. This document was approved by the Board of Directors on 15 October 2010. It is an integral part of the Company's corporate governance charter and is published on the Befimmo website: www.befimmo.be.

Befimmo SA's remuneration policy is designed to reward those involved in running the Company in a way that allows it to attract, retain and motivate the staff selected, taking account of the Company's characteristics and challenges, while properly and effectively managing risk 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, the Company 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. The Company did not make any changes to this document before 20 December 2012.

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. This remuneration is drawn on Befimmo SCA.

The Managing Director of Befimmo SA – who is the only Executive Director of Befimmo SA and is not remunerated as a Director – holds the post of **CEO** of Befimmo SCA. He is also classed as an Executive Officer of Befimmo SCA. His remuneration is set by the Board of Directors of Befimmo SA, on a proposal of the Appointment and Remuneration Committee and is drawn on Befimmo SCA.

The Board of Directors of Befimmo SA decides on the recruitment, promotion and fixed and variable remuneration of each of these **other Executive Officers** of Befimmo SCA, on a proposal of the Appointment and Remuneration

Committee, after it has first consulted the CEO.

When determining annual variable remuneration, the Committee receives an activity report from the CEO and an overview of the Company's key performance indicators for the fiscal year concerned. The CEO is invited to the Committee meeting to comment on his activity report and his own performance, to give his opinion on the performance of the other Executive Officers and to make proposals for their fixed and variable pay. Next, the Committee deliberates, in the absence of the CEO, and makes recommendations for the fixed and variable pay of the CEO and other Executive Officers; the Board then takes the relevant decisions.

Remuneration and benefits

The remuneration and benefits mentioned below are in accordance with the Company's remuneration policy. There is no share option plan or share benefit plan for the Non-Executive Directors or Executive Officers.

The **Non-Executive Directors** of Befimmo SA receive a fixed annual remuneration in that capacity. They also receive tokens for attending meetings as members of the Befimmo SA Board of Directors and its Committees. Their total remuneration for fiscal year 2012 will be paid in May 2013. It is charged to the Sicafi, which makes provision for it at the close of its fiscal year.

The Non-Executive Directors 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.

The Managing Director receives remuneration not as a Director, but as Chief Executive Officer. The **CEO** works as a self-employed person. The Board of Directors, on a proposal of the Appointment and Remuneration Committee, decides on the annual variable remuneration on the basis of contractual criteria relating to the cash flow, execution of the budget and an

Directors – Remuneration for the 2012 fiscal year

	BEFIMMO					FEDIMMO	
	Fixed annual remuneration	Attendance tokens				Attendance tokens	
(in €)	Board of Directors	Board of Directors	Audit Committee	Appointment and Remuneration Committee	Supervisory College of the day-to-day management	Board of Directors	Total
BVBA Arcade Consult - André Sougné	10 000	55 000			4 500		**69 500**
Hugues Delpire	10 000	50 000	12 000				**72 000**
Alain Devos	10 000	50 000		5 250			**65 250**
SPRL Etienne Dewulf - Etienne Dewulf	10 000	55 000		4 500			**69 500**
Benoît Godts	10 000	47 500	12 000		4 500	12 500	**86 500**
BVBA Roude - Jacques Rousseaux	10 000	57 500	12 000			13 750	**93 250**
Marcus Van Heddeghem	10 000	42 500		5 250			**57 750**
Total for Directors	**70 000**	**357 500**	**36 000**	**15 000**	**9 000**	**26 250**	**513 750**

Corporate governance statement

overall assessment of his management of the Company over the fiscal year. The variable remuneration for the 2012 fiscal year will be paid on 31 March 2013 at the latest.

The CEO has a pension plan (a mixed scheme of defined contributions and defined benefits), a guaranteed income insurance and hospitalisation insurance. He is also paid a flat-rate monthly allowance for using his private car for business purposes, and the Company pays him a fixed allowance for his business expenses. The cost to the Company of these various benefits for fiscal year 2012 is also given in the table herafter.

A severance grant of €650,000 was set by contract in September 2006 (before the entry into force of the 2009 Code and paragraph 4 of article 554 of the Code of Company Law).

The **other Executive Officers** are Company employees. They may receive variable remuneration not exceeding 25% of their annual pay. Any variable remuneration is awarded, by decision of the Appointment and Remuneration Committee at year end, on a proposal of the CEO, on the basis of several criteria.

The Company has not provided for a right to recover all or part of any variable remuneration allocated on the basis of incorrect information.

At its meeting of 5 March 2013, the Board of Directors, on a proposal of the Appointment and Remuneration Committee, decided to award them variable remuneration for the 2012 fiscal year based on the following predefined criteria:
- successful operational results (investments and disinvestments on favourable terms, over the fiscal year, progress on the preparatory stage of the construction of the future Finance centre in Liège);
- continued efforts on sustainable development;
- ongoing refinancing initiatives on favourable terms for the Company;
- achievement of a substantially improved cash flow in relation to forecasts;
- good coordination of the objectives of the Befimmo team.

They have a pension plan (defined-benefits scheme) which cost the Company € 133,649. 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 hereafter.

The contracts of employment of these Executive Officers do not contain any reference to a severance grant.

REPORT ON INTERNAL CONTROL AND RISK-MANAGEMENT SYSTEMS

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

Executive Officers - Remuneration for the 2012 fiscal year

(in €)	Fixed remuneration	Variable remuneration	Post-employment benefits	Other components of remuneration and miscellaneous benefits	Contractual severance grant	Total
Benoît De Blieck (until 20.12.2012)	335 417	156 000	98 255	36 766	650 000	1 276 437
Other Executive Officers (1)	634 759	208 952	133 649	66 102	-	1 043 462
Total for Executive Officers	**970 176**	**364 952**	**231 904**	**102 868**	**650 000**	**2 319 899**

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, the Appointment and Remuneration Committee) and one Supervisory College of the day-to-day management.
- 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 in charge of organising risk management.
- 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 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 auditing service, which 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: www.befimmo.be.

Ethics

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 at www.befimmo.be.

Risk analysis and control activities

This analysis is based on a regular 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. The findings of this study provide 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 the chapter entitled "Risk factors" of this Report. That chapter also describes the measures taken to control and limit the potential impact of each of the risks identified.

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 financial department. The accounts team produces the accounting figures using Lisa accounting software, under the supervision of the chief accountant. The controlling team checks the validity of these figures 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 corresponding press release 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 provider) and weekly backups onto tape.

(1) Including social charges.

Corporate governance statement

Players involved in the supervision and assessment of internal control

The quality of internal control is assessed over the fiscal year:

- by internal audit: during fiscal 2012, three internal audits were carried out, on property management (technical part), reporting and the risk of insolvent tenants;
- by the Audit Committee: over fiscal year 2012, 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;
- by the Statutory Auditor in the context of its review of the half-yearly and annual accounts. Over fiscal year 2012, the Statutory Auditor made recommendations in particular concerning the keeping of the financial statements;
- by the Supervisory College of the day-to-day management: during fiscal year 2012, in particular the Committee conducted a review of the procedures for the assignment of tasks or work to architects, contractors, consultants and lawyers and a review of the recruitment of Company staff.

The Board of Directors supervises the performance of the duties of the Audit Committee in that connection, notably through that Committee's reports to the Board.

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 control. The FSMA may also ask it to confirm the accuracy of other information sent to the FSMA.

The General Meeting of Befimmo SCA of 15 December 2010 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 Neckebroeck and Mrs Kathleen De Brabander, business auditors, acting jointly, for three fiscal periods.

The Statutory Auditor's fees for fiscal year 2012 amount to €66,000 excluding VAT. In fiscal year 2012 it also provided additional services as part of its statutory duties for a fee of €64,950 excluding VAT. In addition to its statutory role, during fiscal year 2012 Deloitte and its affiliated companies also provided services related to other non-auditing duties for a fee of €31,365 excluding VAT.

Deloitte, represented by the same auditors, has also been appointed as Statutory Auditor of most Befimmo SCA subsidiaries. The fees of the Statutory Auditor, for fiscal year 2012, for auditing the accounts of Fedimmo SA, Meirfree SA and Vitalfree SA amount to €30,000 excluding VAT.

External 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 John Psaila, Partner. The fees for auditing the accounts of Axento SA for the 2012 fiscal year amount to €10,900 excluding VAT.

Real-estate experts

In accordance with the Royal Decree of 7 December 2010, Befimmo SCA calls on external experts for regular or occasional valuations of its property assets. For the three-year period commencing on 1 January 2012, Befimmo appointed three real-estate experts which have an excellent knowledge of the market and an international reputation, namely:

- DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans), which values the properties in the portfolio of Fedimmo SA;
- Price Waterhouse Coopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme), which values the properties of Befimmo SCA that are on long-term leases;
- Jones Lang LaSalle (represented by Mr Rod. P. Scrivener), which is responsible for assessing all the properties of Befimmo SCA that are not included in the expert mission of Price Waterhouse Coopers and which will take over in its summary report the values established by DTZ-Winssinger & Associés and Price Waterhouse Coopers using their respective valuation methods.

For the 2012 fiscal year, the fees paid to these experts for their quarterly valuations amounted to:

- DTZ-Winssinger & Associés: €124,985.93 excluding VAT,
- Price Waterhouse Coopers: €41,146 excluding VAT,
- Jones Lang LaSalle: €113,587.50 excluding VAT.

RESEARCH AND DEVELOPMENT

Befimmo did not carry out any research or development activities during the period.

RULES FOR PREVENTING CONFLICTS OF INTEREST

Principles

Regarding the prevention of conflicts of interests, Befimmo is governed firstly by legal rules – articles 523 and 524 of the Code of Company Law and article 18 of the Royal Decree of 7 December 2010 (which requires the FSMA to be notified beforehand of transactions planned with persons referred to by that provision, such transactions to take place under normal market conditions and to be made public) – and secondly by the supplementary rules of its corporate governance charter.

Accordingly, where a Director of the Managing Agent has an interest that conflicts with that of Befimmo SCA, in the interests of transparency Befimmo applies the procedure provided for by article 523 of the Code of Company Law. Whenever it would be contrary to the interests of the shareholders of Befimmo SCA for the director concerned to be informed of the terms on which Befimmo SCA 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 SCA has completed the transaction or decided not to pursue it).

If Befimmo SCA 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 minor 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 SCA nevertheless requires:

- that director to 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;
- him to refrain from taking part in the Board's debate on the transaction or the relevant vote;
- whenever it would be contrary to the interests of Befimmo SCA shareholders for the director concerned to be informed of the conditions under which Befimmo SCA would be prepared to carry out the transaction concerned, him not to be sent the preparatory notes and the item to 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. If the transaction does take place, it must be mentioned in the "Corporate Governance" chapter of the Annual Financial Report, but the minutes for the transaction need not be reproduced in full (article 27 of the charter).

Since Befimmo SA's Directors are appointed 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 SCA 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 report such a situation to the Chairman of the Board of Directors and the Managing Director. 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 advisable 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.

Obligatory information pursuant to the Code of Company Law (articles 523 and 524)

Up to 20 December 2012, no transactions gave rise to the application of article 523 of the Code of Company Law.

Over the past fiscal year, two transactions led to the application of article 524 of the Code of Company Law which, subject to certain exceptions, requires transactions with affiliated companies to be submitted for the opinion of a committee of independent directors, assisted by an independent expert.

1. The Board decided to apply the procedure laid down in article 524 in the context of its decision on the Sicafi's acquisition by the shares of its Managing Agent, Befimmo SA and the conclusion of a contract to take over the property management business operated by AG Real Estate Property Management under a service agreement with Befimmo, subject to the suspensory condition of the transformation of Befimmo SCA into a Limited Liability Company. In fact, this operation involved the conclusion of an agreement with companies affiliated to the Sicafi.

   The Board set up an internal committee of three independent directors, assisted by Mrs Christel Wymeersch, auditor and partner of Ernst & Young Réviseurs d'entreprises sccrl, as an independent expert, who delivered a reasoned opinion in writing on 10 October 2012. Following this report, the committee of independent directors met and drafted its opinion on 11 October 2012 and sent it to the Board on 26 October 2012.

   The opinion of the independent expert concludes as follows[1]:
   " 1) In our view, the proposed transaction is not liable to cause damage that is grossly unfair in the light of the company's policy.
   2) The proposed transaction entails potential gains and/or losses.
   Gains:
   Following this transaction, an amount estimated at EUR 1.3 million per year will no longer be paid to an entity owned by a third party, which will help to increase the profit that can be distributed to all shareholders.
   Market data, such as those presented by a merchant bank, suggest a negative correlation between (perceived) external management and the share price. This transaction may therefore help to quash this perception in relation to Befimmo and hence potentially have a positive impact on the share price.
   Potential losses:
   A financial loss might be incurred by paying an excessively high purchase price for the shares in Befimmo SA. In our view, the proposed price is in line with the valuation by Befimmo SCA management.
   The transfer of the property management business could potentially create risks, notably in terms of commitments and responsibilities to staff, in relation to the historical periods prior to the transfer. In our view, based on the provisions in the term sheet relating to this point, a proper ring fencing system has been put in place.
   3) Accordingly, on the basis of our analysis, and provided that appropriate contractual documentation is put in place, we see no reason why the operation should harm the company."

   In conclusion, based on the information it was given, its analysis of the situation, and the opinion of the independent expert,
   the committee of independent directors took the view that:
   - *" the acquisition of the company Befimmo SA by the Sicafi for a price of €21 million, the transformation of the Sicafi into a limited-liability company and the takeover of the property management business within the framework defined do not confer any unfair advantage on the AG group and, more generally, would be in line with market practice;*
   - *and, therefore, the financial consequences of this operation and the advantages it offers the Company are not liable to cause manifestly excessive damage to the Company or its shareholders in the light of the company's policy, or any loss."*

   According to the minutes of the meeting of the Board of Directors of 26 October 2012, after reading the positive opinion above, the Board noted that "*the procedure laid down in article 524 of the Code of Company Law was followed*", after discussion it decided, subject to the suspensory condition of approval by the General Meeting of Shareholders to transform the Sicafi into a limited-liability company, to approve the agreements for (i) the transfer of the shares in Befimmo SA and (ii) the transfer of the property management business, to be concluded by Befimmo SCA, AGRE and affiliates of the latter.

The reasoned opinion of the committee of independent directors and the minutes of the meeting of the Board of Directors of 26 October 2012 were submitted to the Statutory Auditor which issued the following assessment:
"On the basis of our procedures, we would make the following observations:
- *regarding point (a) above, we note that the conclusion set out in the minutes of the 26 October 2012 Board meeting tallies with the conclusion of the opinion of the committee of independent directors;*
- *regarding point (b) above, we note that the financial data set out in the opinion of the committee of independent directors and in the minutes of the Board meeting are accurate. This does not mean that we have assessed the amounts of the transactions or the merits of the decision of the Board of Directors.*

Our report may be used solely in the context of the transactions described above and not for any other purposes. This report relates only to the data referred to above, and not any other data of any kind.

8 February 2013
DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
SC s.f.d. SCRL
Represented by
Rik Neckebroeck
Kathleen De Brabander"

2. The Board of Directors also decided, to the extent necessary, to apply the article 524 procedure in the context of its decision to allocate an interim dividend either in cash or in shares. The share dividend was linked to a capital increase within the limits of the authorised capital, in which companies affiliated to Befimmo SCA could take part. The Board set up an internal committee of three independent directors, assisted by the auditor Mr Luis Laperal as an independent expert, which delivered a reasoned opinion to the Board in writing on 23 November 2012. The committee's opinion read as follows (1):
"To sum up, after considering the opinion of the independent expert of 22 November 2012, which concludes as follows:
"The planned capital increase is by definition open to all shareholders holding the required number of coupons to request conversion of their entitlement and thus subscribe to at least one share. In the case under consideration, assuming that only AG Insurance SA and various affiliated companies opted for this conversion, this would entail a mechanical dilution for other shareholders of approximately 0.71% if they did not take that option.
This limited dilution would not be such as to cause damage that was grossly unfair or contrary to the interests of the Company", and on the basis of the considerations in their opinion, the members of the committee unanimously concluded that the proposed transaction:
- *"is in the interests of the Company and its shareholders;*
- *is not such as to cause damage to the Company that is grossly unfair in the light of its policy;*
- *and, causes no harm, to the Company or its shareholders since, assuming that only companies affiliated with Befimmo SCA opted for the stock dividend, the mechanical dilution for the other shareholders would be only about 0.71% (assuming an exchange ratio of 24 coupons to one new share)."*

According to the minutes of the meeting of the Board of Directors of 23 November 2012, after considering the positive opinion above, the Board noted that "*the procedure under article 524 of the Code of Company Law has been followed*", discussed the matter and decided "*to offer shareholders the opportunity to receive the interim dividend payable in December 2012, in cash or in shares*".

The reasoned opinion of the committee of independent directors and the minutes of the meeting of the Board of Directors of 23 November 2012 were submitted to the Statutory Auditor which issued the following assessment (1):
"On the basis of our procedures, we would make the following observations: regarding point (a) above, we note that the conclusion set out in the minutes of the 23 november 2012 Board meeting tallies with the conclusion of the opinion of the committee of independent directors; regarding point (b) above, we note that the financial data set out in the opinion of the committee of independent directors and in the minutes of the Board meeting are accurate. This does not mean that we have assessed the amounts of the

(1) This is a translation of the original report which was drafted in French.

transactions or the merits of the decision of the Board of Directors.

Our report may be used solely in the context of the transactions described above and not for any other purposes. This report relates only to the data referred to above, and not any other data of any kind.

8 February 2013
DELOITTE Bedrijfsrevisoren/ Réviseurs d'Entreprises
SC s.f.d. SCRL
Represented by
Rik Neckebroeck
Kathleen De Brabander"

Application of article 18 of the Royal Decree of 7 December 2010

Article 18 of the Royal Decree of 7 December 2010 requires a Sicafi to inform the FSMA in advance of any transaction that it intends to carry out with an affiliated company. Over the fiscal year, that article was applied in respect of three cases:

- to the extent necessary in the context of an optional dividend, the Company declared that some Directors of Befimmo SA and some Executive Officers of Befimmo SCA and the Sicafi's promoter (AG Real Estate Asset Management), owing to their status as shareholders, would have the opportunity to subscribe to new shares;
- the second case concerns the acquisition by the Company of the shares of its Managing Agent, Befimmo SA, and the conclusion of a contract to take over the property management business carried out by AG Real Estate Property Management under a service agreement with the Company;
- finally, in connection with the approval of Fedimmo SA as an Institutional Sicafi, the Company notified the FSMA of its intention to conclude an agreement delegating the operational management of Fedimmo SA to Befimmo.

These transactions were notified to the FSMA.

Operations not covered by the legal provisions on conflicts of interest

In line with the rules to prevent conflicts of interest laid down in the Company's corporate governance charter, Mr A. Devos and Mr B. Godts did not attend three Board meetings, which discussed the proposed acquisition by the Company of its Managing Agent, Befimmo SA, and the takeover by the Company of the property management business operated by AG Real Estate Property Management SA on behalf of the Sicafi.

Further information

Services provided by the AG Real Estate group

Befimmo continued the contract with AG Real Estate Property Management SA (AG RE PM) and for the year ended 31 December 2012, AG RE PM invoiced fees under this contract of the order of €1,634,953.29 including VAT, including net fees of €316,965.34 including VAT directly borne by Befimmo. The open balance in Befimmo's accounts at the closing date was a trade debt of €78,122.83 including VAT.

In its day-to-day management, Befimmo may have occasional access to certain fiscal services, provided by the Promoter's group. These services are billed at market rates.

During the fiscal year to 31 December 2012, Befimmo spent €14,520.00 including VAT on such fiscal consultancy services.

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 SCA, 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 legally 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 SCA.

Application

Over the past fiscal year, the duties of Compliance Officer of Befimmo SCA were provided by Mrs Jeannine Quaetaert.

The above-mentioned rules were applied without giving rise to any difficulties.

SHAREHOLDINGS AND STOCK OPTIONS

Befimmo has not so far set up any stock award or stock options scheme.

As at 20 December 2012, the Managing Director and one other Executive Officer held shares in Befimmo SCA:
Benoît De Blieck: 1,310 shares,
Laurent Carlier: 156 shares.

At the same date, the following Non-Executive Directors of Befimmo SA (or their permanent representatives) held shares in Befimmo SCA:
Benoît Godts: 953 shares,
Jacques Rousseaux: 214 shares,
André Sougné: 1,125 shares.

Factors liable to have an influence in the event of a takeover bid (up to 20 December 2012)[1]

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 SCA's administrative body in that respect are restricted by the Company's Sicafi status.

While a company that does not have that status must be managed in the interests of the company, which may cover a range of interests (the interests of the shareholders and also those of the group to which the company belongs, of the workforce, etc.) and while the decisions of the administrative body for implementing the mechanisms provided for in the event of a takeover bid are assessed in the light of those company interests, any Sicafi must be managed in the interests of the shareholders alone, and these are the only interests that the administrative body may take into consideration when appraising a takeover bid.

Capital structure, indicating any different categories of shares and, for each category of shares, the associated rights and obligations 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)).

Like any partnership limited by shares, Befimmo SCA has two categories of partners: one partner with unlimited liability (Befimmo SA) and limited partners.

Befimmo SA is also the Managing Agent of Befimmo SCA and, as such, is entitled to the remuneration laid down in article 21 of the articles of association. The Managing Agent may not be dismissed, except by a court on just grounds (article 18 of the articles of association of Befimmo SCA). Besides those linked to the structure of a partnership limited by shares, the Managing Agent has certain powers concerning the right to issue or buy shares (clause on authorised capital and authorisation for buying and selling its own shares).

These powers were not designed specifically for the case of a takeover

Corporate governance statement

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 9 of the articles of association of Befimmo SCA, the Managing Agent is authorised to increase the 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 residual amount of €253,194,780.59. This authorisation was granted for five years as from the date of publication of the minutes of the General Meeting of 22 June 2011 (5 July 2011) in the annexes to the Belgian Official Gazette. Since the use of the authorised capital in connection with the acquisition, on 3 October 2012, of the 10% of the shares in the subsidiary Fedimmo that the Company did not already own, and the latest capital increases, within the authorised capital, following the distributions of an interim dividend in cash or new shares, set down in the notarial deeds of 15 December 2011 and 19 December 2012, the residual authorised capital currently amounts to €228,594,642.65; the use of the clause may lead to a significant increase in shareholders' equity, higher than the above-mentioned amount since the issue price of the new shares set by the Managing Agent includes an issue premium;
- pursuant to the same provision and subject to the same conditions, the Managing Agent is authorised to issue convertible bonds or subscription rights (this authorisation was granted for a period of five years from 5 July 2011);
- pursuant to article 13.2 of the articles of association of Befimmo SCA, the Managing Agent "*is authorised (within the statutory limits) to acquire fully paid-up shares in Befimmo SCA where such acquisition is necessary in order to prevent serious and imminent damage to the Company. This authorisation is valid for three 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 three-year periods*";
- pursuant to article 13.4 of the articles of association of Befimmo SCA, the Managing Agent is also "*authorised to dispose of the Company's own shares that it has acquired in the following cases: 1) where these shares are listed in the meaning of article 4 of the Code of Company Law; 2) where the resale takes place on a stock exchange or as a result of a takeover bid addressed under the same conditions to all shareholders, in order to prevent serious and imminent damage to the Company (this authorisation being valid for a period of three years as from the date of publication of the minutes of the meeting of 22 June 2011 and renewable for further three-year periods); 3) in all the other cases permitted by the Code of Company Law.*"
- <u>Restriction of voting rights by law or the articles of association (Royal Decree, article 34,5°).</u>
  No provision of the articles of association restricts the voting rights of Befimmo SCA's partners since, as stated above, a decision may be adopted by the General Meeting only with the consent of the Managing Agent.

Moreover, we would point out that, in accordance with article 29 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 on 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; - by provision of 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 General Meeting, of the shareholder's desire to participate in the General 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°).
Pursuant to article 8 of the Royal Decree of 7 December 2010 Sicafis, any draft amendment of 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. Like any decision of the General Meeting, amendments to Befimmo SCA's articles of association require the consent of the Managing Agent.

• 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°).
IIt 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's capital were to have a material adverse effect on the Company.

The following banks have such a change-of-control clause:
ABN Amro, Banca Monte Paschi, Banque LBLux, Banque de l'Économie du Commerce et de la Monétique, BBVA, BCE Luxembourg, Belfius, Degroof, BNP Paribas Fortis Bank, ING, KBC, Lloyds, Mizuho 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. Similarly, 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 change of control.

(1) This section of the Report refers to the Company's articles of association before its transformation into a Limited Liability Company.

Governance structure from 20.12.2012

The preceding pages of this chapter, "Corporate governance statement", describe the structure and organisation of the Company from 1 January to 20 December 2012.

This section mentions only the changes made to the governance structure on 20 December 2012.

The shareholders of the Company, at the Extraordinary General Meeting on 20 December 2012, approved several proposals made by the Company:

- a change-of-control clause inserted into a loan agreement concluded on 26 September 2012 with Royal Bank of Scotland PLC;
- the transformation of the Sicafi from a Partnership Limited by Shares into a Limited Liability Company;
- the adoption of the articles of association of the Company in its new form;
- the appointment of Directors to the Company's first Board of Directors.

The Directors appointed for the first time by the General Meeting of shareholders of the Sicafi to the Board of Directors of Befimmo SA began a new first term 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 Managing Agent of the former Sicafi (whether as individuals or as representatives of a legal person), before it was transformed into a limited-liability company. It was therefore proposed that the General Meeting of Shareholders appoint those Directors to the first Board of the Company 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, the Company will take account of terms served as an Independent Director at Befimmo SA and years elapsed as a Non-Executive Director of the former Managing Agent.

After the General Meeting, the Board of Directors of the Company met, appointed its Chairman and the chairmen and members of its various committees. The Board also appointed its Managing Director.

PRINCIPLES

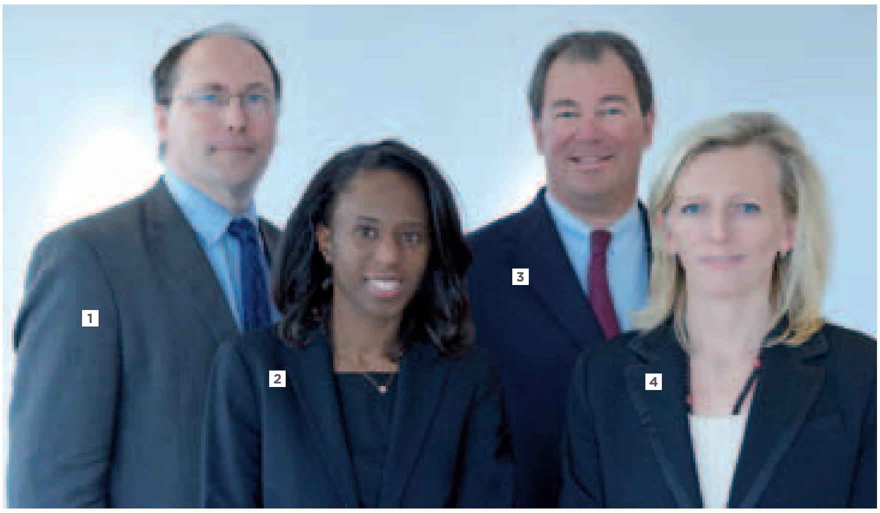
After the transformation of 20 December the Company continues to abide by the same rules of governance set out in the 2009 Code, the Code of Company Law and its governance documents.
A new version of the latter was adopted by the Board of Directors on 20 December 2012, to reflect the new structure, and were immediately published on the website www.befimmo.be.

(1) Based on the latest transparency declarations received on 15 October 2008 and the prior undertaking to subscribe to the capital increase of June 2009 for all the rights they held.
(2) *Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij.*
(3) Based on the latest transparency declarations received on 8 October 2012 and on the information received on 25 February 2013.

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Following the appointments made on 20 December by the shareholders of the Sicafi, and then by its Board of Directors, the composition of the Board and its committees is as follows.

Name Position on the Board	First appointed	Directorship expires
A. Devos SPRL represented by its permanent representative, M. Alain Devos Chairman, Non-Executive Director linked to a shareholder	December 2012	Ordinary General Meeting 2015 (1)
SPRLu BDB Management represented by its permanent representative, M. Benoît De Blieck Managing Director	December 2012	Ordinary General Meeting 2015 (1)
BVBA Arcade Consult represented by its permanent representative, M. André Sougné, Independent Non-Executive Director	December 2012	Ordinary General Meeting 2013 (1)
Hugues Delpire Independent Non-Executive Director	December 2012	Ordinary General Meeting 2015 (1)
SPRL Etienne Dewulf represented by its permanent representative, M. Etienne Dewulf, Independent Non-Executive Director	December 2012	Ordinary General Meeting 2015 (1)
Benoît Godts Non-Executive Director, linked to a shareholder	December 2012	Ordinary General Meeting 2015 (1)
BVBA Roude represented by its permanent representative, M. Jacques Rousseaux, Independent Non-Executive Director	December 2012	Ordinary General Meeting 2013 (1)
MarcVH-Consult BVBA represented by its permanent representative, M. Marcus Van Heddeghem Independent Non-Executive Director	December 2012	Ordinary General Meeting 2014 (1)



Executive Officers

Board of Directors

The profiles of the Directors and positions they held – or the permanent representatives of companies appointed as Directors – are set out before in the section on the structure in force up to 20 December 2012.

Accordingly, the Managing Director, BDB Management SPRLu, represented by its permanent representative Mr De Blieck, has the following mandates:

- Managing Director of Fedimmo, Befimmo Property Services, Axento, subsidiaries of Befimmo SA;
- Director of Meirfree and Vitalfree, subsidiaries of Befimmo SA;
- Director of Noblieck SA and Manager of BVR SPRL.

The Board of Directors intends to follow the provisions of article 518bis of the Code of Company Law regarding gender diversity within the Board. Among the measures the Board has taken to improve the representation of women among the members, at its meeting on 19 February 2013, it decided to submit a proposal to the Ordinary General Meeting of 30 April 2013 to renew the mandates of Arcade Consult BVBA (represented by its permanent representative André Sougné) and Roude BVBA (represented by its permanent representative Jacques Rousseaux), for a term limited respectively to one year (expiring at the Ordinary General Meeting of 2014) and to two years (expiring at the Ordinary General Meeting of 2015), in order to foster the appointment of women upon the expiry of those directorships.

Audit Committee

Jacques Rousseaux (2), independent Director, Committee Chairman;
Benoît Godts, Director linked to the Promoter;
Hugues Delpire, Independent Director.

Appointment and Remuneration Committee

Marcus Van Heddeghem (3), Independent Director, Committee Chairman;
Alain Devos (4), Director linked to the Promoter;
Etienne Dewulf (5), Independent Director.

The new Appointment and Remuneration Committee met once after its appointment, on 20 December 2012, with all three members present.

Executive Officers

The Board of Directors of Befimmo SA appointed BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blieck **(3)**, as executive officer.

The other three Executive Officers, already appointed by Befimmo SCA before the transformation, remained in office. They are Mr Laurent Carlier **(1)**, Mrs Martine Rorif **(4)** and Mrs Jeannine Quaetaert.

At the same meeting, the Board of Directors officially noted the resignation of Mrs Quaetaert as Executive Officer and Compliance Officer at 31 December 2012 and, on a proposal of the Appointment and Remuneration Committee, appointed Mrs Aminata Kaké to those positions with effect from 1 January 2013. Mrs Aminata Kaké **(2)** holds the position of General Counsel and Secretary-General.

Mrs Kaké joined Befimmo on 1 July 2012. She began her career in 2000 as a legal adviser in corporate banking, structured finance and corporate restructuring with Artesia Banking Corporation (prior to its merger with Dexia Bank Belgium in 2002). In June 2004, she then served as deputy secretary-general of Dexia Bank Belgium, before joining Dexia Holding in December 2005, as deputy secretary-general and later head of the general secretariat, in charge of corporate law, the financial regulation and governance. Mrs Kaké holds a law degree (Master ULB specialising in economic law, 2000) and has been a member of the Belgian Institute of Corporate Lawyers since 2001.

REMUNERATION REPORT

As proposed at the meeting of the Company's shareholders, the directorships are remunerated and that remuneration will be equivalent to that received, if any, by those persons or their permanent representatives under the directorships held in Befimmo SA as Managing Agent of the Company prior to the transformation. Since the Managing Director of the Company has been a company since 20 December 2012, the equivalent of

(1) The Ordinary General Meeting is held on the last Tuesday of April of the year concerned.
(2) As permanent representative of Roude BVBA.
(3) As permanent representative of MarcVH-Consult BVBA.
(4) In his capacity as permanent representative of A. Devos SPRL.
(5) In his capacity as permanent representative of Etienne Dewulf SPRL.

Corporate governance statement

Remuneration of SPRLu BDB Management
between 20 December 2012 and 31 December 2012

(in €)	Fixed remuneration	Post-employment benefits	Other components of remuneration and miscellaneous benefits	Total
SPRLu BDB MANAGEMENT	14 436	-	-	14 436

the fixed remuneration (and benefits) will be paid as a gross monthly/annual amount, plus variable remuneration, if any. Similarly, the agreement with the Managing Director provides for financial compensation in the event of severance of just over 12 months of fixed remuneration (€650,000), on a reasoned opinion of the Appointment and Remuneration Committee, in accordance with article 554 of the Code of Company Law.

The remuneration of the other Executive Officers is unchanged.

The Company has adapted the remuneration policy document to reflect the effect of changing the Company's fiscal year (decided in June 2011) on the appraisal period for the executive officers and all Company staff, and consequently the time of year when any adjustments to fixed and variable pay will take place.

At the moment, the Company does not intend to make significant changes to its remuneration policy over the next two fiscal years, unless it decides to set up a stock award or stock options scheme for the Executive Officers in future.

However, since the latest pay review for Non-Executive Directors took place on 1 October 2007, the Board invited the Appointment and Remuneration Committee to conduct an analysis (benchmark) of the remuneration of directors of other Belgian companies and to submit any appropriate proposals for adjustments to bring the remuneration of the Directors of Befimmo SA into line with market practice.

OBLIGATORY INFORMATION PURSUANT TO THE CODE OF COMPANY LAW (ARTICLE 523)

One decision led to the application of article 523 of the Code of Company Law.

At the meeting of 20 December 2012 on a proposal of the new Appointment and Remuneration Committee, the Board of Directors of the Sicafi discussed the setting of the remuneration of the new Managing Director of the Company, the BDB Management SPRLu, represented by its permanent representative, Mr Benoît De Blieck. In accordance with article 523 of the Code of Company Law, Mr De Blieck did not take part in the deliberations and decision of the Board of Directors on the remuneration 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 20 DECEMBER 2012

"1.1 Before opening the discussion on this agenda item, BDB Management SPRLu, represented by its permanent representative, Benoît De Blieck, notified the existence, in the context of that decision, of a potential conflicting interest of a financial nature within the meaning of article 523 of the Code of Company Law. He explained that the conflict of interest arose from the fact that the decision to be taken concerned the setting of the remuneration of the position of Managing Director and executive officer of the SPRLu of which he is the sole manager and permanent representative.

The Board took note of this statement and observed that he left the meeting during the discussion and voting on this item of the agenda.

(Mr De Blieck left the meeting)

1.2. Proposal of the Appointment and Remuneration Committee

The Chairman of the Appointment and Remuneration Committee outlined the Committee's proposal for the remuneration of BDB Management SPRLu, as Managing Director and executive officer of the Company.
(...)

The main issues were:

- *the purpose of the agreement,*
- *the procedures for the implementation of the agreement and the elimination of conflicts of interest,*
- *duration of the agreement,*
- *terms of any severance,*
- *fixed annual income (€488,188),*
- *target variable income (€150,000)*
- *possible financial compensation in case of termination (€650,000), as well as the express grounds for the amount proposed, in accordance with section 554 of the Code of Company Law.*

1.3. After discussion, the Board approved the remuneration of BDB Management SPRLu, as Managing Director and Executive Officer, as proposed by the Appointment and Remuneration Committee, and the terms of the agreement to be concluded in this connection with BDB Management SPRLu."

SHAREHOLDINGS

At 31 December 2012, the Managing Director and one other Executive Officer held shares in the Sicafi:
Benoît De Blieck: 1,372 shares,
Laurent Carlier: 163 shares.
The Non-Executive Directors or their permanent representatives also held shares in the Company as follows:
Benoît Godts: 998 shares
Jacques Rousseaux: 224 shares
André Sougné: 1,178 shares.

FACTORS LIABLE TO HAVE AN INFLUENCE IN THE EVENT OF A TAKEOVER BID

The transformation of the Company into a limited-liability company means that the following factors described above in the section on the situation up to 20 December 2012, as liable to have an influence in the event of a takeover bid, no longer apply:

- rules applicable to the appointment or replacement of the members of the statutory administrative body (Royal Decree, article 34,7°):
  provisions in the articles of association relating to the existence of the Managing Agent, its remuneration and purpose are no longer applicable and no specific provision is made in the event of a takeover bid regarding the appointment or replacement of directors of the Sicafi.
- restriction by law or the articles of association on the exercise of voting rights and rules applicable to amendments to the articles of association (AR, article 34,5° and 7°):
  the adoption of a decision by the General Meeting no longer requires the consent of the Managing Agent.

The other factors still apply; the powers previously vested in the Managing Agent are now vested in the Board of Directors of the Sicafi.

The Company's articles of association are available on the website

KEEPING OUR COMMITMENTS IN MIND

FINANCIAL STATEMENTS

WTC Tower III,
Brussels North area

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

(€ thousand)

	Notes	31.12.12 (12 months)	31.12.11 (12 months) *restated period*	31.12.11 (15 months)
I. (+) Rental income	5	129 313	124 836	156 037
III. (+/-) Charges linked to letting	6	-559	-207	-285
NET RENTAL RESULT		**128 754**	**124 629**	**155 752**
IV. (+) Recovery of property charges	7	4 925	6 439	8 311
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	8	28 712	26 110	32 619
VII. (-) Rental charges and taxes normally paid by tenants on let properties	8	-27 904	-25 995	-32 208
VIII. (+/-) Other revenue and charges for letting		40	544	645
PROPERTY RESULT		**134 527**	**131 728**	**165 119**
IX. (-) Technical costs	7	-7 709	-9 582	-11 807
X. (-) Commercial costs	7	-981	-895	-1 161
XI. (-) Charges and taxes on unlet properties	7	-2 808	-2 458	-3 179
XII. (-) Property management costs	7	-1 499	-1 548	-1 950
XIII. (-) Other property charges	7	-1 189	-252	-256
(+/-) Property charges		**-14 185**	**-14 736**	**-18 355**
PROPERTY OPERATING RESULT		**120 342**	**116 992**	**146 764**
XIV. (-) Corporate overheads	9	-14 340	-14 218	-17 695
XV. (+/-) Other operating income and charges	10	-19 247	-191	-72
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**86 755**	**102 583**	**128 997**
XVI. (+/-) Gains and losses on disposals of investment properties	11	206	14 623	14 769
XVIII. (+/-) Changes in fair value of investment properties	12	-35 172	-18 984	-26 403
OPERATING RESULT		**51 789**	**98 223**	**117 364**
XX. (+) Financial income	13	80	284	333
XXI. (-) Net interest charges	13	-26 297	-25 802	-30 948
XXII. (-) Other financial charges	13	-3 384	-3 306	-3 881
XXIII. (+/-) Changes in fair value of financial assets and liabilities	13	-11 000	-2 523	5 038
(+/-) Financial result		**-40 601**	**-31 347**	**-29 458**
PRE-TAX RESULT		**11 188**	**66 875**	**87 906**
XXV. (-) Corporation tax	14	-750	-668	-818
(+/-) Taxes		**-750**	**-668**	**-818**
NET RESULT	15	**10 438**	**66 208**	**87 088**
NET RESULT (group share)		7 868	61 992	81 856
NON-CONTROLLING INTERESTS		2 570	4 216	5 232
BASIC NET RESULT AND DILUTED (€/share) (group share)		**0.44**	**3.69**	**4.87**
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		**10 438**	**66 208**	**87 088**
TOTAL COMPREHENSIVE INCOME (group share)		7 868	61 992	81 856
NON-CONTROLLING INTERESTS		2 570	4 216	5 232

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(€ thousand)

ASSETS	Notes	31.12.12	31.12.11
I. Non-current assets		**1 990 799**	**1 998 258**
A. Goodwill	16	15 774	15 774
C. Investment properties	17	1 960 718	1 971 282
D. Other property, plant and equipment	18	639	978
E. Non-current financial assets	19	11 646	8 080
F. Finance lease receivables	20	2 022	2 144
II. Current assets		**36 449**	**29 591**
A Properties held for sale	17	7 896	-
B. Current financial assets	19	380	221
C. Finance lease receivables	20	122	120
D. Trade receivables	21	14 781	15 670
E. Tax receivables and other current assets	22	7 664	6 800
F. Cash and cash equivalents	23	2 314	4 179
G. Deferred charges and accrued income	24	3 291	2 601
TOTAL ASSETS		**2 027 248**	**2 027 849**

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.12	31.12.11
TOTAL SHAREHOLDERS' EQUITY		**998 239**	**1 070 459**
I. Equity attributable to shareholders of the parent company		**998 239**	**1 002 628**
A. Capital	25	267 720	254 111
B. Share premium account	25	548 168	516 194
C. Reserves	25	182 350	216 639
D. Net result for the fiscal year		-	15 683
II. Non-controlling interests		**-**	**67 830**
LIABILITIES		**1 029 009**	**957 390**
I. Non-current liabilities		**566 332**	**866 242**
B. Non-current financial debts	26	553 541	855 831
a. Credit institution		123 123	319 746
c. Other		430 418	536 085
Bond issues		*271 821*	*271 791*
Commercial papers		*-*	*262 280*
USPP		*156 582*	*-*
Guarantees received		*2 016*	*2 014*
C. Other non-current financial liabilities	27	12 791	10 411
II. Current liabilities		**462 678**	**91 148**
A. Provisions	28	2 172	2 383
B. Current financial debts	26	396 319	21 405
a. Credit institution		120 119	21 317
c. Other		276 200	88
Commercial papers		*276 200*	*-*
Other		*-*	*88*
C. Other current financial liabilities	27	257	1 239
D. Trade debts and other current debts	29	33 503	47 318
E. Other current liabilities	30	10 636	4 272
F. Accrued charges and deferred income	31	19 791	14 532
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2 027 248**	**2 027 849**

CONSOLIDATED CASH FLOW STATEMENT
(€ thousand)

	31.12.12	31.12.11
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	**4 179**	**3 492**
Net result for the fiscal year	**10 438**	**87 088**
Operating income	51 789	117 364
Interest paid	-27 766	-22 383
Interest received	6 941	284
Dividends received	-	8
Taxes paid	-760	-550
Changes in fair value of non-current financial assets/liabilities booked to income statement (+/-)	-11 000	5 038
Other income	-8 766	-12 673
Items with no effect on cash flow to be extracted from earnings	**52 124**	**30 579**
Loss of (gain in) value on trade receivables (+/-)	261	-64
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	364	355
Fair value adjustment for investment buildings (+/-)	35 172	26 403
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	11 000	-5 038
Net interest charges accrued	4 553	8 051
Other items	773	873
Items with cash flow effects to be extracted from the operating result	**21 129**	**-14 163**
Capital gain realised on disposal of investment property	-206	-14 769
Capital loss realised on disposal of hedging instruments	741	606
One-off net negative impact following the takeover of the Managing Agent by the Sicafi	20 594	-
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**83 690**	**103 504**
Change in working capital requirements	**-13 615**	**-36 462**
Change in assets items	-857	13 047
Change in liabilities items	-12 758	-49 509
CASH FLOW FROM OPERATING ACTIVITIES	**70 075**	**67 042**
Investments (-) / Disposals (+)		
Investment properties		
Investments	-30 683	-37 454
Disposals	3 415	63 807
Acquisition of shares	-51 783	-54 756
Other property, plant and equipment	-25	-675
Hedging instruments and other financial assets	-6 685	-10 235
CASH FLOW OF INVESTMENT ACTIVITIES	**-85 761**	**-39 314**
CASH FLOW BEFORE FINANCING ACTIVITIES	**-15 686**	**27 729**
Financing (+/-)		
Increase (+) / Decrease (-) in financial debts	65 696	71 473
Sales of Befimmo shares owned by Vitalfree and Meirfree	-	2 512
Result of the purchase/sale programme of own shares	109	-
Optional interim dividend Befimmo 2012	-33 168	-
Final dividend Befimmo and Dividend Fedimmo 2010/11	-18 690	-
Optional interim dividend Befimmo 2010/11	-	-33 606
Dividend Befimmo and Fedimmo 2009/10	-	-67 421
Costs of capital increase (-)	-125	-
CASH FLOW OF FINANCING ACTIVITIES	**13 821**	**-27 042**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-1 865**	**687**
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	**2 314**	**4 179**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(€ thousand)

	Capital	Share premium account	Reserves	Net result of the fiscal year	Equity: group share	Non-controlling interests	Total shareholders' equity
EQUITY AS AT 30.09.10	**233 985**	**485 340**	**251 462**	**46 659**	**1 017 445**	**64 439**	**1 081 884**
Appropriation of the result	-	-	46 659	-46 659	-	-	-
Capital increase - merger Ringcenter	9 260	6 642	-15 902		-	-	-
Capital increase - optional dividend	10 867	24 213	-		35 080	-	35 080
Dividend distributed	-	-	-65 580	-66 173	-131 753	-1 841	-133 593
Befimmo 2010 final dividend	-	-	-65 580	-	-65 580	-	-65 580
Befimmo 2011 interim dividend	-	-	-	-66 173	-66 173	-	-66 173
Fedimmo 2010 dividend to non-controlling interests	-	-	-	-	-	-1 841	-1 841
Total comprehensive income	-	-	-	81 856	81 856	5 232	87 088
EQUITY AS AT 31.12.11	**254 111**	**516 194**	**216 639**	**15 683**	**1 002 628**	**67 830**	**1 070 459**
Appropriation of the result	-	-	15 683	-15 683	-	-	-
Dividend distributed	-	-	-17 316	-	-17 316	-1 374	-18 690
Befimmo 2011 final dividend	-	-	-17 316	-	-17 316	-	-17 316
Fedimmo 2011 dividend to non-controlling interests	-	-	-	-	-	-1 374	-1 374
Capital increase - purchase non-controlling interest	8 523	21 981	7 633	-	38 137	-66 456	-28 319
Interim dividend	5 086	9 993	-40 398	-7 868	-33 187	-	-33 187
Befimmo 2012 interim dividend	-	-	-40 745	-7 868	-48 613	-	-48 613
Capital increase	5 086	9 993	-	-	15 079	-	15 079
Effect of shares held by subsidiaries Meirfree and Vitalfree on the optional dividend	-	-	347	-	347	-	347
Result of the purchase/sale programme of own shares	-	-	109	-	109	-	109
Total comprehensive income	-	-	-	7 868	7 868	-	7 868
EQUITY AS AT 31.12.12	**267 720**	**548 168**	**182 350**	**-**	**998 239**	**-**	**998 239**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL BUSINESS INFORMATION

Befimmo (the Company) is a SICAFI (*Société d'Investissement à capital fixe publique de droit belge* – fixed-capital investment trust incorporated under Belgian law). It is organised as a *"Société Anonyme"* (limited-liability company). Its registered office is at Chaussée de Wavre 1945, 1160 Brussels (Belgium). On 20 December 2012, the Extraordinary General Meeting of Shareholders approved the transformation of the Company from a *"Société en Commandite par Actions" into a "Société Anonyme"*.

The Company closes its fiscal year at 31 December.

In December 2006, Befimmo acquired a 90% majority holding in the Belgian public company Fedimmo SA, which also closes its accounting periods at 31 December. In June 2008, Befimmo founded Meirfree SA and Vitalfree SA, of which it is the shareholder. These companies also close their fiscal years at 31 December. In 2009, Befimmo acquired all the shares in the Luxembourg company Axento SA, which also closes its accounts at 31 December. In 2012, Befimmo acquired the remaining shares in Fedimmo SA that it did not already own. It therefore holds all the shares. In 2012, Befimmo also acquired all the shares in its Managing Agent (Befimmo SA, now Befimmo Property Services SA).

The Company is presenting consolidated financial statements as at 31 December.

The Board of Directors of Befimmo SA adopted and authorised the publication of the financial statements for this fiscal period on 19 February 2013.

The Company's activities are dedicated solely to the acquisition and management of a real-estate portfolio.
As at 31 December 2012, the portfolio consisted principally of office buildings located in Brussels and let mostly to public authorities and to a lesser extent to private businesses. The Befimmo portfolio also comprises office buildings located in Flanders and Wallonia, on long-term lets mainly to government agencies, and one property located in Luxembourg city.

The Company is listed on NYSE 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.

Moreover, the comparative fiscal period has been extended to 15 months covering the period 1 October 2010 to 31 December 2011.

In preparing its consolidated financial statements at 31 December 2012, the Company has applied the following new or amended standards and interpretations which entered force during the fiscal year opening on 1 January 2012:

- Amendments to IFRS 7 – *Financial Instruments: Disclosures – Derecognition* which require additional information to be provided in the notes. These amendments had no impact on the financial statements.
- Amendments to standard IAS 24 – *Related-Party Information*, which in particular change the definition of a related party and introduce exceptions for entities linked to the State. These amendments had no impact on the financial statements.

- Annual improvements to the IFRS standards, which involve a series of minor amendments to six existing standards and one existing interpretation. These amendments had no impact on the financial statements.

Furthermore, the Company has chosen not to apply early 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 2012:

> IFRS 9 – *Financial instruments*, which restructures the treatment of financial instruments but which has yet to be adopted at European level while waiting for the IASB to finalise the whole draft. It is expected to enter into force for the 2015 fiscal year.

> Three new standards and amendments to two existing standards regarding consolidated shareholdings and associated disclosures:

- IFRS 10 – *Consolidated Financial Statements*, which defines the principle of control and integrates it into a single model. Applying this new standard should not have any impact on the perimeter of the consolidation.
- IFRS 11 – *Joint Arrangements* which replaces IAS 31 – *Jointly Controlled Entities*, and in particular requires jointly controlled entities to apply the equity method. This new standard should 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 should have an impact on the notes to the consolidated financial statements.
- Amendments to IAS 27 – *Separate Financial Statements*. The amended standard will now cover only separate financial statements and will therefore no longer apply to consolidated financial statements.
- Amendments to IAS 28 – *Investments in Associates and Joint Ventures*, which should not have any impact on the consolidated financial statements.

These new and amended standards are due to enter into force in the 2013 or 2014 fiscal year.

> Amendments to IFRS 10, IFRS 11 and IFRS 12 on transitional provisions. These amendments should not have an impact on the financial statements. They are due to enter into force for the 2014 fiscal year.

> Amendments to IFRS 10, IFRS 12 and IAS 27 - *Consolidated Financial Statements and Disclosures: Investment Entities* introducing an exemption from consolidation for such entities. These amendments should not have an impact on the financial statements. They are due to enter into force for the 2014 fiscal year.

> IFRS 13 – *Fair Value Measurement*, which establishes the basis for measuring fair value and requires additional information to be presented in the notes. The possible impact of this new standard on determining fair value, particularly on investment property, is under investigation. In addition, the application of the new standard should have an impact on the information provided in the notes on fair value. It is due to enter into force in the 2013 fiscal year.

> Amendments to IAS 1 – *Presentation of Financial Statements - Presentation of other comprehensive income*, that require separate reporting of other comprehensive income that are the subject of a transfer ("recycling") in the result. These amendments will have an impact on the presentation of the statement of comprehensive income. They are due to enter into force in the 2013 fiscal year.

> Amendments to IAS 12 - *Income Taxes - Deferred Tax: Recovery of the carrying amount of an asset, which should not have any impact on the financial statements*. They are due to enter into force in the 2013 fiscal year.

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

Where 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 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”.

Activities abroad

In the context of the consolidation, assets and liabilities of operations outside the eurozone 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 “Currency translation differences”.

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 fiscal year end.

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

Where 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 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".

Activities abroad

In the context of the consolidation, assets and liabilities of operations outside the eurozone 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 "Currency translation differences".

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 fiscal year end.

2.6. Investment properties

2.6.1. General principles

Properties available for lease and/or for capital appreciation are classed as investment properties.

Investment property is measured initially at its cost, including related transaction costs and non-deductible 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 still measured at fair value. Buildings under construction for use as investment properties at a later date are also booked 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.

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 of the first three quarters of the accounting year, 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.

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 costs 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.

(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.

Major renovation works

This is work done every 25 to 35 years 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 property", 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 costs 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. 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 fiscal year end. Useful life is defined as follows per main type of asset:

> Vehicles: 4 years;

> Computer equipment: 3 years;

> Furniture and office equipment: 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) Assets held to maturity

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.

Available-for-sale assets 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 exchange 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) as 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. Properties 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) above).

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 updated 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.

2.13. Capital

Ordinary shares are classified as equity.

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 (-)" liability 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 (i) defined-benefit and (ii) defined-contribution plans.

(i) Defined-benefit plan

This is a pension plan that defines the amount the employee will receive upon retirement, usually based on one or more factors such as age, seniority and pay.

The amount presented in the balance sheet is based on actuarial calculations (using the projected unit credit method). It represents the present value of the defined-benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and as reduced by 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 provided that the Company can benefit in future by over-funding the plan in this way.

Actuarial gains and losses are recognised if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded the higher of 10% of the present value of the defined benefit obligation at that date and 10% of the fair value of any plan assets at that date. The portion of actuarial gains and losses exceeding these limits is amortised over the expected average remaining working lives of the employees participating in that plan. These calculations are performed for each of the Company's defined-benefit plans.

(ii) Defined-contribution plan

This is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions are recognised as expenses as they fall due, and as such are included in personnel 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;
- 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. Revenue

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, 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

<u>Estimate of the fair value and of the value in use of investment property</u>

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.

<u>Disputes and uncertainties</u>

The Company is a party to legal proceedings and may be involved in others in future. Befimmo is currently involved, as defendant or plaintiff, in a number of legal proceedings which, on the whole (according to the information available to the Company on the date of this Report), are unlikely to have a major impact on Befimmo, as the potential gains or losses are highly unlikely to materialise and/or are of insignificant amounts.

4. SEGMENT INFORMATION

Befimmo owns a property portfolio consisting entirely of offices[1].

In terms of geographical distribution (based on the fair value of the properties, excluding assets held for sale), most of Befimmo's real-estate portfolio is located in Brussels (72.3%), the remaining 27.7% being in Flanders (18.2%), Wallonia (5.3%) and Luxembourg city (4.2%).

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, Brussels periphery.

The consolidated Befimmo portfolio is described in more detail in the "Key events - Real-estate portfolio" chapter of the management report.

(1) Some retail businesses are nevertheless operating on the ground floor of some buildings, but to a very marginal extent.

(€ thousand)	Brussels centre (CBD) 31.12.12 (12 months)	Brussels centre (CBD) 31.12.11 (15 months)	Brussels decentralised 31.12.12 (12 months)	Brussels decentralised 31.12.11 (15 months)	Brussels periphery 31.12.12 (12 months)	Brussels periphery 31.12.11 (15 months)
INCOME STATEMENT						
A. Rental income	72 308	85 872	7 962	11 081	10 893	13 269
B. Property operating result	68 864	82 693	6 642	9 555	8 827	11 388
C. Change in fair value of investment properties	-761	-13 532	-26 087	-5 302	-14 252	-8 707
D. Gains and losses on disposal of buildings	-	12 092	206	402	-	-
E. SEGMENT RESULT (= B+C+D)	**68 102**	**81 253**	**-19 239**	**4 655**	**-5 425**	**2 681**
Percentage by segment	79.8%	60.1%	-22.5%	3.4%	-6.4%	2.0%
F. Corporate overheads						
G. Other operating income and charges						
H. Financial result						
I. Income tax						
NET RESULT (= E+F+G+H+I)						
Group share						
Non-controlling interests						
	31.12.12	**31.12.11**	**31.12.12**	**31.12.11**	**31.12.12**	**31.12.11**
BALANCE SHEET						
Assets						
Goodwill	7 391	7 391	-	-	-	-
Investment properties	1 169 635	1 150 853	101 162	127 275	146 965	156 323
of which investment during the year	*19 542*	*105 813*	*1 282*	*3 306*	*6 795*	*5 398*
Other assets	-	-	-	-	-	-
TOTAL ASSETS	**1 177 026**	**1 158 244**	**101 162**	**127 275**	**146 965**	**156 323**
Percentage by segment	58.1%	57.1%	5.0%	6.3%	7.2%	7.7%
TOTAL LIABILITIES	-	-	-	-	-	-
Total shareholders' equity						
Group share						
Non-controlling interests						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**-**	**-**	**-**	**-**	**-**	**-**

Wallonia		Flanders		Luxembourg city		Unallocated amounts		Total	
31.12.12 (12 months)	31.12.11 (15 months)	31.12.12 (12 months)	31.12.11 (15 months)	31.12.12 (12 months)	31.12.11 (15 months)	31.12.12 (12 months)	31.12.11 (15 months)	31.12.12 (12 months)	31.12.11 (15 months)
11 707	14 112	21 815	26 515	4 627	5 189	-	-	**129 313**	**156 037**
11 023	13 307	20 730	24 687	4 256	5 134	-	-	**120 342**	**146 764**
12 937	-3 071	-7 722	4 881	713	-671	-	-	**-35 172**	**-26 403**
-	-	-	2 275	-	-	-	-	**206**	**14 769**
23 960	**10 236**	**13 008**	**31 843**	**4 969**	**4 463**	**-**	**-**	**85 376**	**135 131**
28.1%	7.6%	15.2%	23.6%	5.8%	3.3%	-	-	**100%**	**100%**
						-14 340	-17 695	**-14 340**	**-17 695**
						-19 247	-72	**-19 247**	**-72**
						-40 601	-29 458	**-40 601**	**-29 458**
						-750	-818	**-750**	**-818**
								10 438	**87 088**
								7 868	**81 856**
								2 570	**5 232**

31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11
2 673	2 673	5 710	5 710	-	-	-	-	**15 774**	**15 774**
112 223	90 826	356 796	364 590	81 834	81 415	-	-	**1 968 614**	**1 971 282**
8 460	*2 431*	*-73*	*1 224*	*-293*	*-158*	-	-	***35 713***	***118 014***
2 144	2 264	-	-	-	-	40 716	38 529	**42 860**	**40 793**
117 040	**95 763**	**362 506**	**370 300**	**81 834**	**81 415**	**40 716**	**38 529**	**2 027 248**	**2 027 849**
5.8%	4.7%	17.9%	18.3%	4.0%	4.0%	2.0%	1.9%	**100%**	**100%**
-	-	-	-	-	-	1 029 009	957 390	**1 029 009**	**957 390**
						998 239	1 070 459	**998 239**	**1 070 459**
						998 239	1 002 628	**998 239**	**1 002 628**
						-	67 830	**-**	**67 830**
-	**-**	**-**	**-**	**-**	**-**	**2 027 248**	**2 027 849**	**2 027 248**	**2 027 849**

5. RENTAL INCOME

I. Rental income (€ thousand)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Rents	**130 076**	**126 072**	**156 235**
Guaranteed income	-	-	716
Cost of rent free periods	-1 469	-1 365	-1 666
Concessions granted to tenants (incentives)	-396	-387	-428
Indemnities for early termination of rental contracts	1 102	516	1 180
Rental income	**129 313**	**124 836**	**156 037**

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 and concessions granted, 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)	**31.12.12**	**31.12.11**
Less than one year	132 622	130 187
One to five years	425 591	416 562
More than five years	715 944	639 404
Rental income	**1 274 157**	**1 186 153**

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 €3.1 million and €3.2 million for the 2012 and 2010/2011 fiscal periods 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'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 the end of the term.

The leases may not be terminated at any other time and may not generally be tacitly renewed.

Rent is generally payable quarterly or six-monthly in advance. Rents are indexed annually at the anniversary of the contract, usually 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.

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. Where 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

Fedimmo SA's buildings are let to the Belgian Government 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 Government 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.

The leases are registered.

As a guarantee of performance of their obligations under the lease, most tenants (except for the Belgian Government and certain representations) provide an irrevocable rental guarantee that can be called in on demand.

6. CHARGES LINKED TO LETTING

III. Charges linked to letting (€ thousand)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Rents payable on rented premises	-297	-284	-349
Write-downs on trade receivables	-379	-335	-362
Write-back of write-downs on trade receivables	118	412	426
Charges linked to letting	**-559**	**-207**	**-285**

This tables 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)	**31.12.12**	**31.12.11**
At less than one year	540	302
One to five years	1 593	1 179
At more than five years	11 817	11 953
Rent paid	**13 950**	**13 434**

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 received for indexing over the past two years are estimated at less than €10,000.

7. REAL-ESTATE CHARGES AND RECOVERY OF REAL-ESTATE CHARGES

31.12.12 (12 months) (€ thousand)

AT CHARGE		NET	RECOVERY	
IX. Technical costs	**-7 709**		**4 925**	**IV. Recovery of property charges**
Recurrent	-5 926	-2 691	3 235	Recurrent
Repairs	-4 097	-1 535	2 562	Repairs
Total-guarantee charge	-1 251	-783	468	Total-guarantee charge
Insurance premiums	-578	-373	205	Insurance premiums
Non recurrent	-1 783	-1 225	558	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-1 668	-1 197	471	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	-115	-29	-	Recovery of damage expenses
			87	Compensation of damage by insureers
XII. Property management costs	**-1 499**	-366	1 132	Property management costs
Fees paid to (external) managers	-1 499	-366	1 132	Management fees received
X. Commercial costs	**-981**	**-981**		
Letting fees paid to real estate brokers	-835	-835		
Advertising	-	-		
Fees paid to lawyers and other experts	-146	-146		
XI. Charges and taxes on unlet properties	**-2 808**	**-2 808**		
XIII. Other property charges	**-1 189**	**-1 189**		
Property charges	**-14 185**	**-9 261**	**4 925**	**IV. Recovery of property charges**

31.12.11 (12 months - restated period) (€ thousand)

AT CHARGE		NET	RECOVERY	
IX. Technical costs	**-9 582**		**6 439**	**IV Recovery of property charges**
Recurrent	-6 151	-3 589	2 562	Recurrent
Repairs	-4 218	-2 460	1 757	Repairs
Total-guarantee charge	-1 161	-705	456	Total-guarantee charge
Insurance premiums	-772	-424	349	Insurance premiums
Non recurrent	-3 431	-762	2 669	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-3 321	-1 591	1 730	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	-110	829	-	Recovery of damage expenses
			939	Compensation of damage by insureers
XII. Property management costs	**-1 548**	-340	1 208	Property management costs
Fees paid to (external) managers	-1 548	-340	1 208	Management fees received
X. Commercial costs	**-895**	**-895**		
Letting fees paid to real estate brokers	-713	-713		
Advertising	-3	-3		
Fees paid to lawyers and other experts	-179	-179		
XI. Charges and taxes on unlet properties	**-2 458**	**-2 458**		
XIII. Other property charges	**-252**	**-252**		
Property charges	**-14 736**	**-8 297**	**6 439**	**IV Recovery of property charges**

31.12.11 (15 months) (€ thousand)

AT CHARGE		NET	RECOVERY	
IX. Technical costs	**-11 807**		**8 311**	**IV. Recovery of property charges**
Recurrent	-7 415	-4 092	3 323	Recurrent
Repairs	-5 061	-2 656	2 405	Repairs
Total-guarantee charge	-1 439	-884	555	Total-guarantee charge
Insurance premiums	-915	-552	363	Insurance premiums
Non recurrent	-4 392	-939	3 453	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-4 274	-1 777	2 497	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	-118	838	2	Recovery of damage expenses
			953	Compensation of damage by insureers
XII. Property management costs	**-1 950**	-415	1 535	Property management costs
Fees paid to (external) managers	-1 950	-415	1 535	Management fees received
X. Commercial costs	**-1 161**	**-1 161**		
Letting fees paid to real estate brokers	-928	-928		
Advertising	-3	-3		
Fees paid to lawyers and other experts	-230	-230		
XI. Charges and taxes on unlet properties	**-3 179**	**-3 179**		
XIII. Other property charges	**-256**	**-256**		
Property charges	**-18 355**	**-10 044**	**8 311**	**IV. Recovery of property charges**

These tables set out, for the 2012 and 2010/2011 fiscal periods, the origins of the net real-estate charges borne by the Company.

8. RENTAL CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES

(€ thousand)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
V. Recovery of rental charges and taxes normally paid by tenants on let properties	**28 712**	**26 110**	**32 619**
Rebilling of rental charges invoiced to the landlord	11 886	10 912	13 898
Rebilling of withholding taxes and other taxes on let properties	16 826	15 198	18 721
VII. Rental charges and taxes normally paid by tenants on let properties	**-27 904**	**-25 995**	**-32 208**
Rental charges invoiced to the landlord	-10 020	-9 821	-12 345
Withholding taxes and other taxes on let properties	-17 884	-16 173	-19 864
Total	**808**	**115**	**411**

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)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Staff costs	-7 132	-5 806	-7 348
Operating costs	-2 389	-2 052	-2 474
Fees	-1 713	-1 908	-2 131
Costs linked to SICAFI status	-1 761	-1 636	-2 184
Amounts paid to the Managing Agent Befimmo SA [1]	-1 331	-2 816	-3 558
Refund of costs directly linked to its mission (including remuneration of Directors)	*-973*	*-1 254*	*-1 521*
Remuneration directly proportional to Befimmo SCA's result [2]	*-358*	*-1 563*	*-2 038*
Remuneration at Directors (as of 20 december 2012)	-14	-	-
Corporate overheads	**-14 340**	**-14 218**	**-17 695**

The corporate overheads comprise all costs not directly chargeable to the management, upkeep and maintenance of the properties. They include the costs of all Company staff (salaries, social contributions, etc.), operating costs (office rents, office supplies, etc.), and fees paid to various external consultants (legal, technical, financial, fiscal, etc.), notably in the context of specific projects.

Costs related to the status of Befimmo cover all charges inherent in its listing on a public market (NYSE Euronext Brussels, plus costs of the Financial Services and Markets Authority (FSMA), etc.) and its Sicafi status (quarterly assessment of the portfolio, etc.). The amounts paid to Befimmo SA (former Managing Agent) include, firstly, the costs directly related to its mission, including the remuneration of the Directors, and secondly, the remuneration of Befimmo SA (former Managing Agent) up to 20 December 2012 as defined in the articles of association of Befimmo SCA before the changes made on 20 December 2012.

Company staff [3]	**31.12.12**	**31.12.11**
Number of persons under a contract of employment	47	39
Full-time equivalent	45.4	37.4

(1) Now Befimmo Property Services SA following the Extraordinary General Meeting of Shareholders on 20 December 2012.
(2) Now Befimmo SA following the Extraordinary General Meeting of Shareholders on 20 December 2012.
(3) Company staff excluding the CEO.

10. OTHER OPERATING INCOME AND CHARGES

XV. Other operating income and charges (€ thousand)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Spread of rent free periods	-197	-996	-902
Others	-19 050	806	830
Other operating income and charges	**-19 247**	**-191**	**-72**

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. This fiscal year, they consist of the fees received for coordinating certain works on behalf of the Government and the one-time net negative impact of €20.6 million recorded following the transformation of the legal structure of the Sicafi in the wake of the agreement with AG Real Estate. This impact is the result of the agreed price of €21 million for the Sicafi to buy out its Managing Agent, less the net equity of Befimmo SA (the former Managing Agent) at the purchase date, 20 December 2012.

11. GAINS OR LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

XVI. Gains and losses on disposals of investment properties (€ thousand)	**31.12.12**	**31.12.11**
Net sale of properties (selling price - transaction costs)	3 415	59 620
Book value of properties sold	-3 209	-44 850
Gains and losses on disposals of investment properties	**206**	**14 769**

The gains or losses on disposals of investment properties consist solely of the sale of the Devroye building located in the decentralised area of Brussels.

12. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

XVIII. Changes in fair value of investment properties (€ thousand)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Positive changes in fair value of investment properties	71 166	31 038	34 522
Negative changes in fair value of investment properties	-106 338	-50 022	-60 925
Changes in fair value of investment properties	**-35 172**	**-18 984**	**-26 403**

The changes in fair value of investment properties do not include investments. The "Key events - Real-estate portfolio" chapter of the management report contains more information on changes in value.

13. FINANCIAL RESULT

(€ thousand)		31.12.12 (12 months)	31.12.11 (12 months) restated period	31.12.11 (15 months)
(+)	**XX. Financial income**	**80**	**284**	**333**
(+)	Interests and dividends received	12	71	108
(+)	Fees for finance leases and similar	69	65	78
(+)	Net gains realised on sale of financial assets	-	148	148
(+/-)	**XXI. Net interest charges**	**-26 297**	**-25 802**	**-30 948**
(-)	Nominal interest on loans	-24 307	-18 220	-20 945
(-)	Reconstitution of the face value of financial debts	-846	-519	-672
(-)	Other interest charges	-45	-58	-71
(+)	Proceeds of authorised hedging instruments	7 555	2 123	2 123
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*7 555*	*2 123*	*2 123*
(-)	Charges of authorised hedging instruments	-8 654	-9 128	-11 383
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-8 654*	*-9 128*	*-11 383*
(-)	**XXII. Other financial charges**	**-3 384**	**-3 306**	**-3 881**
(-)	Bank charges and other commissions	-2 643	-2 700	-3 275
(-)	Net losses realised on sale of financial assets	-741	-606	-606
(+/-)	**XXIII. Changes in fair value of financial assets and liabilities**	**-11 000**	**-2 523**	**5 038**
(+/-)	Authorised hedging instruments	-11 066	-2 525	5 035
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-11 066*	*-2 525*	*5 035*
(+/-)	Others	65	2	3
(+/-)	**Financial result**	**-40 601**	**-31 347**	**-29 458**

The financial result (excluding changes in the fair value of financial instruments) was -€29.6 million as at 31 December 2012, compared with -€28.8 million as at 31 December 2011. The financial result is down €0.8 million or 2.7%. This decrease is due to the increase (+€36 million) in the average debt for the fiscal year, partially offset by the decline in the average financing cost from 3.55% in 2010/2011 (12 months) to 3.38% over the past fiscal year.

Notes to the consolidated financial statements

As required by IFRS 7 - *Financial Instruments: Disclosures*, the following tables allow 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 just closed.

(€ thousand)	TOTAL			Financial assets or liabilities at fair value throught profit or loss		
	31.12.12 (12 months)	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Financial income	**80**	**284**	**333**	-	148	156
Net interest charges	**-26 297**	**-25 802**	**-30 948**	-5 532	-7 005	-9 260
Other financial charges	**-3 384**	**-3 306**	**-3 881**	-741	-606	-606
Changes in fair value of financial assets and liabilities	**-11 000**	**-2 523**	**5 038**	-11 000	-2 523	5 038
Total result on financial assets / liabilities	**-40 601**	**-31 347**	**-29 458**	**-17 273**	**-9 987**	**-4 672**

(€ thousand)	Loans and receivables			Financial liabilities valued at amortised cost		
	31.12.12 (12 months)	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Financial income	80	136	178	-	-	-
Net interest charges	274	227	389	-21 039	-19 024	-22 078
Other financial charges	-	-	-	-2 643	-2 700	-3 275
Changes in fair value of financial assets and liabilities	-	-	-	-	-	-
Total result on financial assets / liabilities	**354**	**364**	**567**	**-23 682**	**-21 724**	**-25 352**

14. INCOME TAXES

The income tax burden is broken down as follows:

XXV. Corporation tax (€ thousand)	**31.12.12 (12 months)**	**31.12.11 (12 months)** *restated period*	**31.12.11 (15 months)**
Current taxes for fiscal year	-750	-673	-823
Adjustment of current taxes from previous periods	-	5	5
Corporation tax	**-750**	**-668**	**-818**

Befimmo is a limited-liability company with the status of Sicafi. This status entitles the Company to pay Belgian corporation tax on a reduced tax base. Indeed, the Company is liable for corporation tax at the rate of 33.99% on its non-deductible expenses. The estimated amount of tax payable on such expenses at 31 December 2012, of €0.75 million, was fully provided for at that date.

The subsidiary Fedimmo SA obtained the status of Institutional Sicafi on 25 January 2013 and, since that date, is also subject to the same tax regime as Befimmo. However, for the 2012 tax year, Fedimmo SA is still fully subject to the ordinary Belgian corporation tax regime. Nevertheless, after taking account of deductions for risk capital (notional interest) accumulated on the basis of its shareholders' equity, the tax base for the 2012 fiscal year is zero. Taking account of the reserves of notional interest constituted previously, the total reserve to be carried forward to future years at 31 December 2012 amounts to €2.0 million. Even though no income tax is recorded for Fedimmo SA, it will therefore be necessary to book a deferred tax asset, equivalent to 33.99% of the notional interest carried over, to reflect the tax reserve deductible from future profits. However, since it is expected to obtain the status of Institutional Sicafi, no deferred tax asset is recognised.

Since Fedimmo is not subject to IFRS standards for the preparation of its statutory accounts to 31 December 2012, Belgian accounting standards require its property portfolio to be valued using the amortised cost method. This valuation method therefore creates a discrepancy between the fiscal value of the properties (established according to Belgian standards) and their realisable value. As the company is likely to obtain the status of Institutional Sicafi, the realisable value of assets is determined based on the investment value measured by experts less the registration fees or VAT applicable in the calculation of the exit tax. This value is lower than their taxable value. There is therefore no need to book any deferred tax.

15. RESULT PER SHARE

RESULT FOR THE FISCAL PERIOD (€ thousand)	**31.12.12 (12 months)**	**31.12.11 (15 months)**
NUMERATOR		
Net result for the fiscal period	10 438	87 088
Non-controlling interests	*2 570*	*5 232*
Group share	*7 868*	*81 856*
DENOMINATOR		
Shares in circulation at the end of the period (in units)	18 452 987	17 538 069
Weighted average of shares in circulation during the period (in units)	17 687 471	16 815 751
Net result per share (basic and diluted) (in €)	**0.44**	**4.87**
Dividend for the fiscal year		
Interim dividend (gross)	48 613	68 685
Final dividend (gross)	16 444	17 945
Total gross dividend for the fiscal year	**65 056**	**86 630**
Gross dividend per share (in €)	3.4500	4.9285

The result per share (group share) is calculated by dividing the net result by the weighted average of the number of shares outstanding (excluding own shares held by Meirfree SA, Vitalfree SA and Befimmo SA) during the relevant fiscal year.

Since Befimmo has no diluting instruments, the basic and diluted results are identical.

16. GOODWILL

Befimmo's acquisition of Fedimmo 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 portfolio.

The following table illustrates the change in value of the goodwill over the fiscal period:

(€ thousand)	**31.12.12**	**31.12.11**
COST		
Opening balance	**15 774**	**15 890**
Additional amounts linked to business combinations carried out during the period	-	-
Reductions linked to assets sold during the period	-	-116
Closing balance	**15 774**	**15 774**
DECREASE IN VALUE		
Opening balance	**-**	**-**
Decreases in value posted during the period	-	-
Closing balance	**-**	**-**
CARRYING AMOUNT		
Opening balance	**15 774**	**15 890**
Closing balance	**15 774**	**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 below.

Segment (€ thousand)	**Goodwill**	**Carrying amount** (including 100% goodwill)	**Value in use**	**Depreciation**
Brussels centre	597	30 279	30 360	-
Brussels Leopold district	2 108	113 566	114 020	-
Brussels North area	4 685	228 361	228 770	-
Wallonia	2 673	103 465	103 970	-
Flanders	5 710	269 834	270 540	-
Total portfolio	**15 774**	**745 505**	**747 660**	**-**

Impairment test

Each time the accounts are closed, 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 2012 (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 be increased by 23.6% before the value of the goodwill recorded begins to be impaired. A further 1% increase in the rate above that level would lead to an impairment of the value of the goodwill of €16,734.

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 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)	**31.12.12**	**31.12.11**
Properties available for lease	1 909 918	1 939 732
Properties that are being constructed or developed for own account in order to be leased	50 800	31 550
Investment properties	**1 960 718**	**1 971 282**

A. Assets held for sale (€ thousand)	**31.12.12**	**31.12.11**
Investment properties	7 896	-
Assets held for sale	**7 896**	**-**

This heading covers properties held for sale.

At 31 December 2012, this relates to a building located in Wallonia (Mons 1). During the third quarter of 2012, the occupier (the Ministry of Infrastructure and Transport) exercised its option to purchase the building which should therefore, subject to certain conditions being met, leave the Befimmo portfolio in the first quarter of 2013.

(€ thousand)	
Carrying value as at 30.09.2010	**1 922 611**
of which: - Investment properties	*1 884 964*
- Assets held for sale	*37 647*
Acquisitions	77 951
Other investments	40 063
Disposals	-42 940
Changes in fair value	-26 403
Carrying value as at 31.12.2011	**1 971 282**
of which: - Investment properties	*1 971 282*
- Assets held for sale	*-*
Acquisitions	-423
Other investments	36 136
Disposals	-3 209
Changes in fair value	-35 172
Carrying value as at 31.12.2012	**1 968 614**
of which: - Investment properties	*1 960 718*
- Assets held for sale	*7 896*

During the fiscal year, Befimmo completed the sale of the Devroye building located in Brussels.

Over the previous fiscal period, the Company acquired the shares of Ringcenter SA, owner of the Pavilion complex, and sold the Empress Court and Kattendijkdok buildings and two floors of offices in a jointly owned building at Chaussée de la Hulpe, 177 in Brussels.

18. OTHER PROPERTY, PLANT AND EQUIPMENT

D. Other property, plant and equipment (€ thousand)	**31.12.12**	**31.12.11**
Property, plant and equipment for own use	639	978
Other property, plant and equipment	**639**	**978**

19. NON-CURRENT AND CURRENT FINANCIAL ASSETS

E. Non-current financial assets (€ thousand)	**31.12.12**	**31.12.11**
Assets at fair value through profit and loss	11 544	8 043
Authorised hedging instruments - level 2	11 544	8 043
Option - CAP et Twin CAP	*6*	*413*
Forward - IRS	*11 157*	*7 631*
Forward - CCS	*382*	*-*
Others	102	37
Non-current financial assets	**11 646**	**8 080**

B. Current financial assets (€ thousand)	**31.12.12**	**31.12.11**
Loans and receivables	380	221
Current financial assets	**380**	**221**

The heading "Assets at fair value through profit or loss" mainly covers derivatives that are not recognised as hedging instruments, as defined in standard IAS 39, i.e. the IRS, CCS and CAP and COLLAR options held by the Company, as long as the market value is positive. Otherwise, their value is entered in the equivalent heading under liabilities.

The heading "Loans and receivables" includes various amounts to be recovered from counterparties of the Company.

20. FINANCE LEASE RECEIVABLES

This heading relates to finance lease agreements (as per IAS 17) and at 31 December 2012 includes only the asset embodied in the building in Wandre.

21. TRADE RECEIVABLES

Trade receivables arise through rent or billing of taxes or rental charges. The quantitative description of the principal risks (hereafter) 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)	**31.12.12**	**31.12.11**
Taxes	4 521	3 037
Others	3 143	3 763
Tax receivables and other current assets	**7 664**	**6 800**

23. CASH AND CASH EQUIVALENTS

F. Cash and cash equivalents (€ thousand)	**31.12.12**	**31.12.11**
Available values	2 314	4 179

As the Company is structurally indebted, available funds are limited, consisting almost entirely of positive balances in the Company's various bank accounts.

24. DEFERRED CHARGES AND ACCRUED INCOME

G. Deferred charges and accrued income (€ thousand)	**31.12.12**	**31.12.11**
Accrued rental income	3	-
Prepaid property charges	224	40
Prepaid interest and other financial charges	255	393
Others	2 810	2 168
Deferred charges and accrued income	**3 291**	**2 601**

This heading covers:

- income from properties accrued but not yet due, in accordance with the terms of the leases;
- 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 "Other", mainly financial products receivable, related firstly to the issue SWAP concluded when arranging the bond issue in April 2011 (€2.1 million), and secondly to the Cross Currency Swaps arranged when establishing the United States private bond placement (USPP) (€0.6 million). The characteristics of these instruments are set out in the table in note 32.

25. CAPITAL AND RESERVES

(€ thousand)			31.12.12	31.12.11
A. Capital			**267 720**	**254 111**
(+)		Subscribed capital	277 795	264 062
(-)		Costs of capital increase	-10 075	-9 950
B. Share premium account			**548 168**	**516 194**
C. Reserves			**182 350**	**216 639**
(+)	(a)	Legal reserve	1 295	1 295
(+/-)	(b)	Reserve for the balance of changes in fair value of investment properties	133 317	140 593
(-)	(c)	Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-31 053	-30 198
(+/-)	(e)	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS	-7 492	-26 722
(-)	(h)	Reserve for own shares	-38 192	-36 888
(+/-)	(m)	Other reserves	19 818	19 818
(+/-)	(n)	Result brought forward from previous years	104 658	148 741

The capital and share premiums were increased twice this year; on 3 October 2012 through the acquisition of the remaining shares in Fedimmo SA that the Company did not already own (€30.50 million) and on 20 December 2012 through the interim dividend with share option declared by the Managing Agent of Befimmo on 23 November 2012 (€15.08 million).

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 period (+€15.68 million) and the payment of the final dividend for 2010/2011 (-€17.32 million), reserves were also impacted in 2012 by:

- the operation to acquire the remaining shares in Fedimmo SA, at a cost of €7.63 million;
- the result recognised directly in equity of the share buyback and resale programme of own shares by Befimmo (impact of +€0.11 million);
- the net amount due to the payment of the optional interim dividend in December 2012, of -€40.74 million (the interim dividend of €48.61 million is already partially funded by the result of the fiscal year to the tune of €7.87 million);
- the optional dividend on own shares held by subsidiaries Vitalfree SA and Meirfree SA, amounting to €0.35 million.

Befimmo owns 667,722 own shares through subsidiaries, represented by an amount of -€38.19 million in the reserves.

26. CURRENT AND NON-CURRENT FINANCIAL DEBTS

B. Non-current financial debts (€ thousand)	**31.12.12**	**31.12.11**
Credit institutions	123 123	319 746
Other	430 418	536 085
Bond issues	*271 821*	*271 791*
Commercial papers	*-*	*262 280*
USPP	*156 582*	*-*
Guarantees received	*2 016*	*2 014*
Non-current financial debts	**553 541**	**855 831**

B. Current financial debts (€ thousand)	**31.12.12**	**31.12.11**
Credit institutions	120 119	21 317
Other	276 200	88
Commercial papers	*276 200*	*-*
Other	*-*	*88*
Current financial debts	**396 319**	**21 405**

The substantial increase in current financial debts is explained by two factors: (i) the bank financing in use at 31 December 2012 consisted mainly of the 2006 Syndicated Loan maturing in March 2013 (which has already been refinanced) and (ii) the commercial paper was reclassified under "Current liabilities" in accordance with the draft amendment of IAS 1. The Company has the bank lines needed as a back-up for this commercial paper for a period exceeding one year.

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 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. 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 – 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. At 31 December 2012, commercial paper was booked to "current financial debt", in accordance with the draft amendment of IAS 1. Although these were short-term issues, the whole programme has a back-up facility for a residual term of more than 12 months (via the unused portion of the bilateral lines), which gives the Company the capacity to refinance the issues for the medium and long term.

The heading “Other – rental 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 assets and liabilities approximates to their fair value, except for:

- the financing relating to assignments of receivables from future rents/future usufruct fees, structured at fixed rates, of a residual total at 31 December 2012 of €108 million;
- the two bond issues.

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 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 2012 and 2010/2011 fiscal periods. The fair value of the assignment of receivables from future rents/future usufruct fees is estimated by updating their future cash flows using a rate that takes account of the Company's credit risk. The fair value of the bond issues is obtained from quoted market prices.

This fair value is given in the table below as an indication.

(€ thousand)	31.12.12		31.12.11	
	Book value	Fair value	Book value	Fair value
Fixed rate financial debts	**379 731**	**393 803**	**386 783**	**389 537**

27. OTHER NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

C. Other non-current financial liabilities (€ thousand)	**31.12.12**	**31.12.11**
Authorised hedging instruments	12 791	10 411
Financial hedging instruments at fair value through profit and loss - level 2	12 791	10 411
Option - CAP and COLLAR	*1 575*	*334*
Forward - IRS	*9 166*	*10 077*
Forward - CCS	*2 050*	*-*
Other non-current financial liabilities	**12 791**	**10 411**

C. Other current financial liabilities (€ thousand)	**31.12.12**	**31.12.11**
Authorised hedging instruments	257	1 239
Financial hedging instruments at fair value through profit and loss - level 2	257	1 239
Forward - IRS	*257*	*1 239*
Other current financial liabilities	**257**	**1 239**

The heading “Other non-current financial liabilities” reflects the fair value of the financial instruments, as per IAS 39 – *Financial Instruments: Recognition and Measurement*, which have a negative value. 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 fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices noted 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. We received this information from various financial institutions and an specialist independent company. Befimmo has also verified and validated it.

28. PROVISIONS

A. Current provisions (€ thousand)	**31.12.12**	**31.12.11**
Others	2 172	2 383
Current provisions	**2 172**	**2 383**

The amounts of provisions mainly cover the undertakings the Company gave when selling certain properties (undertakings to carry out works, etc.).

29. TRADE DEBTS AND OTHER CURRENT DEBTS

D. Trade debts and other current debts (€ thousand)	**31.12.12**	**31.12.11**
Exit tax	-	4 491
Other	33 503	42 827
Suppliers	*12 430*	*15 917*
Tenants	*14 899*	*20 058*
Tax, salaries and social charges	*6 174*	*6 852*
Trade debts and other current debts	**33 503**	**47 318**

The heading "Exit tax" for 2011 covers the amount of tax payable as a result of the merger of the Ringcenter SA company with the Befimmo Sicafi in June 2011.

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: mainly includes the amounts of debts related to taxes and withholding charges owed by the Company.

30. OTHER CURRENT LIABILITIES

This item consists mainly of all debts of coupons to be paid.

31. ACCRUED CHARGES AND DEFERRED INCOME

F. Accrued charges and deferred income (€ thousand)	**31.12.11**	**31.12.11**
Property income received in advance	12 152	7 811
Interest and other financial charges accrued and not yet due	7 636	6 670
Others	3	51
Accrued charges and deferred income	**19 791**	**14 532**

This heading principally includes:

- income from properties collected in advance, in accordance with the terms of the leases;
- financial interest and charges accrued but not yet due, including interest on the bonds issued in April 2011 (€4.9 million), on other fixed-rate financing (€1.5 million) and financial hedging instruments (€0.8 million).

32. QUANTITATIVE DESCRIPTION OF MAIN RISKS

The quantitative description of the main risks below complements the chapter on "Risk factors" on page 4 of the management report.

A. Credit risk

Please see page 31 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.

31.12.12 (€ thousand)	**TOTAL**	**Bank**	**Corporate**	**State**	**Other**
Non-current financial assets					
F. Non-current financial assets	**11 646**	11 544	3	-	99
G. Finance lease receivables	**2 022**	-	-	2 022	-
Current financial assets					
B. Current financial assets	**380**	258	122	-	-
C. Finance lease receivables	**122**	-	-	122	-
D. Trade receivables	**14 781**	2 749	6 415	5 617	-
E. Other current assets	**3 143**	-	1 701	1 442	-
F. Cash and cash equivalents	**2 314**	2 317	-	-	-3
Total financial assets	**34 409**	**16 869**	**8 242**	**9 203**	**96**

31.12.11 (€ thousand)	**TOTAL**	**Bank**	**Corporate**	**State**	**Other**
Non-current financial assets					
F. Non-current financial assets	**8 080**	8 043	3	-	33
G. Finance lease receivables	**2 144**	-	-	2 144	-
Current financial assets					
B. Current financial assets	**221**	109	113	-	-
C. Finance lease receivables	**120**	-	-	120	-
D. Trade receivables	**15 670**	1 969	7 744	5 957	-
E. Other current assets	**3 763**	1	2 321	1 441	-
F. Cash and cash equivalents	**4 179**	4 240	-	-	-61
Total financial assets	**34 178**	**14 362**	**10 181**	**9 662**	**-28**

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.

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)		31.12.12	31.12.11
Rental guarantees for leases	Blocked accounts/ bank guarantees	12 507	10 932
Rental guarantees for leases	Guarantees received in cash	2 016	2 014
Guarantees for investment work	Blocked accounts	29 933	21 547
Guarantees received at the close of the fiscal year		**44 455**	**34 493**

Befimmo regularly monitors the recovery of its debts. The details of due dates for trade debts at the balance sheet date are as follows:

Aging balance of trade receivables (€ thousand)	> 3 months	1 to 3 months	< 1 month	Unexpired	Total
Non doubtful debtors	875	711	899	12 246	**14 730**
Doubtful debtors	639	-69	296	-	**866**
Provisions for doubtful debtors	-567	-	-247	-	**-814**
As at 31.12.12	**946** (1)	**642**	**948**	**12 246**	**14 781**
Non doubtful debtors	626	199	2 882	11 964	**15 670**
Doubtful debtors	379	7	176	-	**562**
Provisions for doubtful debtors	-379	-7	-176	-	**-562**
As at 31.12.11	**625** (1)	**199**	**2 882**	**11 964**	**15 670**

Befimmo bears the final risk of trade debts.

A debt repayment plan has been arranged for certain tenants in arrears. At the end of 2012, there were no significant repayment plans.

Furthermore, write-downs of €378,960 were recorded during the 2012 fiscal year (as against €362,392 in 2010/2011); while €117,600 of write-downs were written back in 2012 (as against €426,474 in 2010/2011).

(1) Most of this amount is owed by public institutions.

B. Financing risk

Please see page 44 of the management report for a description of Befimmo's financial structure and especially its policy of refinancing and interest-rate and currency hedging.

(€ thousand)	31.12.12	31.12.11
Variable-rate borrowings	19 542	471 161
Bilateral credit lines and syndicated loans	*19 542*	*208 881*
Commercial papers	-	*262 280*
Fixed-rate borrowings	531 983	382 656
USPP	*156 582*	-
Bond issue	*271 821*	*271 791*
Assignment of future receivables	*103 580*	*110 865*
Guarantees received	2 016	2 014
B. Non-current financial debts	**553 541**	**855 831**
Variable-rate borrowings	391 989	17 190
Bilateral credit lines and syndicated loans	*115 789*	*17 190*
Commercial papers	*276 200*	-
Fixed-rate borrowings	4 330	4 127
Assignment of future receivables	*4 330*	*4 127*
Other	-	88
B. Current financial debts	**396 319**	**21 405**
Total borrowings	**949 860**	**877 236**

The substantial increase in current financial debts is explained by two factors: (i) the bank financing in use at 31 December 2012 consisted mainly of the 2006 Syndicated Loan maturing in March 2013 (which has already been refinanced) and (ii) the commercial paper was reclassified under Current Liabilities in accordance with the draft amendment of IAS 1. The Company has the bank lines needed as a back-up for this commercial paper for a period exceeding one year.

At 31 December 2012, the Company had financing consisting mainly of:

- a syndicated loan arranged in March 2006 totalling €350 million for a term of six years (2006-2012), extended for a further year at €220 million;
- a syndicated loan arranged in June 2008 totalling €300 million for a five-year term (2008-2013);
- various active bilateral credit lines totalling €285 million, maturing in November 2015 (€35 million), March 2017 (€100 million) and December 2017 (€150 million), a bilateral credit line of €60 million, arranged in 2012 in anticipation of the renewal of the syndicated loans, will be activated automatically following the cancellation or the expiry of the syndicated loan arranged in June 2008;
- a bond issue in April 2011 for €162 million with a maturity of six years;
- a bond issue in December 2011 for €110 million with a maturity of four years;
- a United States private placement (USPP) at fixed rates in US Dollars and Pounds Sterling arranged in May 2012 for an amount equivalent to €150.3 million maturing in 2019 (€82.77 million) and 2020 (€67.49 million);
- various fixed-rate loans, with a residual total of some €108 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 set up a commercial paper programme for up to €400 million. At 31 December 2012, €276 million were in use under this programme. The programme has back-up facilities consisting of the various credit lines arranged.

In addition, the application of the interest rate hedging policy, described on page 45 of the management report, has led the Company to acquire the following financial hedging instruments from financial institutions:

			CURRENCY		€				
	Level in IFRS	Class in IFRS	Notional amount (millions)	Interest rate	Notional amount (millions)	Interest rate	Period of hedge		Reference interest rate
CAP bought	2	Option			100	3.50%	Jan. 2012	[Jan. 2014 / Jan. 2016]	Euribor 1 month
CAP bought	2	Option			100	4.00%	Jan. 2012	Jan. 2015	Euribor 1 month
CAP bought	2	Option			100	4.50%	Jan. 2012	Jan. 2015	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
Payer's IRS	2	Forward			100	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			25	1.02%	Sept. 2011	Dec. 2012	Euribor 1 month
Payer's IRS	2	Forward			25	1.14%	Sept. 2011	Dec. 2013	Euribor 1 month
Payer's IRS	2	Forward			35	2.05%	Oct. 2011	Oct. 2014	Euribor 1 month
Payer's IRS	2	Forward			35	2.04%	Sept. 2011	March 2015	Euribor 1 month
Payer's IRS	2	Forward			35	2.12%	Sept. 2011	Sept. 2016	Euribor 1 month
Payer's IRS	2	Forward			25	1.51%	July 2012	July 2021	Euribor 1 month
Receiver's IRS	2	Forward			100	3.12%	April 2011	April 2017	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 Cross Currency Swaps (CCS) were arranged in March 2012 to hedge the exchange risk related to the conclusion of a United States private placement (USPP) denominated in Pound Sterling and US Dollars.

At 31 December 2012, the hedging ratio was 95.5%.

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 market value are booked entirely to the income statement. Note that the market value of the financial derivatives is notified every time the accounts are closed by the financial institutions from which these instruments were acquired or, where appropriate, by an independent consulting firm that Befimmo works with.

The market value of the financial hedging instruments in the Option class is -€1.57 million, and in the ‘Forward’ class €1.73 million for the IRS and -€1.67 million for the Cross Currency Swaps.

(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.

Note that the Company again arranged two CAP after the annual closure for totalling €50 million (a €25 million CAP at 2% for the period January 2013 to January 2019 and a €25 million CAP at 1% for the period February 2013 to February 2017).

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
31.12.12 fiscal year (12 months)	-3 606	5 944	-3 841	-1 503
31.12.11 fiscal year (15 months)	-18 269	9 627	5 035	-3 606

C. Liquidity risk

Please see page 9 of the management report for a description of the liquidity risk.

The residual (weighted) average duration of Befimmo's financing structure is 4.45 years. The tables below illustrate the maturities of the financial liabilities held by the Company.

LIABILITIES (31.12.12)	Total	< 1 year	1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	**553 541**	-	324 218	229 323
Current financial liabilities				
B. Current financial debts	**396 319**	396 319	-	-
D. Trade debts and other current debts	**28 005**	28 005	-	-
E. Other current liabilities	**10 636**	10 636	-	-
Total financial liabilities	**988 502**	**434 961**	**324 218**	**229 323**

LIABILITIES (31.12.11)	Total	< 1 year	1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	**855 831**	-	621 827	234 004
Current financial liabilities				
B. Current financial debts	**21 405**	21 405	-	-
D. Trade debts and other current debts	**36 409**	36 409	-	-
E. Other current liabilities	**4 272**	4 272	-	-
Total financial liabilities	**917 918**	**62 086**	**621 827**	**234 004**

33. EMPLOYEE BENEFITS

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.

An actuarial valuation is made every year in accordance with IAS 19 by independent actuaries.

The current value of the obligation has evolved as follows:

Reconciliation of current value of the obligations (€ thousand)	**31.12.12**	**31.12.11**
Opening balance	**4 012.8**	**3 265.3**
Current service cost during the fiscal year	471.9	425.3
Financial cost	215.8	211.8
Plan members' contributions	58.9	62.9
Past service cost	-	-
Business combinations	-	-
Reductions or settlements	-	-23.4
Actuarial gains or losses	1 704.4	70.9
Benefits paid	-	-
Closing balance	**6 463.8**	**4 012.8**
Current value of obligations – funded plans	6 463.8	4 012.8
Current value of obligations – non-funded plans	-	-

The fair value of the assets has evolved as follows:

Reconciliation of fair value of plan assets (€ thousand)	**31.12.12**	**31.12.11**
Opening balance	**4 121.7**	**3 549.4**
Expected return	245.2	264.9
Actuarial gains or losses	183.1	-399.9
Employer's contributions	621.7	667.8
Plan members' contributions	58.9	62.9
Business combinations	-	-
Reductions or settlements	-	-23.4
Benefits paid	-	-
Closing balance	**5 230.6**	**4 121.7**

The assets or liabilities are recognised in the balance sheet as follows:

Reconciliation of amounts recognised in the balance sheet (€ thousand)	**31.12.12**	**31.12.11**
Current value of the obligation	**6 463.8**	**4 012.8**
Fair value of assets	5 230.6	-4 121.7
(Surplus) / deficit	1 233.2	-108.9
Actuarial gains or losses not booked to the balance sheet	-1 233.2	-
Past service costs not yet booked to the balance sheet	-	-
Amount not booked to plan assets owing to limit on plan assets	-	108.9
Assets / liabilities recognised in the balance sheet	**-**	**-**
Liabilities booked to the balance sheet	-	-
Assets booked to the balance sheet	-	-

The total charge booked to the income statement amounts to:

Total charge booked to the income statement (€ thousand)	**31.12.12**	**31.12.11**
Current service cost during the fiscal year	**471.9**	**425.3**
Financial cost	215.8	211.8
Expected return	-245.2	-264.9
Actuarial gains or losses	288.0	470.8
Effect of the limit on plan assets booked to the balance sheet	-108.9	-175.2
Past service cost	-	-
Reductions or settlements	-	-
Total charge	**621.7**	**667.8**

The charge is included under overheads in the Company's IFRS income statement.

The fair value of plan assets breaks down as follows:

Fair value of assets (€ thousand)	**31.12.12**		**31.12.11**	
Equity instruments	952.5	26.0%	589.1	21.0%
Borrowing instruments	2 198.1	60.0%	1 851.6	66.0%
Real-estate	-	-	-	-
Others	512.9	14.0%	364.7	13.0%
Subtotal (pension fund)	3 663.5	100.0%	2 805.5	100.0%
Group insurance	1 567.0		1 316.2	
Total	**5 230.6**		**4 121.7**	

The expected rate of return for fiscal year 2012 is 5.5%, calculated by weighting the expected rates of return on the pension fund and the group insurance.

These expected rates of return, used to calculate the 2012 charge, are based on an assumed risk premium of 3% on the share part of the pension fund and a yield of 4.5% a year for the group insurance. The actual yield of the assets during the fiscal period was positive at €428.3 thousand. For the 2011 fiscal year, it was negative at €135 thousand.

The main actuarial assumptions are summarised below:

	31.12.12	**31.12.11**
Discount rate	3.25%	4.75%
Expected rate of salary increase	4.00%	4.00%
Expected yield rate of plan assets	3.25%	5.50%
Expected rate of pension increase	2.00%	2.00%
Mortality table	MR-5/FR-5	MR-5/FR-5

The history of the scheme's surpluses and deficits and the adjustments linked to the experience of the current value of the obligation and the fair value of the assets (i.e. without taking account of the actuarial gains or losses arising out of changes in the actuarial assumptions) are summarised in the following table:

(€ thousand)	31.12.12	31.12.11	30.09.10	30.09.09	30.09.08
Current value of the obligation	6 463.8	4 012.8	3 265.3	2 449.9	1 471.5
Fair value of assets	-5 230.6	-4 121.7	-3 549.4	-2 812.4	-2 093.2
(Surplus) / deficit	1 233.2	-108.9	-284.1	-362.5	-621.7
Adjustments based on experience					
a) current value of the obligation	-368.9	178.7	-36.0	78.6	113.9
b) fair value of assets	183.1	-399.9	-78.6	116.4	-350.9

Befimmo expects to contribute an estimated €646.6 thousand net of taxes and social contributions for the 2013 fiscal year.

34. COMMITMENTS

34.1. Commitments to third parties

34.1.1. Commitments to tenants

Fedimmo has a commitment to the Belgian Government to carry out renovation work in Tower III of the World Trade Center. The first two phases of work have already been completed, while the final phase should be completed in early 2013. The total budget for the work is €18.8 million.

Under a public promotion contract, Fedimmo also has a commitment to the Buildings Agency to build the Paradis tower, a new centre for the Federal Finance Service in Liège.

Under that contract, Fedimmo has applied for a "single permit" based on the building permit it obtained in mid-2008. In 2011, Fedimmo obtained the permits to erect this building, confirmed on appeal by the Ministerial Order of 10 February 2012. That Order was challenged by several actions for suspension and annulment before the Council of State.

On 16 October 2012, the Council of State rejected the actions for suspension.

The total investment for this project is approximately €95 million and will generate rental income of some €6 million per year at the start of the lease.

Fedimmo began erecting the building in early March 2012, with handover expected during the second half of 2014. The total cost of the project is estimated at around €95 million. The building is leased for a fixed term of 25 years from the hand-over date.

Befimmo has a commitment under the long-term lease it entered into with the law firm Linklaters, subject to a suspensory condition, to carry out renovation work on the Brederode 1 building. The new 15-year lease will commence as soon as the work is completed, scheduled for mid-2014. The total budget for the work is around €26.2 million.

Befimmo also 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 80 euros per m² of lettable space above ground, i.e. €1.0 million. This amount is subject to the same indexing adjustment as the rent, and is intended to cover renovation work.

34.1.2. Commitments to purchasers of properties to be sold

In late 2012, the Ministry of Infrastructure and Transport, tenant of the Mons 2 building, located at Digue des Peupliers 71, Mons, exercised its option to purchase the property for the price of some €8 million. The sale was completed in late February 2013.

The Belgian Government also has an option to purchase the new Finance centre currently under construction in Liège, at the end of the 25-year lease.

34.1.3. 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 €22.3 million including VAT. These commitments relate principally to the Brederode 1 building.

Commitments entered into by Fedimmo with approved building contractors:

Befimmo's main contractual commitments with approved building contractors and design teams amount to some €77.2 million including VAT. These commitments relate mainly to the Liège Paradis building (the new Finance centre).

34.1.4. Other commitments

Befimmo is also committed for periods of one to three years under specific contracts with real-estate experts (for the quarterly valuation of the property portfolio), property management services for its buildings, and insurance policies. The amounts of these commitments are nevertheless very limited.

34.2. Restrictions on assignment

None of the buildings in Befimmo'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 Befimmo's property assets is subject to any restriction on the recovery of revenue. However, in the context of three financial operations that were arranged on favourable terms, five buildings were financed by the assignment of receivables for future rents to a financial institution, and one building was financed by the assignment of future usufruct fees to a financial institution. Ownership may not therefore be transferred without the prior agreement of the assignee of the rent or 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.

34.3. Guarantees given

(€ thousand)		**31.12.12**	**31.12.11**
Guarantees for investment work	Bank guarantee	10 741	11 986
Guarantees issued at the close of the fiscal year		**10 741**	**11 986**

Notes to the consolidated financial statements

Fedimmo issued two important guarantees in the context of the project to build the new Finance centre in Rue Paradis, Liege. The first, amounting to €5.4 million in favour of the Buildings Agency, guarantees the performance of the promotion contract concluded on 31 March 2009 for the provision of a building to house the Federal Public Finance Service in Liège. The second, amounting to €5.1 million in favour of the City of Liège, guarantees the performance of all the work and planning charges imposed for the single permit issued to construct the new building for the Federal Public Finance Service in Liège.

In the context of the sale of the semi-industrial portfolio to the Julie LH company, Befimmo issued a guarantee in favour of the IBGE for €1.4 million to guarantee the proper performance of the soil remediation on the Anderlecht site. Following progress on the project, part of the guarantee has been released. The current amount of the guarantee is €0.2 million.

35. RELATED-PARTY TRANSACTIONS

Remuneration of the directors of Befimmo SA and the executive officers of Befimmo SA, borne by Befimmo SA

FISCAL PERIOD 31.12.12 (12 months) Name	Short-term benefits (salaries, bonuses) [1]	Post-employment benefits (pension, ...)
Arcade Consult BVBA - André Sougné	69 500	
Hugues Delpire	72 000	
Alain Devos	65 250	
Benoît Godts	86 500	
Roude BVBA - Jacques Rousseaux	93 250	
Marcus Van Heddeghem	57 750	
SPRL Etienne Dewulf - Etienne Dewulf	69 500	
CEO - Benoît De Blieck *(directorship expired on 20 December 2012)*	528 182	98 255
variable portion	*156 000*	
CEO - SPRLu BDB Management (nominated on 20 december 2012)	*14 436*	
Other Executive Officers [2]	918 813	133 649
variable portion	*208 952*	
Total	**1 975 181**	**231 905**

FISCAL PERIOD 31.12.11 (15 months) Name	Short-term benefits (salaries, bonuses) [1]	Post-employment benefits (pension, ...)
Arcade Consult BVBA - André Sougné	64 750	
Marc Blanpain *(directorship expired on 16 March 2011)*	26 000	
Gustaaf Buelens *(directorship expired on 16 March 2011)*	21 250	
Hugues Delpire *(nominated on 16 March 2011)*	59 000	
Alain Devos	67 000	
Benoît Godts	97 250	
Roude BVBA - Jacques Rousseaux	95 000	
Marcus Van Heddeghem	57 000	
Luc Vandewalle *(directorship expired on 16 March 2011)*	18 000	
SPRL Etienne Dewulf - Etienne Dewulf *(nominated on 16 March 2011)*	43 250	
CEO	619 242	107 383
variable portion	*150 000*	
Other Executive Officers [2]	1 022 540	185 781
variable portion	*156 210*	
Total	**2 190 282**	**293 163**

Post-employment benefits are described in the note on employee benefits.

Relationships with entities of AG Insurance are described in the chapter on corporate governance.

The Company did not grant any other long-term benefits during the 2010/2011 or 2012 fiscal periods.

(1) Short-term benefits are fixed and variable remuneration, and any other miscellaneous components and benefits (including social charges).
(2) This amount may be influenced by fluctuations in staff numbers.

STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2012

Deloitte Reviseurs d'Entreprises
Berkenlaan 8b
1831 Diegem
Belgium
Tél. + 32 2 800 20 00
Fax + 32 2 800 20 01
www.deloitte.be

The original text of this report is in Dutch and French.

To the shareholders
As required by law, we report to you on the statutory audit mandate which you have entrusted to us. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying 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. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated statement of changes of 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. The consolidated balance sheet shows total assets of 2.027.248 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 7.868 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards 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. 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 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 company'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 NA/SA give a true and fair view of the group's net equity and financial position as of 31 December 2012, 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.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the context of our mandate.

Diegem, 6 March 2013
DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by
The statutory auditor

Rik Neckebroeck

Kathleen De Brabander

STATUTORY STATEMENT OF TOTAL COMPREHENSIVE INCOME
(€ thousand)

	31.12.12 (12 months)	31.12.11 (15 months)
I. (+) Rental income	81 282	97 578
III. (+/-) Charges linked to letting	-416	-340
NET RENTAL INCOME	**80 866**	**97 239**
IV. (+) Recovery of property charges	4 888	6 156
V. (+) Recovery of rental charges and taxes normally payable by tenants on let properties	21 214	25 363
VII. (-) Charges and taxes normally paid by tenants on let properties	-20 413	-24 951
VIII. (+/-) Other revenue and charges for letting	38	377
PROPERTY RESULT	**86 593**	**104 184**
IX. (-) Technical costs	-5 963	-7 409
X. (-) Commercial costs	-583	-949
XI. (-) Charges and taxes on unlet properties	-2 511	-2 731
XII. (-) Property management costs	-1 490	-1 942
XIII. (-) Other property charges	-1 217	-239
(+/-) Property charges	**-11 766**	**-13 270**
PROPERTY OPERATING RESULT	**74 827**	**90 914**
XIV. (-) Corporate management costs	-10 859	-12 788
XV. (+/-) Other operating income and charges	134	-308
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**64 102**	**77 818**
XVI. (+/-) Gains or losses on disposals of investment properties	206	12 494
XVIII. (+/-) Changes in fair value of investment properties	-32 329	-29 998
OPERATING RESULT	**31 979**	**60 315**
XX. (+) Financial income	19 023	24 000
XXI. (-) Interest charges	-24 242	-28 232
XXII. (-) Other financial charges	-3 330	-3 833
XXIII. (+/-) Changes in fair value of financial assets and liabilities	-5 676	28 123
(+/-) Financial result	**-14 225**	**20 057**
PRE-TAX RESULT	**17 754**	**80 372**
XXIV. (-) Corporation tax	-720	-845
(+/-) Taxes	**-720**	**-845**
NET RESULT	**17 034**	**79 527**
TOTAL BASIC NET RESULT AND DILUTED PER SHARE	**0.93**	**4.73**

Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	**17 034**	**79 527**

The Statutory Auditor’s report gives unqualified approval to the statutory accounts of Befimmo SA.

STATUTORY STATEMENT OF FINANCIAL POSITION
(€ thousand)

ASSETS	31.12.12	31.12.11
I. Non-current assets	**1 989 073**	**1 916 190**
C. Investment properties	1 150 049	1 169 214
D. Other property, plant and equipment	381	533
E. Non-current financial assets	838 643	746 443
II. Current assets	**34 358**	**27 726**
A Assets held for sale	7 896	-
B. Current financial assets	4 820	4 703
D. Trade receivables	12 472	12 306
E. Tax receivables and other current assets	4 285	4 280
F. Cash and cash equivalents	1 641	3 873
G. Deferred charges and accrued income	3 244	2 563
TOTAL ASSETS	**2 023 430**	**1 943 916**

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.12	31.12.11
SHAREHOLDERS' EQUITY	**1 030 843**	**1 034 676**
A. Capital	267 720	254 111
B. Share premium account	548 168	516 194
C. Reserves	214 955	253 528
D. Net result for the fiscal year	-	10 842
LIABILITIES	**992 587**	**909 240**
I. Non-current liabilities	**518 258**	**815 783**
B. Non-current financial debts	505 467	805 372
a. Credit institution	75 097	269 335
c. Other	430 371	536 037
Bond issues	*271 821*	*271 791*
Commercial papers	*-*	*262 280*
USPP	*156 582*	*-*
Guarantees received	*1 968*	*1 966*
C. Other non-current financial liabilities	12 791	10 411
II. Current liabilities	**474 329**	**93 457**
A. Provisions	2 172	2 348
B. Current financial debts	414 364	29 999
a. Credit institution	117 734	19 046
c. Other	296 630	10 953
Commercial papers	*276 200*	*-*
Other	*20 430*	*10 953*
C. Other current financial liabilities	257	1 239
D. Trade debts and other current debts	27 757	41 642
a. Exit tax	-	4 491
b. Other	27 757	37 151
E. Other current liabilities	10 149	4 253
F. Accrued charges and deferred income	19 630	13 976
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2 023 430**	**1 943 916**

The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

NOTE ON STATUTORY SHAREHOLDER'S EQUITY
(€ thousand)

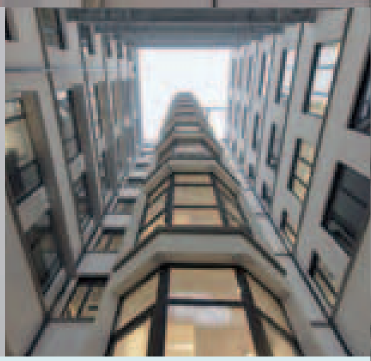
Please see page 50 of the management report for the chapter “Appropriation of result”.

Equity before appropriation of the result is as follows:

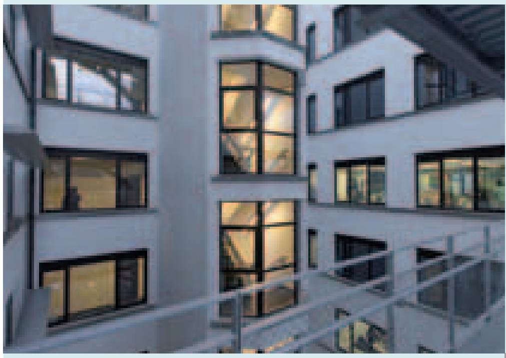
Shareholders' equity (€ thousand)	**31.12.12**	**31.12.11**
A. Capital	**267 720**	**254 111**
(+) Subscribed capital	277 795	264 062
(-) Costs of capital increase	-10 075	-9 950
B. Share premium account	**548 168**	**516 194**
C. Reserves	**214 955**	**253 528**
(+) (a) Legal reserve	1 295	1 295
(+/-) (b) Reserve for the balance of changes in fair value of investment properties	145 105	158 645
(-) (c) Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-29 230	-28 500
(+/-) (d) Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS	-7 492	-26 722
(+/-) (m) Other reserves	19 818	19 818
(+/-) (n) Result brought forward from previous years	85 459	128 992
D. Net result for the fiscal year	**0**	**10 842**

The table below is presented after appropriation of the result to reserves.

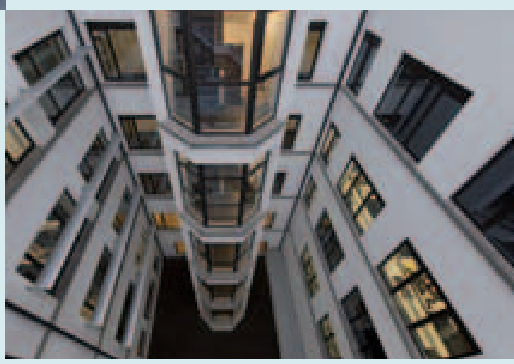
Shareholders' equity that cannot be distributed according to Article 617 of the Company Code (€ thousand)	**31.12.12**
Net assets	**1 030 843**
(+) Paid-up capital or, if greater, subscribed capital	277 795
(+) Share premium account unavailable for distribution according to the articles of association	489 411
(+) Reserve of the postive balance of the changes in fair value of the investment properties	111 796
(-) Reserves for estimated transaction costs resulting from hypothetical disposal of investment properties	-28 949
(+/-) Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	-5 390
(+) Other reserves declared non-distributable by the General Meeting of Shareholders	3 633
(+) Legal reserve	1 295
TOTAL NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY	**849 592**
BALANCE	**181 251**

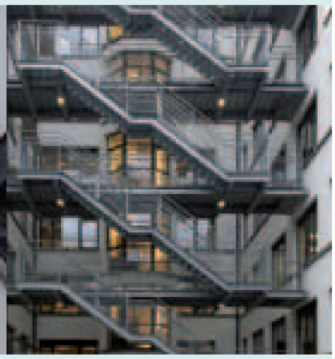


Central Gate, Brussels centre



CREATING VALUE IN REAL ESTATE





KEEPING OUR COMMITMENTS IN MIND

GENERAL INFORMATION

Science-Montoyer,
Brussels Leopold district

GENERAL INFORMATION

Identification

NAME

Befimmo SA, a public Sicaf 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 Limited by Shares 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 Hisette. For further information, please see chapter "Key events of the fiscal year".

The articles of association have been amended several times, most recently on 20 December 2012. The coordinated articles of association are available on the Befimmo SA website: http://www.befimmo.be/en/coordinated-articles-association.

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.

COMPANY OBJECT (ARTICLE 4 OF THE ARTICLES OF ASSOCIATION)

The primary purpose of Befimmo SA is the collective investment of funds collected from the public, in the category "real estate", as referred to in article 7, § 1 5° of the law of 3 August 2012.

Real estate means:
- immovable goods as defined by articles 517 and following of the Civil Code as well as real rights on immovable goods;
- shares with voting rights issued by real-estate companies exclusively or jointly controlled by the Sicafi;
- option rights on immovable goods;
- shares of Public or Institutional Sicafis subject, in the latter case, to joint or exclusive control over such Sicafis;
- shares in foreign collective real-estate investment trusts registered on the list referred to in article 149 of the law of 3 August 2012;
- shares in collective real-estate investment trusts established in another country of the European Economic Area and not registered on the list referred to in article 149 of the law of 3 August 2012, insofar as they are subject to control similar to that applicable to Public Sicafis;
- real-estate certificates specified in article 5, § 4, of the law of 16 June 2006 on public offers of investment vehicles and listing of investment vehicles on regulated markets;
- rights stemming from leasing agreements for one or more assets under real-estate leasing contracts of the Sicafi or granting other similar rights;
- as well as all other goods, shares or rights defined as immovable goods by the implementing Royal Decrees, applicable to collective investment undertakings that have opted to invest in immovable goods.

Befimmo SA may, however, as an ancillary or temporary activity, make investments in movable goods, according to the provisions set forth in article 5.2 of the articles of association and own unallocated liquid assets. These investments and the holding of liquid assets must be the subject of a special decision of the Board of Directors establishing the investment's ancillary or temporary nature. The holding of movable goods must be compatible with the pursuit, in the short or medium term, of the investment policy described above. In addition, such securities shall be tradable on a regulated market operating regularly, recognised, and open to the public. The liquid assets can be held in all currencies under the form of deposits on a current account or a deposit account or of any instrument of the money market that can be mobilised easily.

Befimmo SA may acquire movable and immovable goods for the purpose of its direct operations.

It may take an interest, through mergers or otherwise, in all companies having a similar object.

It may take all necessary measures and conduct all transactions, namely those mentioned in article 4 of the articles of association, deemed useful for the realisation and enhancement of its purpose within the legal and regulatory provisions that regulate it

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/coordinated-articles-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 2 daily financial newspapers. 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 2012, the registered capital totalled €277,794,918.53.

It is represented by 19,120,709 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 2012, the authorised capital amounts €228,594,642.64.

CHANGES TO THE CAPITAL SINCE 31.12.2011

The following table shows the changes in capital during fiscal year 2012.
The history of changes in capital over the previous fiscal period can be found in the Annual Financial Report 2010/2011.
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 31.12.2011	264 061 592.80	18 175 440
As at 03.10.2012	272 690 074.09	18 769 341
As at 19.12.2012	277 794 918.53	19 120 709

SHAREHOLDER STRUCTURE AS AT 31.12.2012

Shareholder (as at 31.12.2012)

Declarants	Number of shares declared on the date of declaration	(in %)
AG Insurance and affiliated companies	3 156 080	16.5 (1)
Société Fédérale de Participations et d'Investissement (SFPI)	619 798	3.2 (2)
Befimmo's subsidiaries		
Meirfree SA	445 148	2.3
Vitalfree SA	222 574	1.2
Free float	14 677 109	76.8
Number of shares	**19 120 709**	**100.0**

The Company applies a statutory threshold of 3%.

Befimmo SA is not aware of the existence of shareholder agreements.

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.

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 at www.befimmo.be/en/coordinated-articles-association.

(1) Based on the transparency declaration received on 15 October 2008 and the prior undertaking to subscribe to the June 2009 capital increase for all the rights they held.
(2) *Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij.*
(3) Based on the transparency declaration received on 8 October 2012 and on the information received on 25 February 2013.

Name and qualifications of the real-estate experts

Befimmo SA uses three real-estate experts, namely: Jones Lang LaSalle (represented by Mr R.P. Scrivener), DTZ-Winssinger & Associés (represented by Mr C. Ackermans) and Price Waterhouse Coopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme).
These are expert real-estate companies with specialist knowledge of the market and which enjoy a first-class international reputation.

Real-estate Sicaf (Belgium)

The Sicafi regime was created in 1995 to promote collective investment in real estate. The concept of public fixed-capital investment trust is similar to Real Estate Investment Trusts (USA) and *Beleggingsinstellingen* (Netherlands).

The legislator intended the Sicafi to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying many advantages.

The Sicafi 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 "*Société Anonyme*" or "*Société 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;
- the portfolio must be carried at market value without applying any depreciation;
- 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;
- exemption from corporation tax provided that 80% of profits are distributed;
- a withholding tax of 25%[1] is deducted when paying out dividends.

This set of rules is designed to minimise the risk incurred.

Companies merging with a Sicafi are subject to tax of 16.995% on unrealised capital gains and untaxed reserves (16.5% plus 3% additional crisis levy).

Institutional Sicafi

After the close of fiscal year 2012, on 25 January 2013, Fedimmo SA (a 100% subsidiary of Befimmo SA) obtained the status of Institutional Sicafi.

The Institutional Sicafi was introduced by the Royal Decree of 7 December 2010.

The main features of the Institutional Sicafi are:
- an unlisted company controlled by a Public Sicafi;
- registered shares held by institutional or public investors;
- no requirement for diversification or debt ratio (consolidated at the level of the Public Sicafi);
- compulsory distribution of a dividend;
- jointly or solely controlled by a Public Sicafi;
- sole purpose of investing in real estate;
- no obligation to appoint a real-estate expert, the real-estate assets being valued by the expert of the Public Sicafi;
- statutory accounts prepared in accordance with IFRS standards (same accounting scheme as the Public Sicafi);
- strict rules regarding conflicts of interest;
- subject to FSMA control.

Statements

PERSONS RESPONSIBLE

BDB Management SPRLu [(2)], Managing Director, represented by its permanent representative Mr Benoît De Blieck 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 management report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation, and a description of the main risks and uncertainties they face.

INFORMATION FROM THIRD PARTIES

The real-estate experts DTZ-Winssinger & Associés, Jones Lang LaSalle and PWC 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 6 March 2013 in this Annual Financial Report.

The Company confirms that the information taken from the reports of the real-estate experts 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.

(1) Following the publication of the programme law of 27 December 2012 (Belgian Offical Gazette of 31 December 2012), the calculation is based on a rate of withholding tax for a real-estate Sicaf of 25% rather than 21% for dividends allocated or paid out from 1 January 2013.
(2) With registered office at B-1140 Brussels, rue Colonel Bourg 127/129, box 15.

KEEPING OUR COMMITMENTS IN MIND

APPENDICES

BEFIMMO CONSOLIDATED PORTFOLIO

Offices (as at 31.12.2012)

	Year built/ year renovated	Floor area for lease (in m²)	Initial term of lease[1] (in years)	Rent billed during the fiscal year (€ thousand)	Share of portfolio[2] (in %)	Current rent[3] (€ thousand)	Occupancy rate (in %)
Brussels centre							
Brederode 1 Rue Brederode 13 and rue Thérésienne, 1000 Brussels	1996	13 388	15	2 997	2.0	2 680	100.0
Brederode 2 Rue Brederode 9 and rue de Namur 48, 1000 Brussels	2001	8 512	14	160	1.4	1 848	98.5
Brederode Corner Rue Brederode and rue de Namur, 1000 Brussels	2008	8 036	9	2 023	1.5	2 042	100.0
Central Gate Rue Ravenstein 50-70 and Cantersteen 39-55, 1000 Brussels	2012	32 373	3/6/9	2 812	3.2	4 377	90.4
Empereur Boulevard de l'Empereur 11, 1000 Brussels	1963	5 953	9	1 042	0.8	1 061	100.0
Montesquieu Rue des Quatre Bras 13, 1000 Brussels	2009	19 004	20.5	4 520	3.3	4 545	100.0
Gouvernement Provisoire Rue du Gouvernement Provisoire 15, 1000 Brussels	2005	2 836	21	604	0.5	617	100.0
Lambermont Rue Lambermont 2, 1000 Brussels	2000	1 788	21	350	0.3	358	100.0
Pacheco Boulevard Pacheco 32, 1000 Brussels	1976	5 481	15	713	0.5	728	100.0
Poelaert Place Poelaert 2-4, 1000 Brussels	2001	14 146	18	3 399	2.5	3 470	100.0
		111 517		**18 620**	**15.9**	**21 727**	**97.8**
Brussels Leopold district							
Arts Avenue des Arts 28/30 and rue du Commerce 96/112 1000 Brussels	1920 and 2005	16 793	21	4 025	3.0	4 112	100.0
Froissart Rue Froissart 95, 1000 Brussels	2010	3 185	3/6/9	251	0.2	275	36.5
Guimard Rue Guimard 9 and rue du Commerce 87-91, 1040 Brussels	1997	5 435	3/6/9	887	0.7	948	81.0
Joseph II Rue Joseph II 27, 1000 Brussels	1994	12 831	27	4 163	3.0	4 163	100.0
Pavilion Rue de la Loi 70-72-74, 1000 Brussels	2005	19 641	19	4 100	3.1	4 218	100.0
Schuman 3 Rond-point Schuman 2-4a and rue Froissart 141a-143 1040 Brussels	2001	5 487	9	1 440	1.1	1 449	100.0
Schuman 11 Rond-point Schuman 11, 1040 Brussels	2004	5 285	3/6/9	1 417	1.0	1 425	87.3
Science - Montoyer Rue Montoyer 30, 1000 Brussels	2011	5 379	21	313	0.9	1 193	100.0
View Building Rue de l'Industrie 26-38, 1040 Brussels	2001	11 156	3/6/9	2 102	1.6	2 142	100.0
Wiertz Rue Wiertz 30-50, 1050 Brussels	1996	10 865	15	3 313	2.4	3 333	100.0
		96 057		**22 011**	**17.0**	**23 259**	**96.2**

	Year built/ year renovated	Floor area for lease (in m²)	Initial term of lease(1) (in years)	Rent billed during the fiscal year (€ thousand)	Share of portfolio(2) (in %)	Current rent(3) (€ thousand)	Occupancy rate (in %)
Brussels North area							
Noord Building Boulevard du Roi Albert II 156/1, 1000 Brussels	1989	42 726	27	8 108	5.9	8 098	100.0
World Trade Center - Tour II Boulevard du Roi Albert II 30, 1000 Brussels	1973	68 980	9	11 803	9.8	13 365	97.2
Word Trade Center - Tour III Boulevard du Roi Albert II 30, 1000 Brussels	2012	75 800	21	11 501	8.6	11 748	100.0
		187 506		**31 411**	**24.3**	**33 211**	**98.9**
Brussels decentralised							
Goemaere Chaussée de Wavre 1945, 1160 Brussels	1998	7 029	3/6/9	1 044	0.8	1 085	100.0
Jean Dubrucq Avenue Jean Dubrucq 175b 1, 1080 Brussels	1992	8 024	9	310	0.2	310	59.2
La Plaine Boulevard Général Jacques 263G, 1050 Brussels	1995	15 933	9	2 847	2.1	2 847	100.0
Triomphe I Avenue Arnaud Fraiteur 15-23, 1050 Brussels	1998	11 498	9	2 658	2.0	2 684	100.0
Triomphe II Avenue Arnaud Fraiteur 15-23, 1050 Brussels	1998	9 032	6/9	1 115	0.8	1 127	86.4
Triomphe III Avenue Arnaud Fraiteur 25-27, 1050 Brussels	1993	7 178	3/6/9	20	0.0	21	2.3
		58 694		**7 995**	**5.9**	**8 074**	**86.2**
Brussels periphery							
Eagle Building Kouterveldstraat 20, 1831 Diegem	2000	8 646	3/6/9	903	0.7	909	88.3
Fountain Plaza Belgicastraat 1-3-5-7, 1930 Zaventem	2012	18 415	3/6/9	1 586	1.1	1 532	63.7
Ikaros Business Park (phases I to V) Ikaroslaan, 1930 Zaventem	1990 to 2008	46 053	3/6/9	4 361	3.5	4 718	79.6
Media Medialaan 50, 1800 Vilvoorde	1999	18 104	3/6/9	2 459	1.9	2 560	99.2
Ocean House Belgicastraat 17, 1930 Zaventem	2012	4 726	6/9	-	0.3	431	85.8
Planand II Leuvensesteenweg 542, 1930 Zaventem	1988	10 279	3/6/9	649	0.5	692	78.0
Waterloo Office Park Drève Richelle 161, 1410 Waterloo	1992	2 005	3/6/9	277	0.2	312	97.7
		108 228		**10 235**	**8.2**	**11 155**	**81.7**

(1) The initial term of the lease corresponds to the term mentioned in the lease contract.
(2) The share of the portfolio is calculated on the basis of the current rent as at 31 December 2012.
(3) Current rents at the date of the closing together with the future rent on contracts signed on 31 December 2012 and checked by the real estate experts.

Befimmo consolidated portfolio

	Year built/ year renovated	Floor area for lease (in m²)	Initial term of lease[1] (in years)	Rent billed during the fiscal year (€ thousand)	Share of portfolio[2] (in %)	Current rent[3] (€ thousand)	Occupancy rate (in %)
Wallonia							
Ath - Place des Capucins 1	1995	4 055	18	553	0.4	565	100.0
Binche - Rue de la Régence 31	1960	2 480	9	226	0.2	230	100.0
Braine-l'Alleud - Rue Pierre Flamand 64	1977	2 175	21	251	0.2	256	100.0
Chenée - Rue Large 59	1983	1 276	6	89	0.1	91	100.0
Eupen - Vervierserstrasse 8	1989	2 240	15	282	0.2	288	100.0
La Louvière - Rue Ernest Boucqueau 15	1997	6 116	18	843	0.6	861	100.0
Liège - Avenue Emile Digneffe 24	1953	2 358	6	216	0.2	221	100.0
Liège - Rue Paradis 1	1987	38 945	6	4 355	3.3	4 461	100.0
Liège - Rue Rennequin-Sualem 28	1968	2 991	6	233	0.2	238	100.0
Malmedy - Rue Joseph Werson 2	2000	2 757	21	325	0.2	332	100.0
Marche-en-Famenne - Avenue du Monument 25	1988	4 070	18	508	0.4	519	100.0
Mons 2 - Digue des Peupliers 71	1976	7 268	8	1 296	1.0	1 323	100.0
Namur - Avenue de Stassart 9	1900	1 939	9	225	0.2	230	100.0
Namur - Rue Henri Lemaître 3	1925	990	9	90	0.1	92	100.0
Namur - Rue Pépin 5	1965	1 130	9	162	0.1	165	100.0
Namur - Rue Pépin 31	1900	1 018	9	97	0.1	99	100.0
Namur - Rue Pépin 22	1900	877	9	82	0.1	84	100.0
Saint-Vith - Klosterstrasse 32	1988	2 956	18	356	0.3	364	100.0
Seraing - Rue Haute 67	1971	2 109	15	226	0.2	231	100.0
		87 750		**10 415**	**7.8**	**10 650**	**100.0**
Flanders							
Antwerpen - Meir 48	1985[4]	20 612	18/27	3 292	2.4	3 335	100.0
Bilzen - Brugstraat 2	1995	1 318	18	189	0.1	193	100.0
Brugge - Boninvest 1	1996	2 690	21	196	0.1	201	100.0
Deinze - Brielstraat 25	1988	3 167	15	376	0.3	384	100.0
Dendermonde - Sint-Rochusstraat 63	1987	6 453	21	866	0.6	885	100.0
Diest - Koning Albertstraat 12	1995	2 869	21	392	0.3	400	100.0
Diksmuide - Woumenweg 49	1979	2 207	21	281	0.2	287	100.0
Eeklo - Raamstraat 18	1993	3 155	15	387	0.3	395	100.0
Haacht - Remi van de Sandelaan 1	1985	2 170	18	276	0.2	282	100.0
Halle - Zuster Bernardastraat 32	1985	7 440	18	1 045	0.8	1 067	100.0
Harelbeke - Kortrijksestraat 2	1990	1 973	9	236	0.2	241	100.0
Herentals - Belgiëlaan 29	1987	3 296	18	431	0.3	440	100.0
Ieper - Arsenaalstraat 4	1994	4 623	18	609	0.5	622	100.0
Izegem - Kasteelstraat 15	1981	2 910	9	316	0.2	323	100.0
Knokke-Heist - Majoor Vandammestraat 4	1979	2 696	21	417	0.3	426	100.0
Kortrijk - Bloemistenstraat 23	1995	11 505	18	1 522	1.1	1 555	100.0
Kortrijk - Ijzerkaai 26	1992	1 813	9	215	0.2	220	100.0
Leuven - Vital Decosterstraat 42-44	1993	19 033	12/15	1 971	1.4	1 856	93.9

	Year built/ year renovated	Floor area for lease (in m²)	Initial term of lease(1) (in years)	Rent billed during the fiscal year (€ thousand)	Share of portfolio(2) (in %)	Current rent (3) (€ thousand)	Occupancy rate (in %)
Flanders							
Lokeren - Grote Kaai 20	2005	1 938	21	263	0.2	268	100.0
Menen - Grote Markt 10	1988	3 273	9	407	0.3	415	100.0
Nieuwpoort - Juul Filliaertweg 41	1982	2 868	15	370	0.3	378	100.0
Ninove - Bevrijdingslaan 7	1981	2 683	9	334	0.2	341	100.0
Oudenaarde - Marlboroughlaan 4	1963	4 701	21	480	0.4	491	100.0
Roeselare - Rondekomstraat 30	1987	6 795	21	762	0.6	778	100.0
Sint-Niklaas - Driekoningenstraat 4	1992	6 987	18	872	0.7	891	100.0
Sint-Truiden - Abdijstraat 6	1984	3 932	15	427	0.3	436	100.0
Tervuren - Leuvensesteenweg 17	1980	20 408	15	1 261	0.9	1 286	100.0
Tielt - Tramstraat 48	1982	4 180	15	486	0.4	497	100.0
Tienen - Goossensvest 3	1985	6 390	15	820	0.6	838	100.0
Tongeren - Verbindingsstraat 26	2002	7 482	21	1 115	0.8	1 139	100.0
Torhout - Burg 28	1973	1 720	18	194	0.1	198	100.0
Torhout - Elisabethlaan 27	1985	1 284	9	152	0.1	156	100.0
Vilvoorde - Groenstraat 51	1995	5 992	21	857	0.6	875	100.0
		180 563		**21 815**	**16.2**	**22 098**	**99.5**
Luxembourg city							
Axento - Luxembourg Avenue JF Kennedy 44	2009	13 447	5/6/9	4 483	3.8	5 200	97.4
Properties available for lease		*843 762*		*122 506*	*99.0*	*135 374*	*95.9*
New Finance centre (Paradis Tower) - Rue Paradis 1 à 4000 Liège	construction project	-	-	-	-	-	-
WTC IV Boulevard du Roi Albert II 30. 1000 Brussels	land	-	-	-	-	-	-
Properties that are being constructed or developed for own account in order to be leased		-	-	-	-	-	-
TOTAL - investment properties		**843 762**		**122 506**	**99.0**	**135 374**	**95.9**
Properties held fore sale							
Mons 1 - Rue Joncquois 118	1974	7 851	18	1 292	1.0	1 319	100.0
TOTAL		**851 613**		**123 798**	**100.0**	**136 692**	**95.9**

(1) The initial term of the lease corresponds to the term mentioned in the lease contract.
(2) The share of the portfolio is calculated on the basis of the current rent as at 31 December 2012.
(3) Current rents at the date of the closing together with the future rents on contracts signed on 31 December 2012 and checked by the real estate experts.
(4) This is the construction year of a new building and the renovation of the old part of the building.

GLOSSARY

2009 Code
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 (http://www.guberna.be/fr).

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.

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 rising rates. Purchasing a CAP involves the payment of a premium.

CBD
(Central Business Disctrict)
The business areas in central Brussels, comprising the Centre, Leopold and Louise districts, 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$ 87 trillions in assets.

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 net result
Operating result before result on portfolio + financial result (excluding changes in fair value of financial assets and liabilities (IAS 39)) - income tax + result of sale of properties.

DCF
(Discounted Cash Flow)
Method of updating cash flows.

Debt ratio
[Liabilities - provisions - other financial liabilities (permitted hedging instruments) - deferred tax liabilities - accruals]/[total balance sheet assets - permitted hedging instruments, booked to the assets side of the balance sheet]. This ratio is calculated in accordance with the Royal Decree of 7 December 2010.

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 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.

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
Cash flow of the Company.
Recurring earnings from core operational activities.

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
(Estimated Rental Value)
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% 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".

Fedesco
Fedesco is a public energy services company (ESCO) founded in March 2005 at the initiative of the Federal Government. It facilitates and finances energy efficiency projects in federal public buildings (www.fedesco.be).

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.

Greenhouse Gas Protocol
Regarding greenhouse gas management, such as carbon emissions, Befimmo plans to comply gradually with the international Greenhouse Gas Protocol [1]. This standard, developed by the World Resources Institute (WRI) [2] and the World Business Council for Sustainable Development (WBCSD)[3], is an acknowledged global benchmark used for mapping, quantifying and managing greenhouse gases.

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 corporate 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 year end.

Hedging ratio
Hedging ratio = (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) www.ghgprotocol.org.
(2) www.wri.org.
(3) www.wbcsd.org.

Glossaire

IBGE
(Institut Bruxellois pour la Gestion de l'Environnement)
Brussels Institute for Environmental Management – www.ibgebim.be: 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)
In business administration, 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 3 August 2012
Law on certain forms of collective management of investment portfolios.

LTV
(Loan-to-value)
LTV = [(financial debts – cash) / 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, 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.

Net result
Current net result + changes in fair value of investment properties (IAS 40) + changes in fair value of financial assets and liabilities (IAS 39).

Occupancy rate
The occupancy rate is calculated for all properties available for lease, i.e. investment properties excluding properties that are being constructed or developed for own account in order to be leased.

Pay-out ratio
Sicafi status requires the Company to distribute at least 80% of its earnings minus the net reduction in its borrowings over the fiscal year. The pay-out ratio is the gross dividend divided by the net current result.

PEB
(*Performance Énergétique des Bâtiments* – Environmental 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.).

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. During the second quarter of fiscal year 2013 Befimmo will integrate its property management business and thereby become the only direct day-to-day contact with its 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
Reversion rate = 1-((current rent + estimated rental value for vacant premises)/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 issuers of financial instruments admitted to trading on a regulated market.

Royal Decree of 7 December 2010
Royal Decree on Sicafis.

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. The concept is similar to the Real-Estate Investment Trust in the USA.

The legislator intended the Sicafi to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying many advantages.

The Sicafi is monitored by the Financial Services and Markets Authority (FSMA) and subject to specific regulations.

Stakeholders
Stakeholders are natural or legal persons having an interest in the success or failure of a project or entity.

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 in circulation 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
Following the adoption of the programme law of 27 December 2012 published in the Belgian Official Gazette on 31 December 2012 (article 84), the rate of withholding tax for a Sicafi is 25% from 1 January 2013.

COMMUNICATION WITH EXTERNAL STAKEHOLDERS

Level	External stakeholder	Activities
Public authorities	**European Union**	• Monitoring of new legislation.
	Brussels: IBGE Brussels Institute for Environmental Management(1) **Wallonia: DGARNE** *Direction générale Opérationnelle de l'Agriculture, des Ressources naturelles et de l'Environnement*(2) **Flanders: LNE** *Leefmilieu, Natuur en Energie*(3)	Befimmo endeavours to maintain good relations and synergies with **IBGE**. In September 2012, Befimmo gave a presentation to officials of the IBGE Department of Energy in which it explained the viewpoint and workings of the real-estate sector, and its difficulties with certain measures taken by IBGE regarding sustainable buildings. This very constructive brainstorming was beneficial to both parties and will certainly be repeated. • Monitoring of regional legislation; • Interaction during the design phase of major renovations; • participation in exemplary buildings competitions.
Non-profit associations	**BRE** Building Research Establishment	**BRE** has developed the BRE Environmental Assessment Method (BREEAM), a global standard and rating system for buildings, launched in 1990. More than 200,000 buildings are BREEAM certified. The association issues BREEAM certifications.
	Business & Society asbl A reference network for businesses striving, in collaboration with various stakeholders, to build a sustainable society.	**B&S** conducted a full assessment of the Company when it joined the network and the results are set out in the Annual Financial Report 2011. Befimmo is gradually making good the shortcomings highlighted by B&S. The main ones were mobility, diversity and strengthening relationships with stakeholders. As an active member, Befimmo regularly attends information meetings and working groups organised by B&S.

Level	External stakeholder	Activities
Sectoral associations	**UPSI** *Union professionnelle du Secteur Immobilier*[4]	Befimmo continues to maintain close ties with **UPSI**. UPSI and Befimmo actively cooperated again in 2012 via working groups to incorporate federal and regional real estate requirements. The CEO serves on the UPSI board of directors and the CTO is chairman of its technical commission.
	RICS Royal Institution of Chartered Surveyors[5]	**RICS** is an independent non-profit body with nearly 100,000 qualified members in some 140 countries. RICS establishes high standards of competence and integrity, organises training and specific studies, and helps its members to fine-tune their sustainable-development strategies. The CEO is a fellow member of RICS. The CTO is a member of the board of directors Belux of RICS.
	EPRA European Public Real Estate Association[6]	With more than 200 active members, **EPRA** is the voice of European listed real-estate companies and represents €250 billion in real-estate assets. EPRA establishes best practices in accounting, information and corporate governance, and provides quality information for investors. The CEO sat on the board of directors of EPRA until the end of his directorship, until September 2012.

(1) www.bruxellesenvironnement.be/Templates/Home.aspx.
(2) http://environnement.wallonie.be/administration/orgdgarne.htm.
(3) www.lne.be.
(4) http://www.upsi-bvs.be/fr/home/.
(5) www.rics.org.
(6) www.epra.com.

Communication with external stakeholders

Level	External stakeholder	Activities
Tenants	Private tenants	Befimmo intends to invite its tenants to take part in its approach to achieve more sustainable development, and to that end proposes to organise biannual meetings between tenants, the property manager and Befimmo's commercial department in order to inform tenants about the building they occupy, its technical operation, and the influence and role of each party in relation to environmental protection. A green lease, "building user guide" and a code of conduct will be proposed at every first appointment with a new tenant. Tenants are free to take part or not. These principles will be formalised when property management is integrated, during the first half of 2013. Through this integration, Befimmo becomes the tenant's day-to-day contact point, and has more room to manoeuvre in raising its customers' awareness of these environmental issues.
	Public tenants Buildings Agency	A strategy meeting was to be held in 2012 with the Buildings Agency, during which Befimmo was to present its approach to sustainable development. The meeting should take place over the course of the next fiscal year. An analysis of opportunities will then be made.

Level	External stakeholder	Activities
Analysts **Investors** **Shareholders**	Befimmo answers specific questionnaires on corporate social responsibility from stakeholders. The answers to these questionnaires are made available to other stakeholders via the Company website www.befimmo.be/en/questionnaires. Furthermore, Befimmo regularly presents its approach at roadshows and at lectures on this topic. For instance, in February 2012 the CTO took part in the presentation on corporate social responsibility at Leuven University . General feedback from analysts/investors Overall, the Company's strengths have been assessed as: • strategy and analysis; • reporting, disclosure and external communication; • environmental aspects; • monitoring; • certification. The areas for development are: • socio-economic aspects; • relationship with the rental customers. Assessment questionnaire In line with Befimmo's desire to come into more direct contact with external stakeholders, the latter can assess Befimmo's sustainable development approach and make comments and suggestions by filling in an "External Stakeholders" questionnaire which is available on the Company website at: http://www.befimmo.be/en/stakeholders-questionnaire.	
	Carbon Disclosure Project (1)	Befimmo answered the CDP questionnaire during the past fiscal year. For the first time, Befimmo took part in reporting carbon emissions linked to its activities by responding to the questionnaire of the "Carbon Disclosure Project", which aims to set up a global database of corporate greenhouse-gas emissions. This organisation acts on behalf of many investors representing more than US$87 trillion in assets.
	GRESB (2) Global Real Estate Sustainability Benchmark	GRESB members are institutional investors representing a total of more than US$3.5 trillion. Befimmo also answered the GRESB questionnaire during the past fiscal year. Thanks to the measures taken in 2012, Befimmo increased its score and improved the shortcomings identified in 2011. It also attained Green Star status. While Befimmo has achieved a higher level than its competitors, it still has matters requiring attention, such as new developments and performance indicators.

(1) www.cdproject.net.
(2) www.gresb.com.

Communication with external stakeholders

Level	External stakeholder	Activities
Architects Engineering offices	Various offices involved in the major renovations	Consultation from the design stage to identify the impacts and opportunities of major renovations.
Property managers	AG Real Estate Property Management, BNP Paribas Fortis, Single tenants	Regular meetings to assess opportunities for improvements, at both strategic and operational levels. In the first half of 2013, Befimmo is to integrate the property management business. Some fifteen people from AG Real Estate Property Management will join the Befimmo team.
Subcontractors Suppliers	External property managers/ maintenance companies	Regular consultation at strategic and operational levels with the principal external property manager helps to identify priorities to be addressed for reducing environmental impact. The property manager, as the main point of contact with maintenance companies, is then responsible for educating them. The property manager also plays an important role in educating tenants and is audited annually by and at the initiative of Befimmo.
	Suppliers	Suppliers and contractors must abide by sustainable procurement procedures and the minimum technical criteria that Befimmo has devised, to demonstrate the measures they are taking to reduce and/or manage environmental risks.

METHODOLOGY

POWER, GAS, WATER, GREENHOUSE-GAS EMISSIONS

The reporting methodology used in 2012 has not fundamentally changed in relation to 2011.

When the new sustainable development reporting software (SOFI - PE International) was installed, the historical data of consumption from 2008 to 2011 were preserved and carefully imported into the new environment.

In some cases, additional historical data on energy (gas and electricity) obtained in particular via the utility company (Sibelga - Brussels) and/or Fedesco for Fedimmo buildings were added to the data base.

In addition, some minor modifications described below and hence with little influence on the results were made to the original historical databases. Therefore, in some cases, the new values for 2012 may be at odds with the historical values.

The new automatic reporting system was tested prior to the use of the production version and the historical values for 2008-2011 were compared with data from the Annual Financial Report 2011. Some small differences in the Global Lettable Area (GLA) were identified and corrected. These derive mainly from the new surveys of some buildings since 2008 and have a very limited impact on the results.

Global Lettable Area (GLA)

(in m²)	2008	2009	2010	2011	2012
Befimmo	502 636	513 901	513 331	516 542	518 386
Fedimmo	349 010	344 371	344 766	332 662	332 662
Total	**851 646**	**858 272**	**858 097**	**849 204**	**851 048**

The difference in area compared to 2011 [(1)] is mainly due to an error whereby the Meir building was counted twice in the Befimmo and Fedimmo portfolios. This situation was corrected in 2012.

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.

Abnormal consumption data (water, gas, electricity) discovered and possibly related to an occasional activity in the building such as a major renovation are removed from the reporting perimeter so as to avoid influencing the results and specific consumption in particular.

Any incomplete or partial consumption data obtained are systematically excluded from the perimeter.

Where data for private and shared areas were obtained in aggregated form, the assumption made in 2011 of apportioning power consumption 50/50 was refined in 2012 on the basis of more precise data obtained for each of these two values. On the basis of measured results, a new theoretical apportionment of 40/60 was applied to the remaining buildings where separate figures were unavailable at the end of 2012. These still represent around ten buildings, with floor space of approximately 200,000 m² and 38.3% of the Befimmo portfolio. The correction was deliberately not applied to the historical data for 2008 to 2011.

The power 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 power. Where the type of supply contract is known, only contracts specified as “100% green” are considered renewable.

Consumption data for gas used in heating are normalised for the influence of the outdoor temperature via the 16.5/16.5 degree-day method [(2)]. This method can compare the consumption for buildings in different locations and at different times in the same year or different years.

The principle consists of summing the daily differentials between the indoor and outdoor temperatures. On all days in the heating period, we obtain a number proportional to the building's heat demand.

The occupancy rate of the buildings is built directly into the calculation method and determines the specific consumption values. An occupancy rate of 100% implies a consideration of 100% of the floor area of the building in the calculation while the minimum rate is deliberately limited to 50% to account for basic incompressible consumption.

(1) See Annual Financial Report 2011 (page 135).
(2) The following values are used in degree-day: 2008: 2,213, 2009: 2,212, 2010: 2,703, 2011: 1,928, 2012: 2,327.

Befimmo used the same factors as in 2011 when calculating greenhouse-gas emissions:

- 253 gCO_2/kWh for emissions associated with the consumption of non-renewable electricity;
- 0 gCO_2/kWh for emissions associated with the consumption of renewable electricity (supply contract through the property manager AG Real Estate Property Management);
- 205 gCO_2/kWh for emissions associated with gas consumption;
- 2.662 $kgCO_2$/litre for emissions associated with heating oil consumption.

WASTE

The data are obtained mostly from external companies (property managers and tenants); these provide information on quantity by type of waste.

In most cases, suppliers responsible for waste disposal intervene upstream, i.e. directly with the tenants, and provide them with the information and materials required to improve waste sorting (selective sorting waste bins).

CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

COMPLETED ITEMS

Topic	Action	Perimeter M(1)	Perimeter U(2)	Perimeter R(3)	Status	Goals/Comments
Fedimmo	Bring Buildings Agency and Fedimmo corporate social responsibility activities into line. The Buildings Agency is implementing the guidelines laid down in the federal sustainable development plan.			✓		A strategy meeting will be held in the 2013 fiscal year with the Buildings Agency, during which Befimmo will present its approach to sustainable development. A first meeting was held in the 2010 fiscal year.
Management of corporate activities	Reduce environmental impact at Corporate level. Feasibility study of actions to be taken.					This action will continue in subsequent years.
Social and economic aspects	Study the feasibility of actions to be taken.	✓	✓	✓		Several specific measures described in this report have been implemented and others will be implemented over the coming fiscal years.
Sustainable procurement conditions	Formalise the sustainable procurement of wood used.	✓	✓	✓		
New EMS procedure	Terminate a risky activity, ground surveys and risk analyses.	✓	✓	✓		
Recasting of register of legislation	Update of register of legislation and implementation of a "checklist" tool (early January 2012).	✓	✓	✓		
Training programme for AG Real Estate	Devise a training programme for the principal external property manager.	✓	✓			This item has been completed. A new programme will be devised when integrating property management during the first half of 2013.
Renewable electricity	Installation of photovoltaic panels. The target of increasing their area by 15% was achieved and even exceeded in 2012.	✓	✓			Target of 15% increase of floor area maintained for 2013.

(1) Denotes buildings with multiple tenants.
(2) Denotes buildings with a single tenant.
(3) Denotes buildings let to the Buildings Agency.

Corporate social responsibility programme

Topic	Action	Perimeter M	Perimeter U	Perimeter R	Status	Goals/Comments
External evaluation of CSR reporting	Certify the CSR section of the Annual Report 2011 in accordance with GRI standards | quality B+.	✓	✓	✓		Deloitte mandate renewed for certification of figures published in the Annual Financial Report 2012.
Designation of a person responsible	One employee joined the human resources department to act as CSR manager.					His role is to raise awareness in the Befimmo team.
Welcoming new employees	Provision of a Welcome Pack to new employees.					
Biodiversity	Studying biodiversity management on various sites and managing the biodiversity of the corporate site.	✓				The “Ecocert” certification of the Goemaere site was temporarily suspended owing to the site supplier's use of maintenance products (weedkillers) not authorised by the label.
Audit programme	• AG Real Estate: once a year; • Buildings Agency: once a year; • Large construction sites: the frequency of these audits depends on the scale of the project.	✓	✓	✓		The external audit of AG Real Estate will be discontinued and replaced by an internal audit.
Business & Society, GRESB	Analyse the feedback and action to be taken.	✓	✓	✓		Remedy shortcomings (mobility, diversity and strengthening relationships with stakeholders).
Quantitative targets	Determine and publish quantitative targets for the main KPIs.	✓	✓	✓		
Employee survey	Continue implementing the recommendations from the well-being and efficiency at work survey.					Most of the points raised have been addressed. A new survey is planned for late 2013.
Mobility	Reduce CO_2 emissions of the vehicle fleet and draft a car policy.					The car policy has been developed and published on the intranet. The target is to achieve 90% (-4.5% of emissions on the 2012 fiscal year). Befimmo is setting itself the target of cutting the average CO_2 emissions of its vehicle fleet by a further 3% in 2013.

PARTIALLY COMPLETED ITEMS

Topic	Action	Perimeter M	Perimeter U	Perimeter R	Status	Goals/Comments
Promote environ-mentally friendly practices among tenants	Tenants code of conduct.	✓	✓			Befimmo proposes to organise biannual meetings between tenants, the property managers and Befimmo's commercial department in order to inform them about the building they occupy, its technical operation, the influence and role of each party in relation to environmental protection. A green lease, a "building user guide" and a code of conduct will be proposed at every first appointment with a new tenant. These principles will be formalised when property management is integrated, during the first half of 2013.
	Define comfort criteria: introduce clear environmentally friendly criteria.	✓	✓			The initial draft, and analysis of operating hours of technical facilities and comfort criteria for buildings is in progress. All of these data should be standardised (unless there are reasons not to).
Renewable energy	Fedimmo: study the possibilities for implementing renewable energy.			✓		The installation of photovoltaic panels in the Fedimmo portfolio (by Fedesco) has been discontinued. Fedesco plans to give priority to other measures, mainly to reduce energy consumption and in particular conduct an awareness-raising programme in five Fefimmo buildings. Currently, only the Science-Montoyer building has photovoltaic panels while WTC III is equipped with cogeneration.
	Befimmo: study the possibilities for implementing renewable energy.	✓	✓			Target for 2013: 15% more floor area.

Corporate social responsibility programme

Topic	Action	Perimeter M	Perimeter U	Perimeter R	Status	Goals/Comments
Energy performance and programme	Reduce carbon footprint Continue with gradual improvement of buildings' energy performance.	✓	✓	✓		**Befimmo :** breakdown of electricity consumption for common and private areas to ensure that we can cut consumption by 5% by 2014 (base 2011). Fit automatic alarms on telemonitoring. **Fedimmo:** continue the current awareness campaign and request Fedesco to communicate the current state. **Breeam In-Use :** At "Asset" level, Befimmo's goal over the next four years is to raise its entire portfolio to a "good" score, i.e. 12% annually, or 7-8 buildings a year. Note that only the buildings in which work is carried out to improve the BREEAM score will be re-certified annually. At "Management" level, the situation will be reviewed when property management is integrated.
Energy monitoring	Improve the quality of telemonitoring data.	✓	✓	✓		Separation of consumption for common and private areas is 75% complete and data consolidation
Waste	Reduce impact of waste relating to use of the building. Feasibility study to determine priorities.	✓	✓			On large construction sites, Befimmo is very careful to manage the waste produced, in particular following the BREEAM certification guidelines. This will be studied further after the integration of the property management business. Contacts have also been made with non-profit association Rotor for recovering site materials.
Collection of documents and data	Inventorise toxic chemicals, waste volume, annual losses of ozone-depleting gases, etc.	✓	✓			These data will be collected as part of the analysis mission and in compliance with the conditions of the environmental permit.
Raise tenants' awareness	Encourage tenants to use green energy.	✓	✓			Reassess current supply contracts. In the light of the takeover of the management business from AGRE, an initial study was conducted to assess the current gas and electricity supply contracts for the entire Befimmo portfolio.

Topic	Action	Perimeter M	Perimeter U	Perimeter R	Status	Goals/Comments
Ethical stock market index	Analysis of Befimmo's joining the Ethibel index.	✓	✓	✓		The index is joined after the analysis conducted by VIGEO (every 22-24 months). The next assessment should take place during the first half of 2013.
Inventory of emergency generators	Inventory of secondary retention on emergency generators.	✓	✓	✓		Inventory completed for Befimmo and to include Fedimmo.
Preparation of and compliance with environmental permit	Carry out inventory.	✓	✓	✓		For the Befimmo portfolio, the inventory is in progress. Preparations have yet to begin for Fedimmo.
Raise tenants' awareness of environmental permit conditions	Raise awareness of and check compliance with environmental permit of tenant's activities via property management.	✓	✓	✓		For the Befimmo portfolio, the check is in progress. This action is not yet complete.
PEB regulations	Inventory conducted in late 2011 and compliance in 2012.	✓	✓	✓		In 2013, Befimmo will continue to have the remainder of its portfolio certified in response to changing legislation in the regions.
Carbon reporting	Data quality has improved thanks to digital meters; gradual implementation to CDP standard.	✓	✓			Carbon reporting will be carried out in-house using the new Sofi software. The quality of the data in replies to the CDP questionnaire must be improved.
Raising awareness in maintenance companies	Awareness through maintenance contracts which are under the control and responsibility of AG Real Estate. A list of the main maintenance companies will be drawn up. They will be asked what internal measures they are taking to manage environmental risks.	✓	✓			Awareness-raising has already taken place for TEM. Awareness-raising will be extended to other maintenance companies.
Raise suppliers' awareness of health and safety aspects	Make a list of main suppliers/services. They will be asked what internal measures they are taking to manage environ-mental risks.	✓	✓			A supplier assessment sheet is being designed as part of the billing system. The coordinators should draft a report on health and safety aspects on construction sites.
Integration of Corporate Social Responsibility throughout Befimmo	The integration must be carried out by defining annual CSR targets at the year-end assessment.					The integration took place in line with the assessment targets. There is a need to measure results and check follow-up, however.

Corporate social responsibility programme

NEW ITEMS

Topic	Action	Perimeter M	Perimeter U	Perimeter R	Status	Goals/Comments
Help desk	Set up a round-the-clock help desk.	✓	✓	✓	**New**	Help desk for tenants of the entire Befimmo portfolio (including Fedimmo).
EMS procedures	Review and simplify the EMS procedures.	✓	✓	✓	**New**	This comprehensive review of procedures will take place after the integration of property management.
Evolution towards ISO 9001	Evolution of the EMS towards a management system based on ISO 9001.	✓	✓	✓	**New**	Befimmo will focus on integrating the property management business. During 2013 it will nevertheless study and prepare the feasibility of ISO 9001 certification.
Corporate social responsibility benchmark	Corporate social responsibility benchmark: competition, international references, etc.				**New**	This analysis will be carried out using CDP, GRESB, etc.
Recovery of materials	Recovery of construction materials during major renovations.	✓	✓		**New**	Befimmo has made initial contact with the Rotor non-profit association. The advantages of future collaboration are clear and will be assessed in 2013 on two test construction sites.
Re-assessment of the “Appearance - impacts” structural process within the EMS	Update the register and introduce new criteria (e.g. BREEAM score, EPB certification level, K and E coefficients, etc.).	✓	✓		**New**	Also include positive impacts on the environment (e.g. solar panels, etc.).
Wallonia energy performance contract (CPE).	Energy performance contract (CPE) still in preparation for Wallonia.			✓	**New**	The contract covers fifteen buildings and is in the final stages of preparation with Fedesco. It should be set up by July 2013.
Tenants' meeting	• Meeting with existing tenants: meeting with the commercial team every 6 months; • Meeting with new tenants: presentation by the commercial staff member responsible for the 'User guide' and property management.	✓	✓	✓	**New**	The goal is to foster a good relationship with the new tenant and get to know existing tenants better.

Corporate level

Topic	Action	M	U	R	Status	Goals/Comments
Mobility	Use an electric vehicle for short corporate trips.				**New**	Analyse the feasibility and possibly test the usefulness of an electric vehicle for a short period for short trips by the team.

Topic	Action	Perimeter			Status	Goals/Comments
		M	U	R		
Mobility	Organise green mobility days every first Friday of the month for employees who wish to take part (encourage car pooling, public transport, cycling, etc. over the intranet).				**New**	Raise awareness among staff and encourage them.
Sustainable procurement	Analyse the sustainability of office supplies ("eco-labelled" brands) other than paper, and guide procurement policy in that direction. Generally, adopt a "sustainable" corporate procurement policy (e.g. gifts, etc.).				**New**	The goal is to make a preliminary analysis when purchasing furniture for the integration of property management.
Recycling	• Add plastic/metal/cartons bins at several strategic locations and raise staff awareness of recycling; • Post paper-saving tips on the intranet.				**New**	Raise awareness among staff and encourage them.
Communication	Post a "did you know" EMS special once a month on the intranet.				**New**	To be done after the EMS procedures have been reviewed and simplified.
Communication	Presentation on sustainable construction to the staff, with a more specific part for the commercial team				**New**	To be done after the integration of the property management business.
Procedures	• Introduce a "seminars and training" procedure to notify the Human Resources department of any enrolment and devise a feedback form to be completed after each seminar; • Introduce an "absenteeism" procedure.				**New**	
Eco-company label	Apply for an eco-company label (IBGE).				**New**	
Competition	Enter the "Employer of the year" competition.				**New**	To be done after the integration of the property management business.

INDEX OF GRI CONTENT

	Reporting status
STRATEGY AND ANALYSIS	
1.1 CEO's statement	Complete
1.2 Description of key impacts, risks and opportunities	Complete
ORGANISATIONAL PROFILE	
2.1 Name of the organisation	Complete
2.2 Products and/or services	Complete
2.3 Operational structure	Complete
2.4 Headquarters	Complete
2.5 Country of establishment	Complete
2.6 Nature of ownership and legal form	Complete
2.7 Markets	Complete
2.8 Scale of organisation	Complete
2.9 Material changes of the size, structure or ownership during the reporting period	Complete
2.10 Awards received	Complete
REPORTING PARAMETERS	
3.1 Reporting period	Complete
3.2 Date of most recent previous report	Complete
3.3 Reporting cycle	Complete
3.4 Contact point	Complete
3.5 Process for defining report content	Complete

Reference / Comment
14: Letter to the shareholders
18-20: Befimmo identity and strategy 4-11: Risk factors 78: Materiality
123: Structure and organisation 186: Identification
18-20: Befimmo identity and strategy 27-37, 22-25: Portfolio 194-197: Befimmo consolidated portfolio
123: Structure and organisation 79: Internal organisation 109-110, 125: Executive Officers
186: Identification
18-20: Befimmo identity and strategy 20-21: Belgium and Luxembourg
185-191: General information
18-20: Befimmo identity and strategy 30-31: Tenants 37: Summary of data on properties in the Befimmo portfolio
37: Summary of data on properties in the Befimmo portfolio 90-93: The Befimmo team 131: Consolidated statement of financial position
26, 32-35: Key events of the fiscal period 80: Scope of reporting
17: EPRA Gold Award prize for the Annual Financial Report 2011 17: Prize-winner in the “Exemplary buildings 2012” competition for the WTC IV project 81: EPRA SBPR Silver – Sustainability reporting
80: Scope of reporting
80: Scope of reporting
80: Scope of reporting The cycle is annual.
228: Contact
78: Materiality 216-225: GRI reporting 226: EPRA reporting 202-206: Interaction between Befimmo and its stakeholders The topics discussed in this Report are categorised by the three pillars of sustainable development: environmental, social and economic aspects. For the corporate social responsibility chapter, there is more emphasis on environmental aspects, as that is where the Company's activities have the greatest impact. The corporate social responsibility report was divided in two parts to facilitate the reading: the environmental and the social part. The economic aspects are described in the chapter Corporate Governance Statement.

The link between the GRI indicators and the EPRA indicators are shown in the table on page 226 of this Report.

Index of GRI content

	Reporting status
3.6 Scope	Complete
3.7 Limits of scope of reporting	Complete
3.8 Basis for reporting on joint ventures, etc.	Complete
3.9 Data measurement techniques and the bases of calculations	Complete
3.10 Restatements	Complete
3.11 Changes in the reporting method	Complete
3.12 Table identifying the location for the disclosures that are covered in the report	Complete
3.13 Policy and current practice with regard to seeking external assurance for the report	Complete
GOVERNANCE, COMMITMENTS AND DIALOGUE	
4.1 Governance structure	Complete
4.2 Is the Chairman of the Board of Directors also an executive officer?	Complete
4.3 Independent members of the Board of Directors	Complete
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Complete
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance (including social and environmental performance)	Complete
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Complete
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	Complete
4.8 Statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Complete
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Complete
4.10 Processes for evaluating the highest governance body's own performance, in particular with respect to the company's economic, environmental, and social performance	Complete
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Complete
4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Complete

Reference / Comment
80: Scope of reporting
80: Scope of reporting There are no specific limitations on the scope of reporting.
80: Scope of reporting
207-208: Methodology
207-208: Methodology
207-208: Methodology
80, 216-225: GRI reporting
80, 216-225: GRI reporting 80: External review 227: Limited review report Deloitte
98-99: Corporate governance statement 100-109, 124-126: Corporate governance statement
100: Board of Directors of the Managing Agent, Befimmo SA 124-125: Board of Directors 109-111, 125: Executive Officers
100, 124: Composition of the Board of Directors
94: Staff awareness 202-206: Communication with external stakeholders Twice a year, the CEO and CFO present the company's results to all the staff. Topics such as sustainable development and (annually) the outlook for the next three years are also discussed.
108, 125: Appointment and Remuneration Committee 110-113, 125-126: Remuneration and benefits
115-116: Rules for preventing conflicts of interest
101-102, 108-109: Self-assessment 79: Internal organisation
Corporate governance charter: www.befimmo.be/en/charter. Sustainable development policy: www.befimmo.be/en/corporate-social-responsability-policy. Code of ethics: www.befimmo.be/en/code-ethics. The principles described in these documents are applicable throughout the Company.
A "strategy" Board meeting is generally held to analyse and assess these and other topics. Every year, the sustainable development team, composed of the CFO, CTO, COO and IR & ECM plus the CEO, organises a management review, which assesses the status of implementation of the environmental programme, compliance with legislation, stakeholder expectations and priority issues to be tackled over the next fiscal year.
101-102, 108-109: Self-assessment
18-20: Befimmo identity and strategy 76: Introduction to the corporate social responsibility report. The precautionary principle is assessed when taking major decisions. No formal process has been introduced at this stage.
18-20: Befimmo identity and strategy 78: Materiality

Index of GRI content

	Reporting status
4.13 Memberships of associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: holds positions in governance bodies, participates in projects or committees; provides substantive funding beyond routine membership dues; or views its membership as strategic	Complete
4.14 List of stakeholders involved in our organisation	Complete
4.15 Basis of identification and selection of stakeholders	Complete
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Complete
4.17 Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting	Complete
PERFORMANCE INDICATORS	
Note to the reader: the CSR programme can be found on Befimmo's website: www.befimmo.be.	
ECONOMIC PERFORMANCE INDICATORS	
Disclosure on EC management approach	
EC1 Direct economic value	Complete
EC3 Coverage of the organisation's defined-benefit plan obligations	Complete
ENVIRONMENTAL PERFORMANCE INDICATORS	
Disclosure on EN management approach	
EN3 Direct energy consumption	Complete
EN4 Indirect energy consumption	Complete
EN6 (additional)[1] Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Partial

Reference / Comment
202-206: Interaction between Befimmo and its external stakeholders
77: Internal and external stakeholders 202-206: Interaction between Befimmo and its external stakeholders
77: Internal and external stakeholders 90-95: Interaction between Befimmo and its internal stakeholders 202-206: Interaction between Befimmo and its external stakeholders To identify and address issues related to sustainable development that are of interest to stakeholders and relevant to Befimmo, we poll opinions from many sources and are committed to a proactive approach within and outside our organisation. Primary stakeholders have a direct influence on corporate social responsibility decisions. We take the concerns of secondary stakeholders into consideration where possible.
202-206: Interaction between Befimmo and its external stakeholders We discuss sustainable development issues at least once a year with stakeholders such as external property managers and the main tenants. For other stakeholders, we do so at regular intervals but there is no formally agreed frequency.
205: Analyst, investor and shareholders feedback 93: New employee-satisfaction survey
47-49: Financial results 130: Consolidated statement of total comprehensive income 171-174: Employee benefits
171-174: Employee benefits
82-83: Performance indicators 84-85: Graphs and comments For 2012 (in J) Gas consumption for Befimmo portfolio excluding Fedimmo (information available for 90% of the reporting perimeter): 141,973,960 MJ Gas consumption for Fedimmo portfolio (information available for 77% of the reporting perimeter): 106,583,886 MJ Oil consumption for Befimmo portfolio excluding Fedimmo (information available for 100% of the reporting perimeter): 0 J Oil consumption for Fedimmo portfolio (information available for 100% of the reporting perimeter): 0 J
82-83: Performance indicators 84-85: Graphs and comments For 2012 (in J) Electricity consumption for Befimmo portfolio excluding Fedimmo (information available for 92% of the reporting perimeter): 170,149,039 MJ Electricity consumption for Fedimmo portfolio (information available for 80% of the reporting perimeter): 52,152,804 MJ Note: consumption of urban heating or cooling does not apply to Befimmo activities.
86-89: Achievements, commitments and goals 35: Energy investments The reductions achieved have not been quantified.

(1) These are the indicators considered by the GRI to be additional rather than core parameters.

Index of GRI content

	Reporting status
EN7 (additional)[1] Initiatives to reduce indirect energy consumption and reductions achieved	Partial
EN8 Total water consumption	Complete
EN11 Land sited in protected areas	Complete
EN15 (additional)[1] Number of IUCN Red List species	Complete
EN16 Direct and indirect greenhouse-gas emissions	Complete
EN17 Other relevant indirect greenhouse-gas emissions by weight	Complete
EN18 (additional)[1] Initiatives to reduce greenhouse-gas emissions and reductions achieved	Complete
EN22 Total weight of waste by type and disposal method	Partial
EN23 Total significant spills	Complete
EN25 (additional)[1] Biodiversity of water supply sources significantly affected by the organisation's discharges of water	Complete
EN26 Initiatives to mitigate environmental impacts	Complete
EN27 Percentage of products sold and their packaging materials that are reclaimed	Complete
EN28 Monetary value of significant fines	Complete
EN30 (additional)[1] Total environmental monetary value of protection expenditures	Partial

Reference / Comment
86-89: Achievements, commitments and goals 35: Energy investments 90: CO_2 emissions related to Befimmo's own activities The reductions achieved have not been quantified.
82-83: Performance indicators 84-85: Graphs and comments
None. Befimmo's policy is to develop office buildings in city centres.
No threatened species linked to Befimmo's activities have yet been identified.
82-83: Performance indicators 84-85: Graphs and comments
90: CO_2 emissions related to Befimmo's own activities
86-89: Achievements, commitments and goals 35: Energy investments 90: CO_2 emissions related to Befimmo's own activities The reductions achieved have not been quantified.
82-83: Performance indicators Hazardous/toxic waste is not reported at this stage. Glass, PMD and paper/cardboard are recycled. Other waste (household waste) is incinerated (information provided by the refuse-collection company).
There were no spills over the reporting period.
Waste water is discharged into public sewers.
92: Appraisal and training 209-215: CSR-programme - Goals individuelly assigned to the staff 86-89: Achievements, commitments and goals 81-89: Environmental activity report 213: CSR-programme - Awareness of maintenance companies and suppliers
Befimmo does not sell any products.
There were no significant fines during the past fiscal year.
35: Energy investments

(1) These are the indicators considered by the GRI to be additional rather than core parameters.

Index of GRI content

	Reporting status
SOCIAL PERFORMANCE INDICATORS - Labour practices and decent work	
Disclosure on LA management approach	
LA1 Total workforce by employment type, employment contract, and region	Partial
LA2 Employee turnover Partial	Partial
LA3 (additional) (1) Benefits provided to full-time employees	Partial
LA7 Rates of injury, occupational diseases, lost days, and absenteeism	Complete
LA10 Training by employee category	Complete
LA11 (additional) (1) Programmes for skills management and learning	Complete
LA12 (additional) (1) Employees receiving regular performance and career-development reviews	Complete
LA13 Ratio of men to women at management levels	Complete
SOCIAL PERFORMANCE INDICATORS - Human rights	
Disclosure on HR management approach	
HR4 Incidents of discrimination	Complete
COMPANY	
Disclosure on SO management approach	
SO4 Actions taken in response to incidents of corruption	Complete
SO7 (additional) (1) Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Complete
SO8 Monetary value of significant fines	Complete
PRODUCT RESPONSIBILITY	
Disclosure on PR management approach	
PR2 Total number of incidents of non-compliance concerning health and safety impacts of services	Complete
PR7 (additional) (1) Number of incidents of non-compliance with regulations concerning marketing communications	Complete
PR8 (additional) (1) Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Complete

Reference / Comment
90-95: Social activity report
90-95: Social activity report
90-95: Social activity report 171-174: Employee benefits
90-95: Social activity report
92: Appraisal and training
90-95: Social activity report
90-95: Social activity report
91: Social indicators
There were no cases of discrimination over the past fiscal year.
There were no incidents of corruption over the past fiscal year.
There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices during the past fiscal year.
There were no fines over the past fiscal year.
There were no incidents of non-compliance concerning health and safety impacts of services during the past fiscal year.
There were no incidents of non-compliance with regulations concerning marketing communications over the past fiscal year.
There were no complaints regarding breaches of customer privacy or losses of customer data over the past fiscal year.

(1) These are the indicators considered by the GRI to be additional rather than core parameters.

SUMMARY TABLE OF EPRA PERFORMANCE INDICATORS

EPRA sustainability **performance measures**

Topic	Sustainability performance measure	GRI Correspondance	Unit
	Absolute measures		
Energy	Total energy consumption | Electricity	GRI EN4	kWh
	Total energy consumption | Urban heating and cooling system (N.B. does not apply to Befimmo)	GRI EN4	kWh
	Total energy consumption | Fuels	GRI EN3	kWh
Greenhouse gases	Total direct greenhouse-gas emissions	GRI EN16	metric tonnes CO_2e
	Total indirect greenhouse-gas emissions	GRI EN16	metric tonnes CO_2e
Water	Total water withdrawals by source	GRI EN8	m^3
Waste	Total weight of waste by type and disposal method	GRI EN22	metric tonnes
	Percentage of waste by type and disposal method	N/A	proportion by weight (%)
	Intensity measures		
Energy	Energy intensity of building	GRI CRESS - CRE1	$kWh/m^2/year$
Greenhouse gases	Greenhouse-gas intensity from building energy use	GRI CRESS - CRE3	$kg/m^2/year$
Water	Energy intensity of building	GRI CRESS - CRE2	$m^3/m^2/year$

LIMITED REVIEW REPORT DELOITTE

Statutory auditor's report on the limited review performed on selected environmental performance indicators published in the **Annual Financial Report of Befimmo SA as of 31 December 2012**

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 2012 ("the Annual Financial Report"). The environmental performance indicators have been defined following the guidelines of the "Global Reporting Initiative" (GRI) G3. The Data have been selected by Befimmo SA and are identified with the symbol ✓ in the tables as mentioned on pages 82 and 83 of the Annual Financial Report.

The scope of our work has been limited to the Data covering the years 2011 and 2012 and including only the environmental performance indicators of the buildings of Befimmo SA and not the buildings of the subsidiaries 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 "Corporate 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) G3 application level B+, as described in chapter "Corporate 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 "Corporate 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 207-208 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 2011 and 2012 environmental performance indicators identified with the symbol ✓ in the tables as mentioned on pages 82 and 83 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 identified with the symbol ✓ in the tables as mentioned on pages 82 and 83 of the Annual Financial Report have not been prepared, in all material respects, in accordance with GRI guidelines G3.

Diegem, 6 march 2013

The Statutory auditor

DELOITTE Reviseurs d'Entreprises
SC s.f.d. SCRL
Represented by

Rik Neckebroeck
Kathleen De Brabander

Contact
Befimmo SA
Chaussée de Wavre 1945
1160 Brussels
VAT : 455 835 167
Tel.: +32 (0)2 679 38 60
Fax: +32 (0)2 679 38 66
contact@befimmo.be
www.befimmo.be

For further information:
Emilie Delacroix
IR & External Communication Manager
Email: e.delacroix@befimmo.be

Caroline Kerremans
IR & Communication Officer
Email: c.kerremans@befimmo.be

Photos:
Jean-Michel Byl
Nicolas Schul

Concept, design & production:
The Crew Communication
Befimmo's team

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.

Print:

Albe De Coker Antwerpen 1877
CO2 neutral print
Certificate Number
10506-1303-1007
www.climatepartner.com

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C019064

Befimmo SA
Société Anonyme
Registered Office
Chaussée de Wavre 1945, 1160 Brussels
Register of Companies (RPM - RPR): 0 455 835 167
Tel.: +32 2 679 38 60 - Fax: +32 2 679 38 66
e-mail: contact@befimmo.be - www.befimmo.be