

CREATING
VALUE IN
REAL ESTATE
SINCE 1995



BUILDING STORIES STORIES OF BUILDINGS

BEFIMMO
ANNUAL FINANCIAL REPORT 2015

YEARS

2003

- Acquisition of the Poelaert building

2007

- Capital increase of €261.2 million

2009

- Capital increase of €166.6 million
- First communication as per Global Reporting Initiative (GRI)

2001

- Takeover of Sicafi CIBIX SCA

2006

- Acquisition of a 90% shareholding in Fedimmo

2008

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

1998

- Takeover of WTC SA and Noord Building SA

1997

- Takeover of Priifast group

1995

- Foundation of Befimmo and listing on the stock market

Annual Financial Report on the financial statements and the consolidated financial statements as at 31 December 2015 presented at the Ordinary General Meeting of shareholders of 26 April 2016 and adopted by the Board of Directors on 26 February 2016. This Annual Financial Report has been prepared in accordance with the Royal Decree of 13 July 2014.

Any reference to the portfolio, assets, figures or activities of Befimmo should be understood on a consolidated basis, to include those of its subsidiaries, except where clear from the context or expressly stated otherwise.

For the past few years, Befimmo has been standardising its financial reporting and its reporting on Social Responsibility – with a view to improving the quality and comparability of the information – adopting the EPRA reporting guidelines and GRI-G4¹ guidelines.

The following explanatory icons are used in this Report:

▶ “Market”

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

? “Glossary”

This icon refers to the glossary in the appendix to this Report on page 210.

@ www.befimmo.be

This icon refers to further information on the Befimmo website.

GRI-G4

This icon refers to the GRI-G4 guidelines. The index to the GRI content is published on the website of the Company (www.befimmo.be/sites/default/files/mce/publications/2015/gri_uk_2015.pdf).

1. www.globalreporting.org

2010

- Prize-winner in the “Exemplary Buildings 2009” competition for the Science-Montoyer project
- Start of the telemonitoring implementation 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

- Purchase of the shares of Ringcenter SA (Pavilion)
- “2011 BREEAM Award Category Europe offices” for the Froissart project
- First EPB certification (Energy Performance of Buildings)

2012

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

2013

- Integration of property management business
- Acquisition and merger of Blue Tower Louise SA
- Contribution in kind of the AMCA building by AXA Belgium SA
- ISO 14001 recertification of the Environmental Management System (EMS)
- Completion of Befimmo’s materiality matrix
- First communication according to the new GRI-G4 guidelines

2014

- Status change from Sicafi to public BE-REIT (Société Immobilière Réglementée/ Gereguleerde Vastgoedvennootschap)
- Handover of the Paradis Tower in Liège, let for 27.5 years to the Buildings Agency
- Award for the best Belgian sustainability report, awarded by the “Institut des Réviseurs d’Entreprises” (Institute of Registered Auditors – IRE)

2015

- Befimmo celebrates its 20-year anniversary
- Acquisition of the Gateway building, let for 18 years to Deloitte
- “EPRA Financial Reporting Gold Award” and “EPRA Sustainability Reporting Gold Award” prizes for the Annual Financial Report 2014 (since 2010)



BUILDING STORIES. STORIES OF BUILDINGS.

For the past 20 years, Befimmo has been conducting its business not only with vision and expertise but also with passion. The passion of a committed team that develops and manages ambitious real-estate projects.

The buildings and the personalities come into contact and their stories become entwined. Who, then, could tell Befimmo’s story better than our staff, through their favourite buildings?

PROFILE

Befimmo is a BE-REIT (SIR/GVV). It is subject to the law of 12 May 2014 and the Royal Decree of 13 July 2014 on BE-REITs.

Befimmo is a real-estate operator pursuing a specialist (“pure-player”) strategy in office buildings located in Belgium, mainly in Brussels and in the main Belgian cities, and the Grand Duchy of Luxembourg. Its portfolio is worth some €2.4 billion and comprises around a hundred office buildings with space totalling over 850,000 m².

► “Property portfolio, on page 29”

Befimmo offers its tenants quality properties that are flexible, efficient, well equipped and located near major transport hubs. As a specialist in office buildings, Befimmo offers a personalised and full service (property management, space planning and project management, environmental support and facility management), and provides optimum facilities in its properties (common meeting rooms, restaurant, catering, nursery, fitness centre, etc.) to facilitate the everyday lives of its tenants. By building a relationship of trust with its customers, Befimmo seeks to maintain a high occupancy rate of its portfolio, which generates recurring and predictable revenue.

Befimmo takes a responsible attitude in carrying out the various tasks inherent in its business of real-estate operator: investment, commercialisation, providing services and facilities, renovation and construction for own account, and disinvestment. It places the challenges of Social Responsibility at the heart of its strategic thinking.

► “Identity and strategy, on page 18”



>850,000 m²
total space

€2.4 bn
portfolio value

BEFB
LISTED
EURONEXT

Befimmo is listed on Euronext Brussels. As at 31 December 2015, its market capitalisation was €1.3 billion. Befimmo offers its shareholders a solid dividend and a yield in line with its risk profile.

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RISK FACTORS

This chapter covers the identified risks that could affect the Company, including a description of the measures it has taken to anticipate and limit the potential impact of those risks. Note that doing business involves taking risks and so it is not possible to eliminate the potential impact of all the risks identified, nor of any residual risk that therefore has to be borne by the Company and, indirectly, by its shareholders. The current economic and financial climate may accentuate certain risks to Befimmo's business.

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

MAIN MARKET-RELATED RISKS

Risk of segmental and geographical concentration

Description of risk

The Befimmo portfolio is not very diversified in terms of segment and geography. It consists of office buildings, mainly located in Brussels and its economic hinterland (67.7%¹ of the portfolio as at 31 December 2015). The vacancy rate of the Brussels office market was 10.10%² as at 31 December 2015 compared with 10.63% at the end of 2014. Befimmo's portfolio is leased to the occupancy rate³ of 94.15% at 31 December 2015 compared with 94.07% at the end of 2014.

[? "Glossary"](#)

► "Property portfolio, on page 29"

Potential impact

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

Mitigation and control measures

Befimmo's investment strategy is focused on quality office buildings, with an ideal location, good accessibility and a sufficient critical size, among other factors. Buildings must be well equipped and flexible, in an appropriate rental situation and with potential for value creation. The buildings are located in Belgium, mainly in Brussels and in the main Belgian cities, and the Grand Duchy of Luxembourg. In principle, this investment strategy makes the buildings more attractive and hence ensures a better occupancy rate. This makes Befimmo less sensitive to any deterioration of the market.

► "Identity and strategy, on page 18"

1. Calculated on the basis of fair value.

2. Source : CBRE as at 31 December 2015.

3. Current rents/(current rents + estimated rental value for vacant space). Calculated on the basis of properties available for lease.

Risks related to rental vacancy

Description of risks

The office property market is currently characterised by higher supply than demand. As at 31 December 2015, the occupancy rate³ of Befimmo's portfolio was 94.15% (compared with 94.07% as at 31 December 2014). The Company is exposed to the risks of its tenants leaving, and renegotiating their leases. These risks include the following: risk of lost and/or reduced income, risk of negative reversion on rents, risk of pressure on renewal conditions and to grant periods of gratuities, risk of decline in fair value, etc. Befimmo is also exposed to the impact of tenants' policy to optimise their needs for office space.

Potential impact

If this risk were to materialise it would lead to a decline in occupancy rates and a reduction in the operating result of the portfolio. On an annual basis as at 31 December 2015, a 1% fluctuation in the occupancy rate of the Company's portfolio would have an impact of some €2.1 million on the property operating result, of €0.09 on the net asset value per share and of 0.09% on the debt ratio.

The direct costs related to rental vacancy, namely charges and taxes on unlet properties, were estimated at -€4.36 million a year, or about 3.11% of total rental income.

The Company could also be exposed to higher expenses as part of the commercialisation of the properties available for lease.

Mitigation and control measures

To mitigate these risks, the Company invests in quality buildings and actively manages its relationship with its customers. Tenant satisfaction is a priority, and Befimmo strives to equip its buildings with that in mind.

Moreover, Befimmo offers a personalised and full service (property management, space planning and project management, environmental support and facility management) to facilitate the everyday lives of its tenants.

- ▶ "Identity and strategy, on page 18"
- ▶ "Social Responsibility - Tenants, on page 110"

The constancy of Befimmo's cash flow depends mainly on its rental income being secured. The Company therefore strives to ensure that a large proportion of its property portfolio is let on long-term leases and/or to multiple tenants, which helps to spread the rental risks. At 31 December 2015, the average duration of Befimmo's leases was 8.6 years.

Risks associated with tenants

Description of risks

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

Potential impact

The financial default of tenants can lead to a loss of rental income, an increase in property charges where rental charges cannot be recovered, and to unexpected rental vacancies. As described in the risks related to rental vacancy, the Company is in this case exposed to the risk of pressure on renewal conditions and to grant periods of gratuities etc. The aging balance of trade receivables is located in the financial statements (note 32 on page 182 of this Report).

Mitigation and control measures

To limit the risk of default, the Company makes a prior analysis of the financial health of its prospective customers. Moreover, in line with standard market practice, private-sector tenants are required to provide a rental guarantee. Public-sector tenants (the Belgian Government, Flemish Region, Walloon Region and European institutions), which occupy a substantial proportion of the Company's portfolio (65.49%⁴ as at 31 December 2015), do not generally give rental guarantees, however, but do have a more limited risk profile. Moreover, outstanding receivables are monitored regularly.

MAIN RISKS RELATED TO THE PROPERTY PORTFOLIO

G4-2

Risk related to the fair value of the properties

Description of risk

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

is also exposed to the risk of the real-estate experts over-valuing or under-valuing its properties in relation to their true market value. This risk is accentuated in the market segments in which the limited number of transactions gives the experts few points of comparison, which is now particularly true for the decentralised areas and periphery of Brussels (9.91%⁵ of the portfolio), and more generally in the Belgian provincial towns.

4. Calculated on the basis of the annual current rent as at 31 December 2015.

5. Calculated on the basis of fair value as at 31 December 2015.

Potential impact

A decline in the fair value of the portfolio has an impact on the Company's net result, equity, debt ratio and LTV. A significant negative change in the fair value of the portfolio could have an impact on the Company's ability to distribute a dividend¹ if the cumulative negative changes in fair value were to exceed the total value of distributable and non-distributable reserves and the distributable portion of the share premiums.

Based on the data as at 31 December 2015, a 1% change in the value of the property assets would have an impact of around -€23.88 million on the net result, entailing a change of around -€1.04 in the net asset value per share and around +0.48% in the debt ratio² and around +0.46% in the LTV ratio.

For information purposes, the AMCA building in Antwerp, the Paradis Tower in Liège and the WTC Tower III in Brussels individually represent between 5 and 10% of the fair value of the portfolio as at 31 December 2015.

Mitigation and control measures

The scale of the risks related to a decline in the fair value of the properties is mitigated by Befimmo's investment policy which is to invest in quality office buildings in good locations, enjoying an appropriate rental situation: such buildings historically have a less volatile fair value. The regulations provide for the rotation of the independent experts and Befimmo regularly informs its experts, organising tours of the buildings, among other things.

Risk related to inadequate insurance cover

Description of risk

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

Potential impact

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

Mitigation and control measures

In order to mitigate this risk, the buildings in Befimmo's portfolio are covered by a number of insurance policies (risks of fire, storm, water damage, etc.) covering loss of rent for a limited period, in principle the time needed for reconstruction, for a total sum (new reconstruction value, excluding the value of the land) of €2,094.1 million at 31 December 2015. Befimmo has an insurance policy covering terrorism.

► "Property report, on page 28"

Risk of land use designation

Description of risk

Befimmo can exceptionally be exposed to the risk of partial and temporary occupation by the tenant, in particular situations, of its buildings³ let long-term, for an appropriation other than offices.

Potential impact

A partial and temporary occupation of an office building for a different use could eventually have an impact on its future land use designation, which could affect its value.

Mitigation and control measures

Befimmo encourages its tenants to limit the occupation of office buildings for other uses. Should this arise, Befimmo takes the necessary precautions by limiting this situation in time.

Risk of deterioration of buildings

Description of risk

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

Potential impact

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

Mitigation and control measures

Befimmo ensures that its property is kept in a good state of repair and is upgraded in terms of energy, technical performance, etc. by making an inventory of preventive and corrective maintenance work to be carried out, and establishing a works programme. Befimmo is also keen to have most of its buildings covered by "total guarantee" maintenance contracts⁴.

As at 31 December 2015, 74%⁵ of the consolidated portfolio was covered by such a "total guarantee" contract.

True to one of the key principles of sustainable development, "reduction at source"⁶ of environmental impact, Befimmo is closely monitoring the development of existing legislation, anticipating forthcoming legislation and analysing the sector studies in order to incorporate new management technologies and tools into its renovation projects as quickly as possible.

1. Please see the chapter "Appropriation of results (statutory accounts)" of this Report.

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

3. Within the framework of the current situation of hosting refugees.

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

5. For the Paradis Tower building, it is a manufacturer's guarantee until the end of 2016, which will become from then on a total guarantee.

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

Risk related to the execution of works

Description of risk

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

Potential impact

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

Mitigation and control measures

Detailed monitoring of technical, budgetary and planning aspects has been introduced to manage the risks associated with such works. Furthermore, the contracts with building contractors generally provide for a number of measures to limit these risks (price ceilings, delay penalties, etc.). Befimmo also regularly assesses its main suppliers and service providers, and in particular checks, among others, the social and fiscal debts of its co-contractors. Regarding environmental issues, specific measures – complying with and in some cases exceeding the regulations in force – are incorporated into the specifications and contracts applying to successful tenderers. Compliance with these environmental measures is monitored while the works are in progress (notably by external environmental coordinators, ISO 14001 procedures, site audits, BREEAM assessors, etc.).

Environmental risk

Description of risk

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

Potential impact

In view of its real-estate activity in the broad sense, if such risks were to materialise, the environment could sustain damage and Befimmo could also incur significant costs and suffer damage to its reputation. The occurrence of an environmental risk could, in some cases, also have a negative impact on the portfolio's fair value.

Mitigation and control measures

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

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

► “Social Responsibility, on page 82”

Risks related to mergers, demergers or acquisitions

Description of risk

Many of the buildings in the Befimmo real-estate portfolio were acquired through companies, which were generally then absorbed into or merged with Befimmo. There is therefore a risk that the value of certain assets may have been over-estimated or that hidden liabilities have been transferred to the Company during such operations.

Potential impact

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

Mitigation and control measures

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

MAIN ECONOMIC AND FINANCIAL RISKS

Risk of inflation and deflation

Description of risk

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

Potential impact

The annual impact of the adjustment of rents can be estimated at €1.4 million on an annual basis (not including protection) per percentage point change in the health index.

Mitigation and control measures

Regarding the risk of deflation, 90.71%⁷ of the leases in Befimmo's consolidated portfolio are hedged, in line with standard practice, against the effect of any negative indexing (43.56% provide for a minimum equal to the base rent and 47.15% contain a clause that sets a minimum of the last rent paid). The remaining 9.29% of the leases do not provide for any minimum rent.

In relationships with building contractors, Befimmo strives to

7. Calculated on the basis of the annual current rent as at 31 December 2015.

contain this risk through contractual clauses.

Risk associated with changing interest rates

Description of risk

Financial charges are the Company's main item of expenditure. They are heavily influenced by interest rates on the financial markets.

Potential impact

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

In the context of current interest rates, the practice of some banks to set a floor on the Euribor at 0%, used as reference in financing contracts, has a negative impact on financial charges.

A change in interest rates could also have an impact, with a delayed effect, on valuations of the properties in the portfolio.

Mitigation and control measures

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

On the basis of total borrowings as at 31 December 2015, a debt of €496.99 million (or 45.57% of the total) is financed at fixed rates (conventional fixed rates or rates fixed by IRS). The remainder of the debt, €593.69 million, is financed at floating rates, part of which is hedged against rising interest rates by means of optional instruments (CAP and COLLAR¹).

Without taking account of hedging, on the basis of the borrowings situation and the Euribor rates at 31 December 2015 (all assumed to be constant over a 12-month period), the impact of a 0.25% rise in market rates would raise financial charges by an estimated €1.53 million (annualised). Conversely, a 0.25% decline in market rates would reduce financial charges by an estimated €1.50 million (annualised).

Taking account of the hedging arranged, the borrowings situation and the Euribor rates at 31 December 2015 (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 €0.64 million (annualised). Conversely, a 0.25% decline in market rates would reduce financial charges by an estimated €0.62 million (annualised).

► "Financial structure, on page 51"

Risk related to changing credit margins

Description of risk

The Company's financing cost also depends on the credit margins charged by the banks and the financial markets. These financing margins change in line with the global economic climate, and also with the regulations, especially in the banking sector (known as the "Basel III" requirements).

Potential impact

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

Mitigation and control measures

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

► "Financial structure, on page 51"

Currency risk

Description of risk

Befimmo invests solely in the euro zone and has no plans to take currency risks in its investments, income or financing. Nevertheless, in May 2012 it arranged a private bond placement in the United States (US Private Placement (USPP)) denominated in US Dollars and Pound Sterling.

Potential impact

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

Mitigation and control measures

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

1. Subscription to a COLLAR (buying a CAP and selling a FLOOR) places a ceiling (CAP) on the impact of a rise in interest rates, but also involves an undertaking to pay a minimum rate (FLOOR).

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

Description of risk

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

Potential impact

Had the Euro, US Dollar and Pound Sterling interest rate curves been 0.5% lower than the reference rate curves at 31 December 2015, the fair value of the financial assets and liabilities would have been €23.77 million lower. In the opposite case, the fair value would have been €23.12 million higher.

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

Mitigation and control measures

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

The impact of the change in fair value of the financial assets and liabilities at fixed rates can be partially mitigated by a combination of hedging instruments (options and swaps). As at 31 December 2015, the net fair value of all the hedging instruments was +€34.81 million.

Part of Befimmo's borrowings (54.43%) are arranged at floating rates, which therefore means that the debt does not change in value in line with changes in the outlook for interest rates.

Risk related to a change in the Company's rating

Description of risk

The Company's financing cost is influenced mainly by Standard & Poor's rating. The rating is determined on the basis of an assessment of the Company's financial profile.

Potential impact

Any downgrade of the rating would make it harder to obtain new financing and, if the rating were reduced from BBB to BBB-, would generate an additional financing cost estimated at €0.82 million, based on the debt structure as at 31 December 2015. Such a downgrade could also have an adverse impact on the Company's image with investors.

Mitigation and control measures

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

Financial liquidity risk

Description of risk

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

Potential impact

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

Mitigation and control measures

To mitigate this risk, the Company diversifies the sources and maturities of its financing. As at 31 December 2015, the ratio of debt provided by financing from 8 banking institutions was 61.8%. The remainder is provided by various bond issues (one retail bond, one private bond placement in the United States (USPP) and six private placements in Europe).

As at 31 December 2015, the Company had confirmed unused lines of €249.5 million including cash. The Company aims to cover this risk by keeping a defined amount in confirmed unused lines at all times. The amount of the net financial charges was €25,288 thousand in 2015.

In addition, article 24 of the Royal Decree of 13 July 2014 requires BE-REITs to prepare a financial plan for the FSMA if the consolidated debt ratio exceeds 50%. As at 31 December 2015, Befimmo's debt ratio was 48.37% compared with 47.48% as at 31 December 2014.

► "Financial structure, on page 51"

Risk related to counterparty banks

Description of risk

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

Potential impact

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

Mitigation and control measures

Befimmo therefore takes care to diversify its banking relationships and to work with banks with a sufficient rating. As at 31 December 2015, the Company had a business relationship with several banks:

- The bank credit lines granted to Befimmo amounted to €838 million at 31 December 2015. The banks, in alphabetical order, providing this finance are Banque Degroof, BayernLB, BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC and RBS;
- The counterparty banks for the hedging instruments are BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC and RBS.

Since Befimmo's financial model is based on structural borrowing, the amount of cash deposited with financial institutions is structurally very limited. It was €0.2 million as at 31 December 2015 compared with €0.1 million as at 31 December 2014.

Risk related to obligations contained in financing agreements

Description of risk

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

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

Potential impact

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

Mitigation and control measures

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

MAIN RISKS RELATED TO REGULATION G4-2

Regulations

Description of risk

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

Potential impact

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

Mitigation and control measures

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

BE-REIT status

Description of risk

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

Potential impact

Loss of approval is also generally regarded as grounds for early repayment by acceleration of loans contracted by the Company. Any future adverse changes in the BE-REIT regime could also lead to a decline in results or net asset value, increase the debt

ratio (e.g. by applying new accounting rules), reduce the maximum debt ratio, or affect the extent to which a BE-REIT must distribute dividends to shareholders.

Mitigation and control measures

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

Tax regime

As a BE-REIT (SIR/GWV), the Company enjoys a specific tax regime. The legislator intended the BE-REIT to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying certain advantages. In particular, BE-REITs pay a reduced rate of corporation tax as long as at least 80% of the "cash flows" are distributed (calculated on the basis of article 13 of the Royal Decree of 13 July 2014). BE-REITs¹ are exempt from corporation tax on the results (rental income and capital gains realised minus operating costs and financial charges).

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

1. But this does not apply to its subsidiaries which are not institutional BE-REITs.

Risk of legal proceedings

Description of risk

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

Potential impact

At the time of writing, Befimmo is involved in a number of legal proceedings which, on the whole (according to the information

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

Mitigation and control measures

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

MAIN OPERATIONAL RISKS G4-2

Operational risk G4-58

Description of risk

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

Potential impact

The Company is exposed to the risk of loss or theft of sensitive data, financial loss through fraud, interruption of business in the event of a failure of systems or processes.

Mitigation and control measures

The Company has a corporate governance charter and a code of ethics drawn up by the Board of Directors. The code of ethics requires ethical values to be respected in relations with its customers, staff, partners and shareholders. These documents are made available to team members by posting on the intranet site and can also be consulted on the Company's website. A business continuity plan is defined as the set of measures which, in the event of a crisis, allowing operations and essential services to continue, possibly in degraded mode, and a planned resumption of business. It covers both functional and IT aspects.

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

Risk related to team members

Description of risk

The Company is exposed to the risk of departure of certain key members of staff.

Potential impact

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

Mitigation and control measures

Befimmo pays special attention to the well-being of its employees. Furthermore, its pay scales are in line with market rates.

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

The Company has introduced a procedure for monitoring the induction of new employees (mentoring system, etc.). Departures are prepared for early as much as possible and Befimmo ensures that know-how is passed on.

► [“Social Responsibility – Team, on page 103”](#)

Virginie Aerden - Assistant to the CEO & CFO,
has been working at Befimmo since 2012,
a keen traveller

"The Poelaert building is one of my favourites, for both its poise and its character. Its architecture makes me want to travel back in time, to Paris. With a great location in the centre of Brussels, you can't miss it as you pass by. The whole building continues to shine. At nightfall, she puts on her best dress and lights up the whole square. You can imagine the beautiful balls of the time..."



Nicolas Nelis - Deputy Head of Project Management,
has been working at Befimmo since 2010 "Long live team spirit go Belgian Red Devils!"

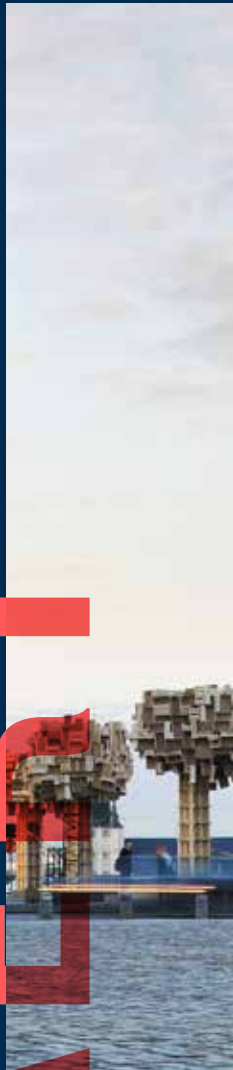
"From an architectural point of view, I'm completely captivated by the imposing and iconic beauty of our Poelaert building."

Julie Muylaert - Junior Legal Counsel,
has been working at Befimmo since 2013,
a big fan of the Mediterranean climate

"I'm particularly attached to the Poelaert building because of its strikingly beautiful facade. One thing is certain: anyone who passes by the Poelaert will find it quite splendid!"



POELAERT





📍 Belgium — Brussels centre — Place Poelaert 2-4 — 12,600 m²
 Architect: Ernest Jaspar



12,600 m²
 Surface



€3.6 million
 Current rent



100%
 Occupancy rate

MANAGEMENT REPORT

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LETTER TO THE SHAREHOLDERS G4-1



Dear Shareholders,

Befimmo closed its 2015 fiscal year, the twentieth in its history, with very strong results despite a challenging economic climate. And, at the time of writing, 2016 looks set to be another turbulent year.

In these circumstances, Befimmo is relying very much on its strengths - firstly, a multidisciplinary, punctual and professional real-estate team, with a 20-year track record, and secondly a portfolio that we have built up over time with no compromises on quality - to successfully take up the major challenges we are facing. We will confidently pursue our objectives of maintaining a balanced risk/return in line with your expectations and of distributing, dear Shareholders, a regular dividend despite the highly volatile environment.

There is no lack of challenges facing our Company in the coming years. We set out the main ones and explain how we plan to tackle each of them.

First, there are structural changes in working methods, and more specifically the increasing use of offices as a space for meetings and exchanges between the various members of a team. While this will result in less demand for office space, tenants will be more selective in terms of the quality and flexibility of the spaces they are seeking. Befimmo, with its portfolio of quality properties located mainly in city centres near major public transport hubs, is particularly well placed to respond to this development.

To complement these intrinsic qualities of the portfolio, we are adopting a tenant-oriented approach. Providing “good” space is still indispensable but no longer enough nowadays. We now need to develop a much deeper relationship with tenants by offering them a broader range of integrated services to enhance their user comfort (e.g. by providing progressively common meeting rooms, restaurants, catering,



€3.45
gross/share

Dividend for the 2015 fiscal year

€4.41/share

Net result, significant increase compared to 2014

“The Quatuor Building project, oriented towards the city centre, will be not only elegant but also flexible in terms of space allocation and use.”

spaces for day nursery and fitness, etc.): in other words a comprehensive and proactive approach that Befimmo will deliver thanks to the wide-ranging skills of its teams.

Then there are the major projects in the North area, namely the conversion of the Noord Building complex that the Flemish Community will vacate by the end of 2017, and WTC Tower II that the Belgian Government will leave in late 2018, not to mention WTC Tower IV.

Befimmo is working proactively to ensure the success of these strategic projects located in the heart of one of the best locations in the Central Business District of Brussels.

As you will see in the management report, the Quatuor Building project, the successor of the Noord Building, oriented towards the city centre, will be not only elegant but also flexible in terms of space allocation and use. The process of obtaining the permits, which were applied for over a year ago, is making good progress. They are expected to be issued during 2017. For the redevelopment of WTC Tower II various different occupancy scenarios are being considered; a permit application should be submitted in the second half of this year.

Finally, we are implementing the permit for Tower IV of the WTC. The pace of work on the construction site will be adjusted in line with commitments from prospective tenants.

And there will be potential tenants in Brussels in that time frame, mainly but not only thanks to its structural component of “public institutions”; demand from this segment was not met in 2015, while there is still a limited supply of available quality space.

Finally, we are forging ahead with the fundamental work of continuously improving our portfolio to keep it abreast of increasingly demanding standards. For instance, throughout 2015, Befimmo has stepped up its efforts to cut energy consumption (gas, electricity and water) and waste production by, among other things, investing in its buildings, thereby improving their ratings in BREEAM certifications. Mindful of its Social Responsibility, Befimmo is also raising awareness among its tenants and suppliers of these global challenges.

In this way, Befimmo endeavours to secure the loyalty of its tenants and is enhancing its ability to attract new ones.

Dear Shareholders, it will be clear from the above that we are aware of the challenges ahead and increasingly confident in Befimmo’s intrinsic qualities to meet them, thanks to the quality of our team, our portfolio and our projects, which offer many opportunities for creating value over the coming years. The main thing we need now is a confirmation of the economic recovery which seems to be picking up. And we need this to prompt companies to return to the rental market, and also to restore the good image of Brussels and Belgium which have been unjustly tarnished in recent months. Our leaders are committed to that and we will of course contribute at our level.

In 2015, Befimmo made the largest investment of the year in offices by acquiring the Gateway building, pre-let for 18 years to Deloitte, located at Brussels airport and featuring a location and a design with all the characteristics of a “prime” city-centre building.

Furthermore, in June 2016 the Triomphe building will welcome its first tenant, renting about 4,000 m² of space on a 9-year fixed-term lease. The quality of our major renovation is being recognised and rewarded. These two operations will of course contribute, among other things, to the dividend over the coming years.

For various reasons that we will go into in the management report, 2015 has delivered much better results than forecast. The cash flow (EPRA earnings) for fiscal year 2015 amounted to €3.89 per share (€3.62 forecast), at the same level as last year (€3.90).

Earnings per share meanwhile stood at €4.41, significantly up on 2014 (€3.19), owing mainly to the fairly stable values of the financial assets and liabilities (IAS 39), whereas last year they suffered a significant decline due to the downward trend in interest rates. As last year, the value of the portfolio has risen by about half of one per cent. Borrowings are also well under control, with a Loan-to-value (LTV) ratio of 45.66%, while an interim dividend of three quarters of the annual dividend was already distributed in December 2015.

With these robust results, we will be proposing a final dividend as planned of €0.86 gross per share to the General Meeting on 26 April. As forecast, with the interim dividend of €2.59 per share paid out in December 2015, the dividend for the year will be €3.45 gross per share.

Based on the assumptions made for the forecasts for the next few years, an improvement over those issued last year, we are confident that we will be able to maintain this level of dividend over the coming years. In the light of the challenges of 2018 and the following years, we are working with all the necessary determination to enhance it beyond that period.

The agenda for the Extraordinary General Meeting of 26 April will include a new authorisation of the authorised capital. In response to the message that you gave us at the Meeting of 21 October 2014, we have limited our request in terms of both duration and scope. We are therefore counting on your support by voting in favour of this increase, which is absolutely essential to give us the required flexibility to drive your Company forward.

Let us finally acknowledge the important work that Mr Jacques Rousseaux has accomplished within our Board of Directors as he prepares to leave us at the end of the Meeting of 26 April after ten years of constructive contributions. Our sincere thanks go to him.

Rest assured, dear Shareholders, of our genuine and deep commitment to successfully meet the challenges ahead, and turn them into opportunities.

Thank you again for your continued confidence.

Brussels, 26 February 2016.



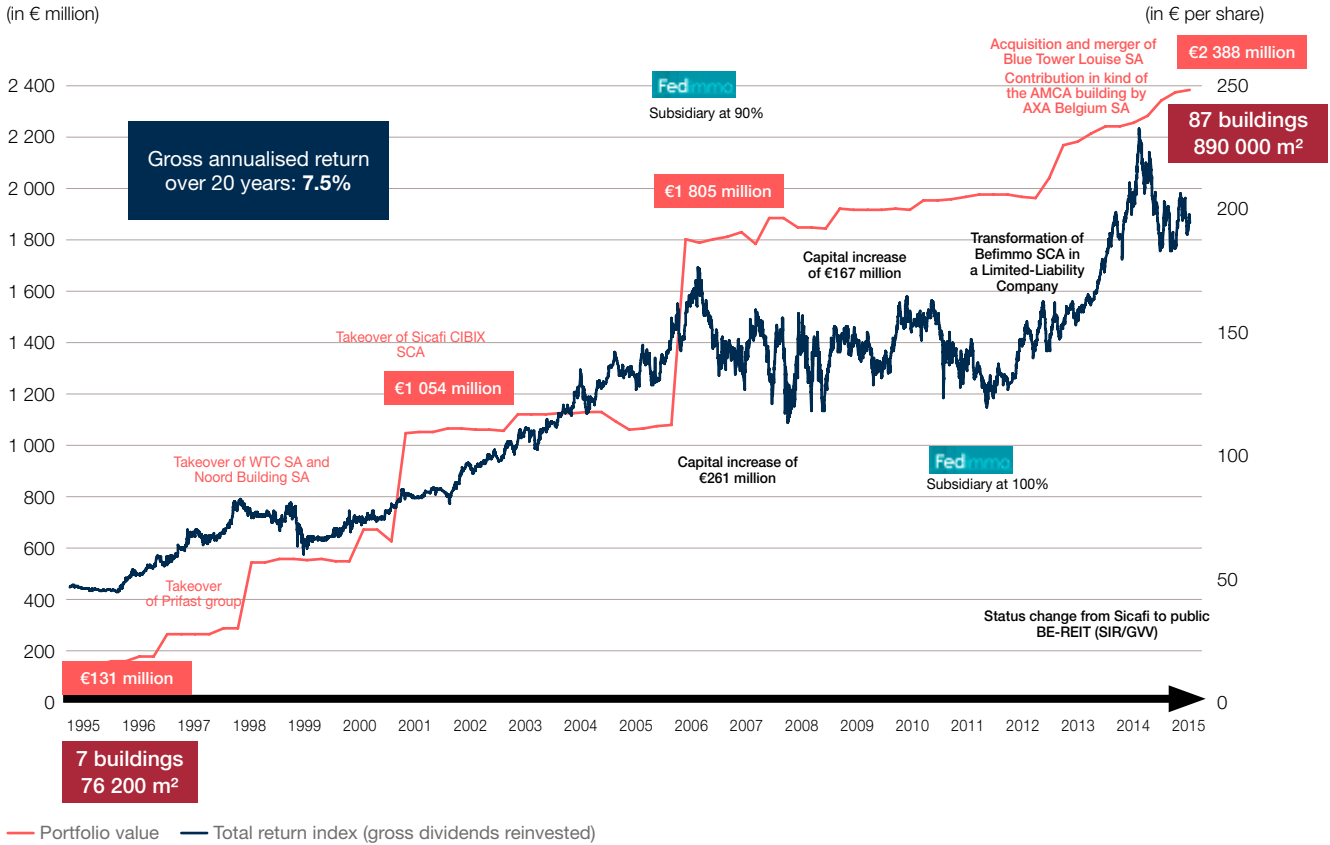
Benoît De Blicq
Managing Director

Alain Devos
Chairman of
the Board of Directors

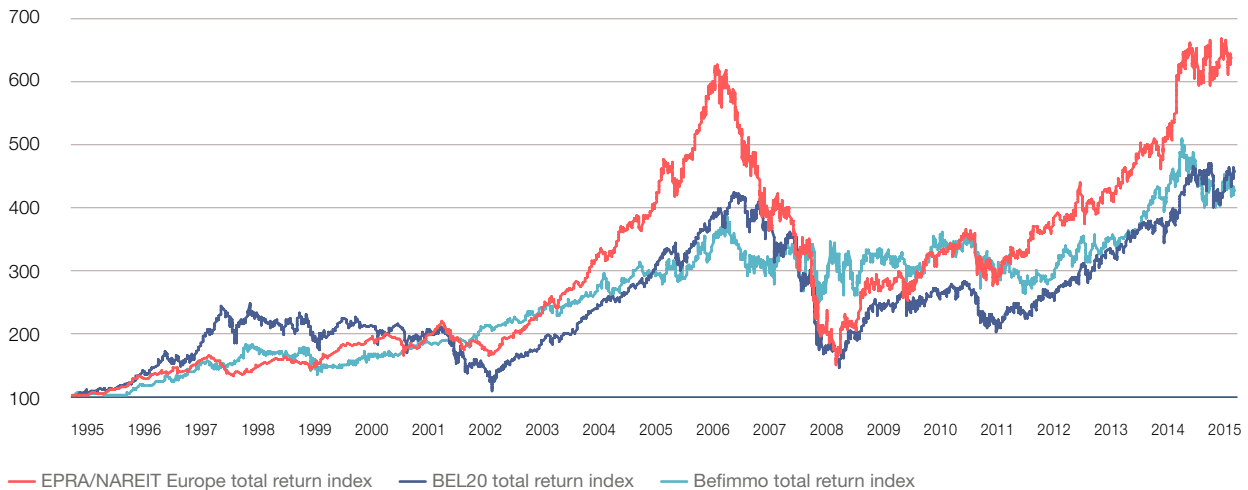
“In June 2016, the Triomphe building will receive its first tenant, renting about 4,000 m² of space on a 9-year fixed-term lease.”

KEY FIGURES

Befimmo evolution over 20 years (Fair value of portfolio and share return)



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



PROPERTY KEY FIGURES	31.12.2015	31.12.2014	31.12.2013
Fair value of portfolio (in € million)	2 388.3	2 285.2	2 184.1
Occupancy rate of properties available for lease (in %)	94.15	94.07	95.24
Occupancy rate of investment properties ¹ (in %)	92.64	92.31	94.16
Weighted average duration of leases (in years)	8.60	8.64	9.06
Gross initial yield on properties available for lease (in %)	6.19	6.28	6.80
Gross potential yield on properties available for lease (in %)	6.58	6.68	7.14
Reversion rate (in %)	-8.41	-9.69	-10.40

► “Property report, on page 28”

FINANCIAL KEY FIGURES	31.12.2015	31.12.2014	31.12.2013
Net asset value (in € per share)	54.96	54,00	54.13
Net result (in € per share)	4.41	3,19	3.97
Net current result (in € per share)	3.93	3,93	4.24
Shareholders' equity (in € million)	1 265.29	1 195,45	1 165.61
Return on shareholders' equity ² (in € per share)	4.43	3,11	3.72
Return on shareholders' equity ² (in %)	8.29	5,82	6.95
Debt ratio ³ (in %)	48.37	47,48	46.56
Loan-to-value (in %)	45.66	45,21	45.01

► “Financial report, on page 50”

EPRA KEY FIGURES	31.12.2015	31.12.2014	31.12.2013
EPRA earnings (in € per share)	3.89	3.90	4.22
EPRA NAV (in € per share)	54.91	54.38	54.35
EPRA NNNNAV (in € per share)	54.30	52.80	53.37
EPRA Net Initial Yield (NIY) (in %)	5.78	5.89	6.47
EPRA Topped-up NIY (in %)	5.91	5.95	6.76
EPRA Vacancy Rate (in %)	6.35	6.50	5.25
EPRA Like-for-Like Net Rental Growth ⁴ (in %)	1.16	-2.83	3.66
EPRA cost ratio (including direct vacancy costs) (in %)	16.62	19.69	17.24
EPRA cost ratio (excluding direct vacancy costs) (in %)	12.88	17.12	14.68

► “EPRA Best Practices, on page 58”

KEY FIGURES ON THE BEFIMMO SHARE	31.12.2015	31.12.2014	31.12.2013
Closing share price (in €)	55.00	60.21	50.45
Gross dividend (in € per share)	3.45	3.45	3.45
Gross yield ⁵ (in %)	6.27	5.73	6.84
Return on share price ² (in %)	-2.92	26.47	10.70
Number of outstanding shares	23 021 293	22 673 609	22 062 701
Number of shares not held by the group	23 021 293	22 138 280	21 534 086

► “Befimmo on the stock market, on page 76”

KEY FIGURES ON SOCIAL RESPONSIBILITY⁶	31.12.2015	31.12.2014	31.12.2013
Gas Normalised direct energy consumption (kWh/m ²)	76.8	78.6	83.6
Electricity Indirect energy consumption			
Consumption common areas (kWh/m ²)	43.7	44.6	50.2
Consumption private areas (kWh/m ²)	51.6	56.7	69.1
Water Consumption (m ³ /m ²)	0.29	0.31	0.33
CO ₂ Direct and indirect energy emissions (kg CO ₂ e/m ²)	14.33	13.21	20.94

► “Social Responsibility, on page 82”

? “Glossary”

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

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

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

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

5. Gross dividend/closing share price.

6. It is Befimmo's portfolio excluding Fedimmo. For more information, please refer to the Methodology on page 101 of this Report.

IDENTITY AND STRATEGY

G4-2

G4-4

G4-6

G4-8

BLUE TOWER, BRUSSELS LOUISE DISTRICT



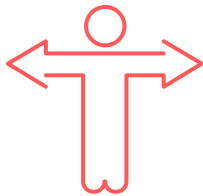
Befimmo is a professional owner of quality office buildings located in Belgium, mainly in Brussels and in the main Belgian cities, and the Grand Duchy of Luxembourg.

OUR VISION

To strive for **excellence**, to position the Company as a responsible owner, anticipating economic, societal and environmental changes and innovating to create long-term value for all its stakeholders.

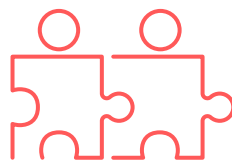
- To be a **responsible landlord**, proactively managing its portfolio to best meet the expectations of its **tenants** by anticipating changes in working methods.
- To be a **responsible employer**, concerned about the well-being of its **team** while respecting and developing the Company's three core values: **Professionalism, Commitment** and **Team Spirit**.
- To be a **responsible company**, above and beyond its business activities, by educating and inspiring all its stakeholders as far as possible to achieve its qualitative and quantitative societal objectives.
- To pursue profitable growth based on sound foundations, while creating long-term value for its **shareholders**.

OUR VALUES G4-56



Professionalism

The strict discipline applied when doing business.



Commitment

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



Team spirit

The cooperation and mutual support between the various team members around a common project.

OUR STRATEGY

I. Real-estate strategy

1. Proactive portfolio management

Befimmo, as a specialist in quality office buildings, proactively manages the relationship with its tenants; the **commercial** team builds a relationship of trust with them through regular dialogue.

Tenant satisfaction is a priority, and Befimmo strives to equip its buildings to that end. Accordingly, depending on the specific characteristics of the buildings (rental situation, location, etc.), common meeting rooms, co-working spaces, restaurants, a catering service, a nursery, a fitness centre, showers, lockers, bicycle parks and power terminals (for electric bikes and cars) are gradually being provided for tenants.

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

Within the framework of the changing working methods and to best meet the expectations of its tenants, the Befimmo space planning and project management team offers "turnkey" solutions by assisting current and prospective tenants with their real-estate projects at the design and construction stages.

To complement this, Befimmo has developed an **environmental support** service to raise awareness of tenants in their efforts to reduce energy consumption. Befimmo is also developing a **facility management** service, offering occupants a range of services, particularly in terms of surveillance, security, cleaning, etc. to facilitate their everyday lives. By sharing its experience and expertise, Befimmo aims to establish a differentiated strategic position.

► "Social Responsibility, on page 82"



Arnaud Opsommer - Operations Budget Manager,
has been working at Befimmo since 2010,
national basketball referee and father of Lilas

For me, the newly renovated Brederode 13 is a clear example of Befimmo's professionalism and dependability.

The professionalism shows in the scale and quality of the common areas (broad corridors, the atrium, island terraces, meeting facilities, etc.) offering all the comfort and amenities of up-to-date buildings.

And its massive robust facade with a character that has been preserved over the years.



BREDERODE,
BRUSSELS CENTRE



The Befimmo **technical** team also has the necessary skills and expertise for the construction of new buildings and the renovation of existing buildings. The continuous improvements made to the portfolio demonstrate its proactive attitude in environmental matters.

Finally, Befimmo takes care to dispose of any property in its portfolio that no longer fits with its strategy. Befimmo will also occasionally sell core buildings of which it considers useful to crystallise the value.

2. Value-creating growth

Befimmo's investment activity is guided by the search for sustainable value creation. In line with its Social Responsibility policy, the Company takes an interest in real-estate projects that meet the following investment criteria:

- designated (mostly) as offices;
- an ideal location;
- good accessibility;
- adequate critical size;
- high-quality;
- buildings that are well equipped and flexible, offering eventual redevelopment potential;
- appropriate rental situation;
- potential for creating value.

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

II. Appropriate financial strategy

Befimmo arranges financing sources best suited to carry out its strategy.

It arranges the necessary finance in due time, seeking a balance between cost, duration and diversification of its financing sources.

It considers that an LTV ratio of around 50% is in line with its "risk-averse" profile in an office market that is fundamentally quite stable. In order to protect its result and EPRA earnings from a rapid rise in interest rates above certain thresholds, Befimmo has put in place a hedging policy.

► "Financial structure, on page 51"

III. Integrated Social Responsibility strategy

Since 2008, Befimmo has been integrating the principles of Social Responsibility into the core of its strategy and incorporating them into his daily operating methods, whether environmental, economic or social.

With the aim of continuously improving its position as a responsible business and landlord, Befimmo conducts a process of regular dialogue with all its stakeholders.

Befimmo seeks to strike a balance between the expectations of its stakeholders and the challenges it regularly faces. This has enabled the Company to identify its priority environmental, economic and social challenges. These have been grouped into four pillars: the environment, the team, the tenants and governance.

For each of these challenges, Befimmo undertakes to take initiatives that are relevant to both its own interests and the society in which it operates. It responds to these challenges in terms of concrete action and long-term quantifiable and measurable goals, which are detailed in the Social Responsibility Action Plan¹ prepared by the management and the team.

1. The Action Plan for the 2016 fiscal year is appended to this Report.

KEY EVENTS OF THE 2015 FISCAL YEAR

G4-13

Acquisition of the Gateway building¹ (Brussels airport)

The Gateway building, which Befimmo acquired in early 2015, embodies a comprehensive redevelopment of the old airport terminal. Due to its unique strategic location in the heart of the airport and its accessibility, thanks to the railway station under the building offering easy connections to major Belgian and foreign cities, it enjoys the characteristics of a city-centre building. The new building (34,000 m² off-plan) is let long term (18 years) to Deloitte.

The acquisition represents a total investment of about €140 million (initial yield of 4.65%), of which €75.4 million have already been booked. The transaction will be completed upon the handover of the building, expected for the fourth quarter of 2016, when the lease with Deloitte will start.

This highly flexible and sustainable project aims at least for a “Very Good” rating in the BREEAM Post Construction phase.

Sale of buildings

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

Sale of the Stassart building | Namur

Fedimmo sold in June 2015 the Stassart building at a price of €2.7 million, generating a capital gain of €0.45 million in relation to the latest fair value determined by an independent real-estate expert.

Sale of the Kasteelstraat 19 building | Izegem

The Kasteelstraat 19 building was sold in June 2015 for €2.4 million, generating a capital gain of around €0.52 million in relation to the latest fair value determined by an independent real-estate expert.

Sale of the Mons 2 building | Mons

Befimmo sold in early September 2015 the Mons 2 building at a price of €2.2 million, equivalent to the latest fair value determined by an independent real-estate expert.



GATEWAY,
BRUSSELS AIRPORT

1. For more information, please see the press releases of 10 March 2015 and 27 April 2015 published on the Befimmo website (<http://www.befimmo.be/en/investors/publications/press-releases>).

CONSTRUCTION, REDEVELOPMENT AND RENOVATION PROJECTS

Befimmo continually invests in its portfolio to meet the needs of its tenants and to keep its properties at a high level of quality, attractiveness and occupancy.

It takes the opportunities to create value in its portfolio.

Over the 2015 fiscal year, Befimmo invested €22.6 million. The major projects are described below.

Brederode 9 and Namur 48 | Brussels CBD | Centre

The Brederode 9 and Namur 48 buildings are undergoing a major renovation for a total amount of around €15 million. These buildings will once again be available for rent as from mid-2016. Befimmo obtained a “Very Good” rating for the BREEAM certification in the Design phase of the Brederode 9 building.

BREDERODE 9, BRUSSELS CENTRE



Guimard | Brussels CBD | Leopold district

Early 2016, Befimmo has started the full renovation works of the Guimard building for a total amount of around €12 million. This building benefits from a strategic location in the heart of the Leopold district in Brussels, and will be ready to welcome new occupants as from the second quarter of the 2017 fiscal year.

Befimmo is aiming for a BREEAM “Excellent” certification in the Design and Post Construction phases for this project.

GUIMARD, BRUSSELS LEOPOLD DISTRICT



WTC IV | Brussels CBD | North area

The WTC IV project, located in the North area in Brussels, relates to the construction of a new passive¹ tower of almost 53,500 m² on block 2 of the WTC complex. It is a new building, independent of the other three towers of the complex which creates an individual identity that is especially efficient and sustainable in the broad sense. It was rated “Outstanding” in the BREEAM Design phase.

The “all-in” construction cost of the project is estimated at €140 million. The permit has been implemented. This project is therefore available to be let off-plan to major tenants, whether public or private. Building works will proceed on the basis of commitments by prospective tenants.

WTC IV, BRUSSELS NORTH AREA



Paradis Express | Liège | Guillemins

The architects A2M, BAG and Jaspers & Evers Architects have been selected as the winners of the call for projects procedure launched in late 2013 for the development of the site adjacent to the Paradis Tower. The “Paradis Express” project involves the construction of an eco-neighbourhood (measuring about 35,000 m²) offering a mix of offices, housing and local shops. The project is still subject to an impact assessment and an application for a single permit.

As soon as it has obtained the permits, Befimmo plans to sell the residential portion of the project to a specialist partner, while it will develop the office space according to the commercialisation.

Furthermore, the Paradis Express project was rewarded during the MIPIM² 2016. The project was selected out of 4 candidates for the “Best Futura Project Award”. This year, 230 candidates from 43 countries participated at the MIPIM Awards.

The “all-in” construction cost of this project is estimated at an amount of about €50 million for the office part.

Quatuor Building | Brussels CBD | North area

Since the current lease ending early 2018 at the latest, Befimmo is planning a new project, the Quatuor Building, to replace the current Noord Building which would be demolished, while maintaining the option of a refurbishment of the existing building. The strategic location of this building, turned to the city centre, near the metro and Brussels North, one of the busiest railway stations in Belgium, and its visibility alongside the boulevard of the Brussels “inner ring”, are real opportunities for future occupants, whether public institutions or major corporates.

PARADIS EXPRESS, LIÈGE



1. As per the Brussels legislation applied in 2015.

2. MIPIM, the largest international market of real-estate professionals, brings together the most influential players of all real-estate sectors (offices, residential, retail, health, sport, logistics and industrial). For more information, please see: <http://www.mipimawards.com/>.



QUATUOR BUILDING,
BRUSSELS NORTH AREA



The request for planning and environmental permits, which were introduced in 2014, are ongoing.

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

In designing the building, Befimmo aims to achieve an “Outstanding” rating in the BREEAM Design phase.

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

WTC II | Brussels CBD | North area

After 46 years of uninterrupted occupation by Belgian Government departments, the current lease with the Buildings Agency in Tower II (49,400 m²) of the WTC will expire in December 2018. Within the framework of the co-ownership of the Towers I and II, Befimmo is working on a number of redevelopment scenarios to upgrade this site, located in the CBD opposite the North Station, with a view to handing it over to a new occupant, thereby generating value.

Energy investments and others in the operational portfolio

Over the 2015 fiscal year, Befimmo invested €9.7 million in its operational portfolio.

In the context of changing working methods and in order to offer a better user experience to tenants, Befimmo is gradually equipping its buildings with facilities such as shared meeting rooms, restaurants, spaces for nurseries, a fitness centre, etc., taking into account the specific characteristics of the buildings (rental situation, location, etc.).

Furthermore, it continued its multi-year programme³ to improve the energy and environmental performance of the buildings (installing water-recovery systems, upgrading BREEAM certifications, fitting photovoltaic panels, etc.). As at 31 December 2015 the total coverage of photovoltaic panels in the portfolio was 3,760 m², in line with the fixed target⁴ for the 2015 fiscal year.

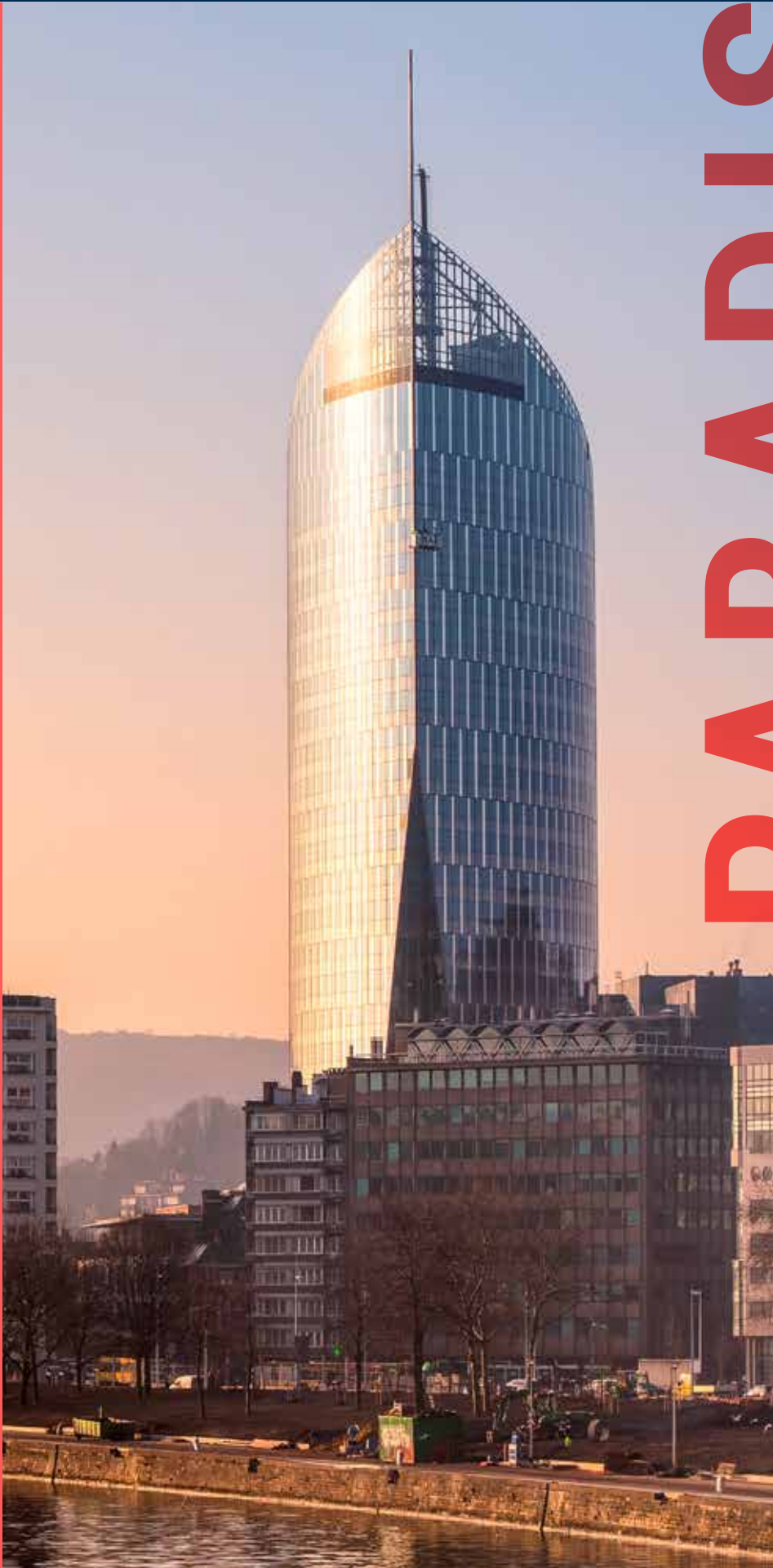
Expenditure charged to the income statement included €8.99 million for maintenance, repair, refurbishment and initial installation works in the portfolio.

Summary of investments of the 2015 fiscal year

	RENTAL SPACE	LOCATION	COMPLETION	TYPE	INVESTMENT REALISED IN 2015 (IN € MILLION)	TOTAL INVESTMENT (IN € MILLION)
Ongoing projects					12.9	
Brederode 9 and Namur 48	8 200 m ²	Brussels CBD, centre	Mid 2016	Renovation	3.9	15
Guimard	5 400 m ²	Brussels CBD, Léopold	Second quarter 2017	Renovation	0.5	12
WTC IV	53 500 m ²	Brussels CBD, North	According to commercialisation	Construction	7.1	140
Demolition of the old Paradis building		Liège	First quarter of 2016	Demolition	1.3	2.2
Energy investments and others					9.7	
Total					22.6	

3. Befimmo portfolio excluding Fedimmo.

4. The Action Plan for 2015 is available on the Befimmo website (<http://www.befimmo.be/en/csr>). The Action Plan for the 2016 fiscal year is appended to this Report.



PARADIS



27.5 years

Duration of lease



Energy performance

BREEAM "Excellent"
in phase Post Construction



€6 million

Current rent



Belgium — Liège — Rue Fragnée 2 — 37,200 m²
Architects: Jaspers — Eyers Architects & Bureau d'Architecture Greisch



Sarah Sougné - Human Resources Officer,
has been working at Befimmo since 2004,
mother of William, attentive to the well-being
of her colleagues

"You can't help feeling proud to work for the Company that has masterfully redesigned the skyline of a whole city, my native city.

The Paradis Tower symbolises the start and end of weekends in the Ardennes. It's a pure joy to admire its outlines from the motorway, at all times of day and in all seasons. And of course to hear my son call "Mum, there's your tower!"

I didn't take any part in its construction, but I find it a wonderful embodiment of the values of our team, ready to take on any challenge, even in adversity, and then celebrate such a great success... "



Mariam Jaber Garcia - Investor Relations Officer,
has been working at Befimmo since 2013, a dancer at heart

"The Paradis Tower is spectacular. It reflects the commitment and professionalism of the Befimmo team. We are proud to have designed such a beautiful tower."

PROPERTY REPORT

PAVILION, BRUSSELS LEOPOLD DISTRICT



PROPERTY PORTFOLIO G4-4

Change in fair values¹ of the property portfolio

As at 31 December 2015, the fair value of Befimmo's consolidated portfolio is €2,388.3 million, as against €2,285.2 million as at 31 December 2014.

This change in value of €103 million incorporates:

- the renovation or redevelopment works carried out in the portfolio (€22.6 million);
- the acquisition of the Gateway building following its development (€75 million);
- the sale of the Stassart, Kasteelstraat 19 and Mons 2 buildings (-€6 million);
- the changes in fair value (+€11 million or +0.46%) booked to the income statement (IAS 40).

Thus, the fair value of the portfolio (excluding investments) slightly rose over the fiscal year.

For information purposes, the AMCA building in Antwerp, the Paradis Tower in Liège and the WTC Tower III in Brussels individually represent between 5 and 10% of the fair value of the portfolio at 31 December 2015. Together, these buildings

represent 20% of the portfolio. For more information, please refer to the «Buildings of Befimmo's consolidated portfolio» table on pages 36 to 39 of this Report.

Rotation of the real-estate experts

Pursuant to the obligation of the rotation of real-estate expert mandates prescribed by the Royal Decree of 13 July 2014 on BE-REITs, new three-year valuation mandates were given as from 1 January 2015 to JLL and CBRE. JLL has also the task of coordinating these valuations.

Comment on the value evolution during the 2015 fiscal year

Two trends emerged during the year:

- The buildings in the portfolio with good locations and with income secured through long ongoing leases have benefited from the continuing compression of yields on such properties;
- Meanwhile, the value of other buildings in the portfolio, located in decentralised areas and in the periphery of Brussels and/or with leases approaching expiry, has declined.

Fair value of Befimmo's consolidated portfolio by geographical area

OFFICES	CHANGE 2015 ² (IN %)	PROPORTION OF PORTFOLIO ³ (31.12.2015) (IN %)	FAIR VALUE (31.12.2015) (IN € MILLION)	FAIR VALUE (31.12.2014) (IN € MILLION)
Brussels centre (CBD)	0.13	51.3	1 226.0	1 233.5
Brussels decentralised	-6.00	3.8	91.8	97.1
Brussels periphery	-2.81	6.1	144.7	144.3
Flanders	2.00	20.6	493.2	483.3
Wallonia	4.62	7.9	187.9	179.8
Luxembourg city	2.66	3.6	86.8	84.6
<i>Properties available for lease</i>	<i>0.53</i>	<i>93.4</i>	<i>2 230.4</i>	<i>2 222.6</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>-0.49</i>	<i>6.6</i>	<i>157.4</i>	<i>60.7</i>
Investment properties	0.47	100.0	2 387.8	2 283.3
Properties held for sale	-3.66	-	0.5	2.0
Total	0.46	100.0	2 388.3	2 285.2

Change in fair value by quarter

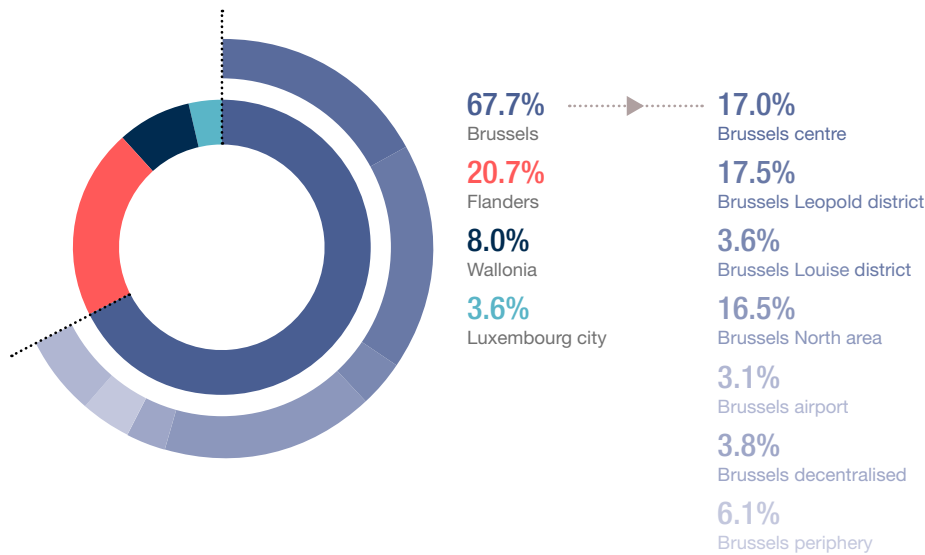
	Q1	Q2	Q3	Q4	Q1-Q4
2014	0.30%	0.19%	-0.10%	0.02%	0.41%
2015	0.08%	-0.12%	0.54%	-0.03%	0.46%

1. These values are established in application of the IAS 40 standard which requires investment properties to be booked at "fair value". Fair value is obtained by deducting the average costs for transactions established by independent real-estate experts, from the "investment value". These costs amount to (i) 2.5% for property worth more than €2.5 million and (ii) 10% (Flanders) or 12.5% (Wallonia and Brussels) for property worth less than €2.5 million.

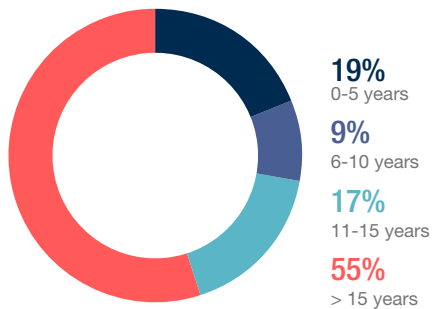
2. The change over the 2015 fiscal year is the change in fair value between 1 January 2015 and 31 December 2015 (excluding the amount of acquisitions, investments and disinvestments).

3. The proportion of the portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2015.

Geographical breakdown¹

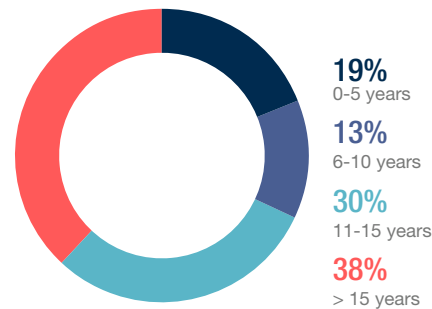


Breakdown of portfolio by age class^{1,2}



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

Renovation planning of the portfolio³



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

► "Outlook and dividend forecast, on page 68"

1. The proportions are expressed on the basis of the fair value of the investment properties as at 31 December 2015.

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

3. Breakdown based on the m² of the investment properties as at 31 December 2015.

New rentals and lease renewals

As at 31 December 2015, the rental vacancy rate of the Brussels office market⁴ was 10.10%, down from 10.63% as the year opened. There are still substantial differences in rates between the various districts, however: the Central Business District (CBD) has 5.77% of vacant space in the Leopold district and 5.25% in the North area, while the actual city centre (within the Pentagon) enjoys a lower vacancy rate, with only 4.70% of space available. In the Brussels periphery and decentralised areas, the situation remains challenging, with vacancy rates of 23.72% and 13.43% respectively.

► “Office property markets, on page 40”

During the 2015 fiscal year, Befimmo agreed new leases and renewals for some 28,100 m² of space, comprising 25,100 m² of offices and 3,000 m² of retail and mainly multi-

purpose space. This amount of space is 17% higher than the 24,000 m² signed in 2014. 51%⁵ of the agreements signed relate to leases signed with new tenants (25 transactions), the remaining 23 transactions being renewals of existing leases.

In 2015, the Triomphe building, located in the decentralised zone of Brussels, found its “anchor tenant”. As from June 2016, the company Aliaxis will occupy 4,200 m² in this recently renovated building, which meets the highest quality standards.

In the Brussels periphery, Befimmo signed leases for approximately 15,100 m² of space, among others in the Fountain Plaza building, where it has both secured the loyalty of existing tenants (such as Sandvik, Hays and Kellogg's) and welcomed four new tenants (notably Epson and Eurofiber).

In Brussels CBD, Befimmo signed leases for a space of around 5,700 m². It mainly involves tenants who reaffirmed their confidence in Befimmo by renewing and extending leases.

Tenants (as at 31.12.2015) G4-8

PUBLIC SECTOR	WEIGHTED AVERAGE DURATION ⁶ (IN YEARS)	PERCENTAGE OF THE CURRENT RENT ⁷ (IN %)
Federal		50.47%
Flemish Region		6.06%
Belgian public sector	9.81	56.53%
European Commission		5.84%
European Parliament		3.12%
European public sector	9.64	8.96%
Total public-sector tenants	9.79	65.49%
PRIVATE SECTOR - TOP 5		
	WEIGHTED AVERAGE DURATION ⁶ (IN YEARS)	PERCENTAGE OF THE CURRENT RENT ⁷ (IN %)
BNP Paribas and affiliated companies		5.94%
Deloitte Services & Investments NV		4.62%
Beobank (Crédit Mutuel Nord Europe)		1.98%
Linklaters		1.86%
Starwood		1.36%
Total private-sector top-5 tenants	10.23	15.76%
OTHER TENANTS		
	WEIGHTED AVERAGE DURATION ⁶ (IN YEARS)	PERCENTAGE OF THE CURRENT RENT ⁷ (IN %)
±230 tenants	3.08	18.76%
Total of portfolio	8.60	100%

4. Source of market data: CBRE – 31 December 2015 (www.cbre.be).

5. Based on the number of m² let.

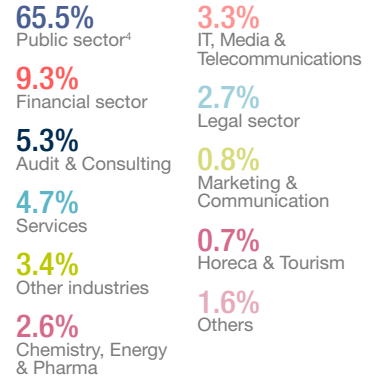
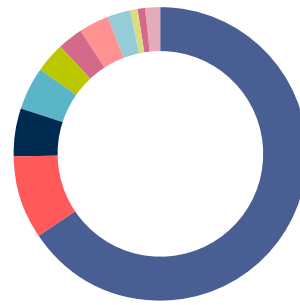
6. Weighted average duration of leases, i.e. the sum of (annual current rents for each lease multiplied by the remaining duration up to the first break in the lease) divided by the total annual current rent of the portfolio.

7. Annual current rent at the closing date plus future rent on signed leases, as reviewed by the real-estate experts.

Occupancy rate¹

The occupancy rate of the properties available for lease is slightly up and amounts to 94.15% at 31 December 2015 (compared with 94.07% as at 31 December 2014). For all the investment properties², the occupancy rate at 31 December 2015 amounts to 92.64% (compared with 92.31% as at 31 December 2014).

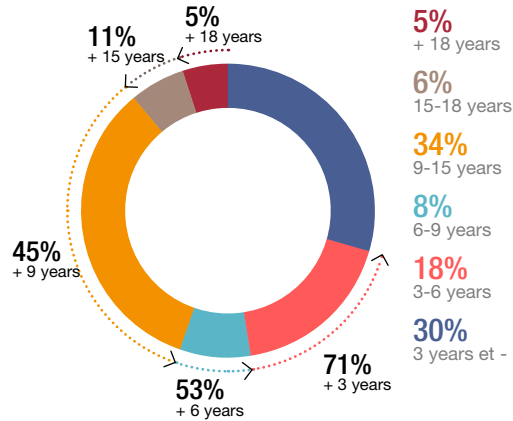
Tenants³ G4-8



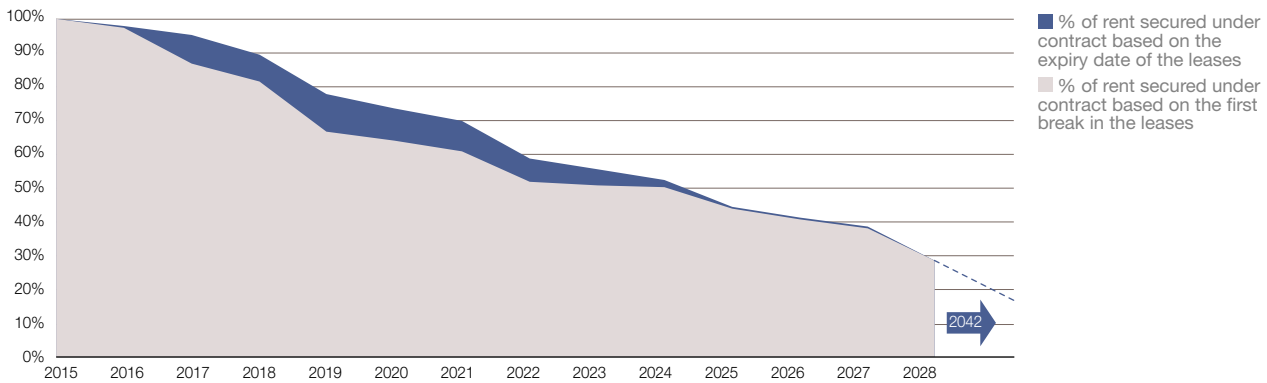
Weighted average duration of leases

As at 31 December 2015, the weighted average duration of leases remains stable at 8.60 years as against 8.64 years at 31 December 2014.

Duration of leases³



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



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

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

3. The proportions are expressed on the basis of the current rent as at 31 December 2015.

4. Public sector: Belgian public institutions (federal & regional) and European institutions.

5. Rents for future years calculated on the basis of the present situation, assuming that each tenant leaves at the first break and that no further lease is agreed in relation to the current rent as at 31 December 2015.



Overall rental yield

Overall rental yield (in %)

	INITIAL YIELD ⁶ (31.12.2015)	INITIAL YIELD ⁶ (31.12.2014)	POTENTIAL YIELD ⁷ (31.12.2015)	POTENTIAL YIELD ⁷ (31.12.2014)
Brussels centre (CBD)	6.53	6.59	6.77	6.84
Brussels decentralised	6.01	5.07	8.17	7.75
Brussels periphery	6.44	6.82	8.35	8.80
Wallonia	5.09	5.50	5.19	5.50
Flanders	5.77	5.90	5.88	5.93
Luxembourg city	6.03	6.12	6.20	6.35
<i>Properties available for lease</i>	6.19	6.28	6.58	6.68
Total investment properties⁸	5.90	6.13	6.32	6.61

Acquisition price and insured value G4-9

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

OFFICES	ACQUISITION PRICE	INSURED VALUE ⁹ 31.12.2015	FAIR VALUE 31.12.2015
Brussels centre (CBD)	1 069.1	955.5	1 226.0
Brussels decentralised	135.5	125.0	91.8
Brussels periphery	213.2	210.5	144.7
Flanders	476.4	551.5	493.2
Wallonia	164.0	169.7	187.9
Luxembourg city	- ¹⁰	43.5	86.8
<i>Properties available for lease</i>	2 058.1 ¹¹	2 055.7	2 230.4
<i>Properties that are being constructed or developed for own account in order to be leased</i>	163.0	34.7 ¹³	157.4
Investment properties	2 221.2¹¹	2 090.4	2 387.8
Properties held for sale	-¹⁰	3.7	0.5
Total	2 221.2¹²	2 094.1	2 388.3

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

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

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

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

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

11. Excluding Luxembourg city.

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

13. This amount includes the All-Risk Fire insurance. Befimmo is also covered by the kind of All-Risk Construction Site insurance.

Reversion rate

Reversion rate of rents (as at 31.12.2015)

	CURRENT RENT ¹ (IN € THOUSAND)	PROPORTION OF RENTS ² (IN %)	WEIGHTED RESIDUAL AVERAGE DURATION ³ 1 st BREAK (IN YEARS)	REVERSION RATE ⁴ (IN %)
Brussels centre (CBD)	82 055	57.9	7.25	-11.94
Brussels decentralised	5 662	4.0	3.38	-5.06
Brussels periphery	9 549	6.7	2.71	1.17
Wallonia	9 811	6.9	19.57	-11.43
Flanders	29 167	20.6	10.68	-3.89
Luxembourg city	5 368	3.8	2.09	-4.50
Properties available for lease	141 611	100.0	8.60	-8.41

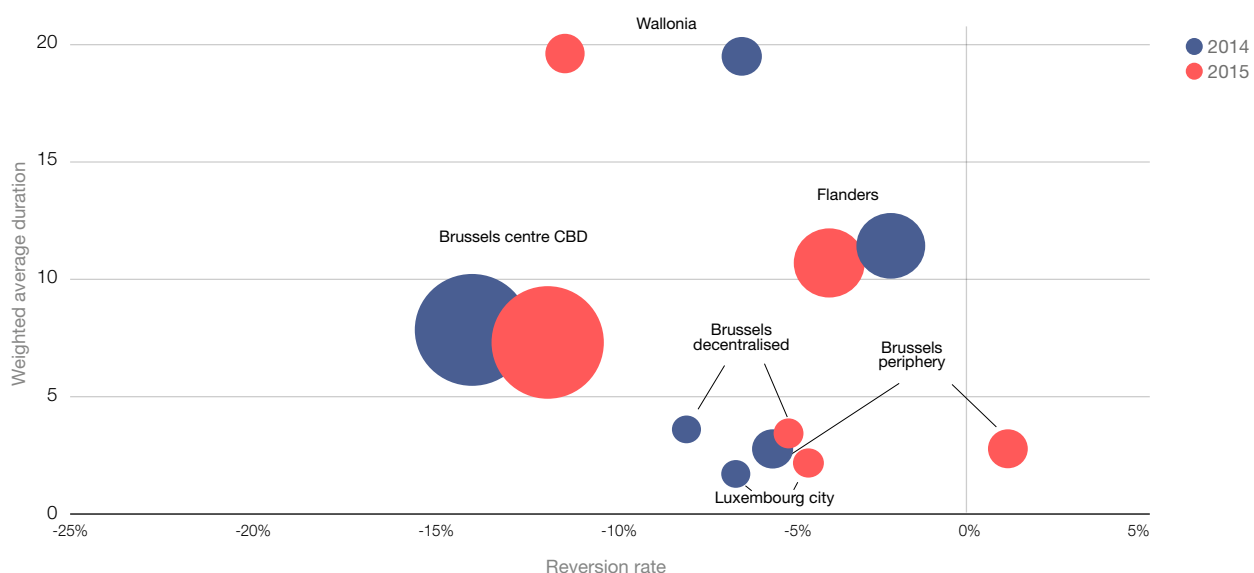
The reversion rate gives an indication of the impact on current rents of a sudden termination of the leases in the portfolio and simultaneous reletting of it at market rents. This ratio does not take account of any planned future investments or the resulting level of rents. It is based on the estimated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

As at 31 December 2015, the reversion rate of the properties available for lease amounts to -8.41%, compared with -9.69% as at 31 December 2014.

If the full reversion is realised, the impact on the current rent as at 31 December 2015 (€148.7 million) of the potential negative reversion of the leases expiring over the next three years would be €6.8 million.

The EPRA earnings forecasts for the next three fiscal years presented hereafter (page 72) take account of a potential reversion on the expiry of the current leases.

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



1. The annual current rent at the closing date plus future rent on leases signed as at 31 December 2015, as reviewed by the real-estate experts.

2. The proportion of rents is calculated on the basis of the current rent as at 31 December 2015.

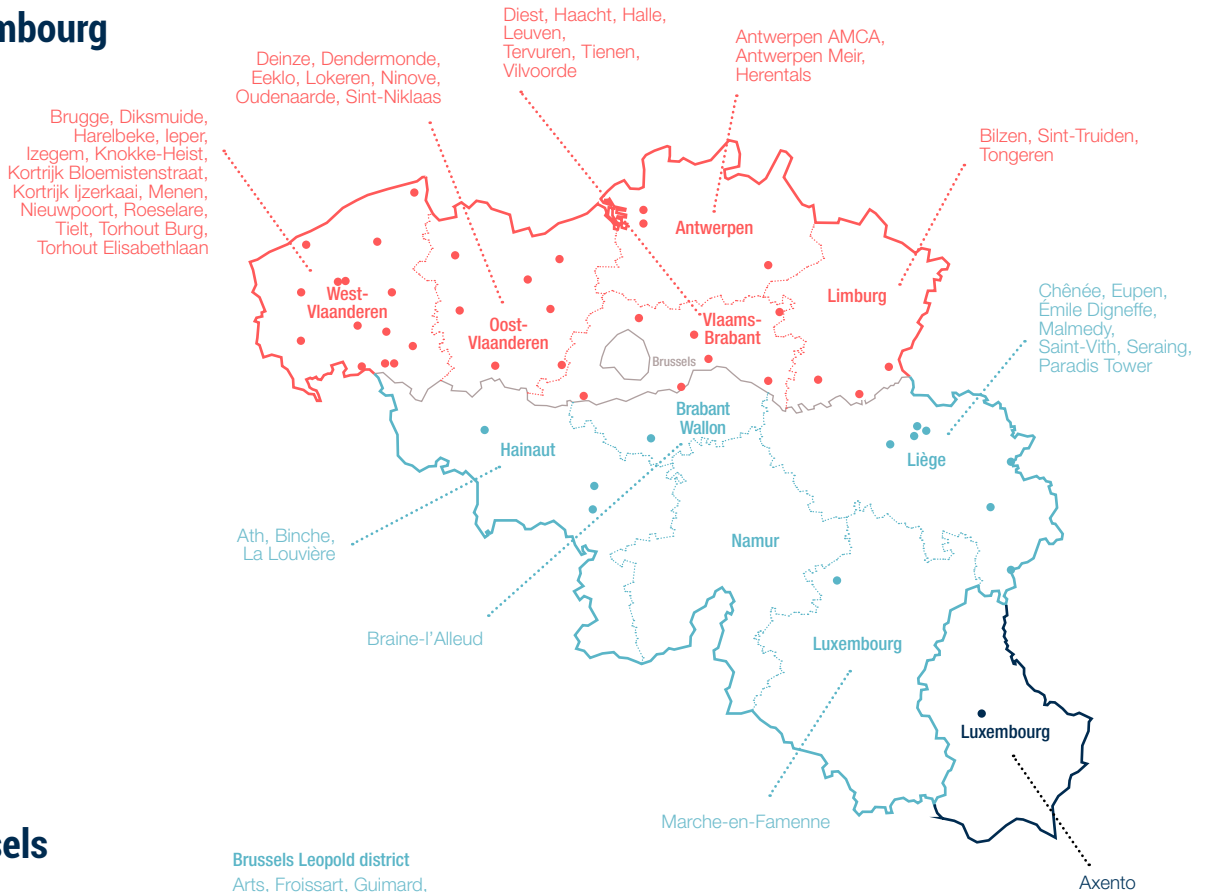
3. Weighted average duration of leases, i.e. the sum of (annual current rent for each lease multiplied by the term remaining up to the first break in the lease) divided by the total annual current rent of the portfolio. This duration is calculated taking into account current projects and the property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

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

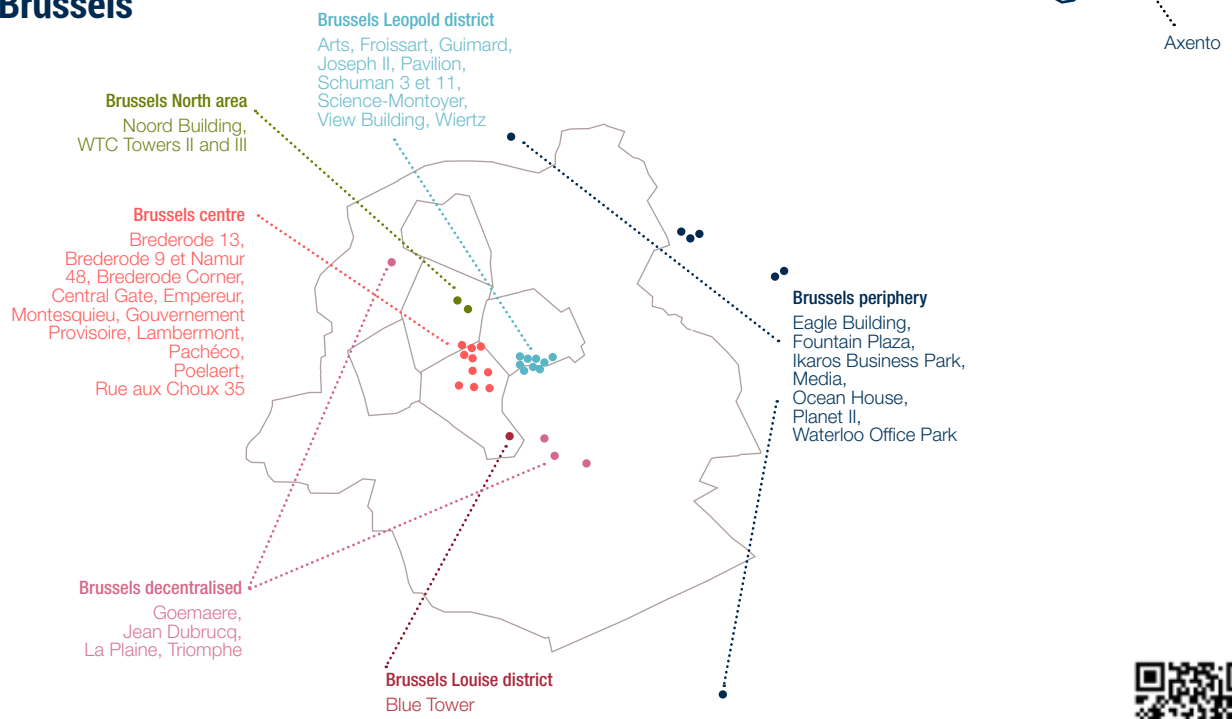
GEOGRAPHICAL SITUATION OF THE BEFIMMO PORTFOLIO

G4-6 G4-8

Belgium & Luxembourg



Brussels



BUILDINGS OF BEFIMMO'S CONSOLIDATED PORTFOLIO¹

G4-8 | G4-9

	CONSTRUCTION YEAR OR YEAR OF THE LAST RENOVATION ²	FLOOR AREA FOR LEASE (IN M ²) ³
BRUSSELS CENTRE		
Brederode 13 - Rue Brederode 13 and Rue Thérésienne, 1000 Brussels	2014	11 340
Brederode Corner - Rue Brederode and Rue de Namur, 1000 Brussels	1954/1958	6 500
Central Gate - Rue Ravenstein 50-70 and Cantersteen 39-55, 1000 Brussels	2012	29 036
Empereur - Boulevard de l'Empereur 11, 1000 Brussels	1963	5 700
Gouvernement Provisoire - Rue du Gouvernement Provisoire 15, 1000 Brussels	2005	2 954
Lambermont - Rue Lambermont 2, 1000 Brussels	2000	1 788
Montesquieu - Rue des Quatre Bras 13, 1000 Brussels	2009	16 931
Pachéco - Boulevard Pachéco 32, 1000 Brussels	1976	5 770
Poelaert - Place Poelaert 2-4, 1000 Brussels	2001	12 557
Rue aux Choux - Rue aux choux 35, 1000 Brussels	1993	5 114
		97 690
BRUSSELS LEOPOLD DISTRICT		
Arts - Avenue des Arts 28-30 and Rue du Commerce 96-112, 1000 Brussels	2005/-	16 793
Froissart - Rue Froissart 95, 1000 Brussels	2010	3 107
Joseph II - Rue Joseph II 27, 1000 Brussels	1994	12 820
Pavilion - Rue de la Loi 70-72-74, 1000 Brussels	2005	18 091
Schuman 3 - Rond-point Schuman 2-4a and Rue Froissart 141a-143, 1040 Brussels	2001	5 340
Schuman 11 - Rond-point Schuman 11, 1040 Brussels	2004	5 255
Science-Montoyer - Rue Montoyer 30, 1000 Brussels	2011	5 180
View Building - Rue de l'Industrie 26-38, 1040 Brussels	2001	11 075
Wiertz - Rue Wiertz 30-50, 1050 Brussels	1996	10 108
		87 769
BRUSSELS LOUISE DISTRICT		
Blue Tower - Avenue Louise 326, 1000 Brussels	1976	24 339
		24 339
BRUSSELS NORTH AREA		
Noord Building - Boulevard Baudouin 30, 1000 Brussels	1989	36 822
World Trade Center - Tower II - Boulevard du Roi Albert II 30, 1000 Brussels	1973	49 393
World Trade Center - Tower III - Boulevard du Roi Albert II 30, 1000 Brussels	1983	76 810
		163 025
BRUSSELS DECENTRALISED		
Goemaere - Chaussée de Wavre 1945, 1160 Brussels	1997	6 950
Jean Dubrucq - Avenue Jean Dubrucq 175b 1, 1080 Brussels	1992	6 806
La Plaine - Boulevard Général Jacques 263G, 1050 Brussels	1995	15 180
Triomphe - Avenue Arnaud Fraiteur 15-23, 1050 Brussels	2014	17 189
		46 125
BRUSSELS PERIPHERY		
Eagle Building - Kouterveldstraat 20, 1831 Diegem	2000	7 382
Fountain Plaza - Belgicastraat 1-3-5-7, 1930 Zaventem	2012	17 756
Ikaros Business Park (phases I to V) - Ikaroslaan, 1930 Zaventem	1990/2014 ⁷	45 959
Media - Medialaan 50, 1800 Vilvoorde	1999	13 475
Ocean house - Belgicastraat 17, 1930 Zaventem	2012	4 623
Planet II - Leuvensesteenweg 542, 1930 Zaventem	1988	10 277
Waterloo Office Park - Drève Richelle 161, 1410 Waterloo	1992	1 980
		101 452

1. The fair value of every subportfolio is published on page 29 on this Report.

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

3. As from the 2015 fiscal year Befimmo is publishing the floor area for lease (i.e. above-ground areas) whereas in the past it published the total area of the buildings.

4. The proportion of portfolio is calculated on the basis of the current rent as at 31 December 2015.

5. The annual current rent at the closing date plus the future rents on leases signed as reviewed by the real-estate experts.

6. This amount includes the gain on charges.

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



PROPORTION OF PORTFOLIO ^a (IN %)	RENT BILLED DURING THE FISCAL YEAR (€ THOUSAND)	CURRENT RENT ^b (€ THOUSAND) (A)	CURRENT RENT + ESTIMATED RENTAL VALUE ON VACANCY (€ THOUSAND) (B)	OCCUPANCY RATE (IN %) (C) C = A/B
1.8%	2 710	2 718	2 718	100.0%
1.4%	2 077	2 096	2 096	100.0%
3.1%	4 426	4 595	5 096	90.2%
0.7%	1 078	1 092	1 092	100.0%
0.4%	623	636	636	100.0%
0.2%	361	369	369	100.0%
3.1%	4 647	4 654	4 654	100.0%
0.5%	736	750	750	100.0%
2.4%	3 502	3 573	3 573	100.0%
0.8%	1 146	1 170	1 170	100.0%
14.6%	21 306	21 652	22 154	97.7%
2.8%	4 153	4 234	4 234	100.0%
0.5%	691	780	792	98.5%
2.9%	4 281	4 281	4 281	100.0%
3.0%	4 379	4 399	4 399	100.0%
0.4%	529	531	1 437	36.9%
0.9%	1 249	1 315	1 411	93.2%
0.8%	1 213	1 226	1 226	100.0%
1.4%	2 027	2 035	2 035	100.0%
2.3%	3 405	3 417	3 417	100.0%
14.9%	21 927	22 218	23 231	95.6%
3.5%	4 852	5 175	6 305	82.1%
3.5%	4 852	5 175	6 305	82.1%
4.6%	6 829	6 773	6 773	100.0%
9.5%	14 395 ^c	14 128 ^c	14 494	97.5%
8.1%	11 514	12 109	12 109	100.0%
22.2%	32 738	33 010	33 376	98.9%
0.7%	1 112	1 114	1 114	100.0%
0.2%	320	320	590	54.2%
2.0%	2 938	2 938	2 938	100.0%
0.9%	594	1 290	3 051	42.3%
3.8%	4 964	5 662	7 693	73.6%
0.6%	829	832	969	85.9%
1.1%	1 419	1 616	2 208	73.2%
2.5%	3 138	3 680	5 282	69.7%
1.4%	1 521	2 015	2 195	91.8%
0.3%	349	443	529	83.8%
0.5%	606	692	877	78.9%
0.2%	271	271	324	83.7%
6.4%	8 133	9 549	12 384	77.1%

	CONSTRUCTION YEAR OR YEAR OF THE LAST RENOVATION ¹	FLOOR AREA FOR LEASE (IN M ²) ²
WALLONIA		
Ath - Place des Capucins 1	1995	4 256
Binche - Rue de la Régence 31	1960	2 480
Braine-l'Alleud - Rue Pierre Flamand 64	1977	2 340
Eupen - Vervierserstrasse 8	1989	2 240
La Louvière - Rue Ernest Boucqueau 15	1997	6 116
Liège - Avenue Emile Digneffe 24	1953	2 560
Liège - Rue Fragnée 2 - Paradis Tower	2014	37 195
Malmedy - Rue Joseph Werson 2	2000	2 757
Marche-en-Famenne - Avenue du Monument 25	1988	3 720
Saint-Vith - Klosterstrasse 32	1988	3 156
Seraing - Rue Haute 67	1971	2 109
		68 929
FLANDERS		
Antwerpen - AMCA - Italiëlei 4	1991/1992	58 413
Antwerpen - Meir 48	19 th century/1985	17 763
Bilzen - Brugstraat 2	1995	1 676
Brugge - Boninvest 1	1996	2 844
Deinze - Brielstraat 25	1988	3 251
Dendermonde - Sint-Rochusstraat 63	1987	6 453
Diest - Koning Albertstraat 12	1995	2 869
Diksmuide - Woumenweg 49	1979	2 207
Eeklo - Raamstraat 18	1993	3 155
Haacht - Remi van de Sandelaan 1	1985	2 744
Halle - Zuster Bernardastraat 32	1985	7 440
Harelbeke - Kortrijksestraat 2	1990	1 686
Herentals - Belgiëlaan 29	1987	3 296
leper - Arsenaalstraat 4	1994	5 421
Izegem - Kasteelstraat 15	1981	831
Knokke-Heist - Majoor Vandammestraat 4	1979	3 979
Kortrijk - Bloemistenstraat 23	1995	12 137
Kortrijk - Ijzerkaai 26	1992	1 963
Leuven - Vital Decosterstraat 42-44	1993	16 718
Lokeren - Grote Kaai 20	2005	1 938
Menen - Grote Markt 10	1988	3 273
Nieuwpoort - Juul Filliaertweg 41	1982	2 868
Ninove - Bevrijdingslaan 7	1981	2 809
Oudenaarde - Marlboroughlaan 4	1963	4 701
Roeselare - Rondekomstraat 30	1987	6 873
Sint-Niklaas - Driekoningenstraat 4	1992	6 897
Sint-Truiden - Abdijstraat 6	1984	3 932
Tervuren - Leuvensesteenweg 17	1980	20 408
Tielt - Tramstraat 48	1982	4 180
Tienen - Goossensvest 3	1985	6 390
Tongeren - Verbindingsstraat 26	2002	7 710
Torhout - Burg 28	1973	1 720
Torhout - Elisabethlaan 27	1985	1 284
Vilvoorde - Groenstraat 51	1995	6 117
		235 946
GRAND DUCHY OF LUXEMBOURG		
Axento - Luxembourg city, Avenue JF Kennedy 44	2009	12 247
		12 247
Properties available for lease		837 522
Brederode 9 - Rue Brederode 9, 1000 Brussels	Renovation ongoing	6 762
Gateway - Brussels airport	Construction ongoing	37 427
Guimard - Rue Guimard 9 and Rue du Commerce 87-91, 1040 Brussels	Renovation ongoing	5 361
Namur 48 - Rue de Namur 48, 1000 Brussels	Renovation ongoing	1 451
Paradis Express - Rue Paradis 1, 4000 Liège	In preparation	-
WTC IV - Boulevard du Roi Albert II 30, 1000 Brussels	Permit implemented, according to the commercialisation	-
Properties that are being constructed or developed for own account in order to be leased		51 001
TOTAL - INVESTMENT PROPERTIES		888 523
Chênée - Rue Large 59	1983	1 276
Properties held for sale		1 276
TOTAL		889 799

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

2. As from the 2015 fiscal year Befimmo is publishing the floor area for lease (i.e. above-ground areas) whereas in the past it published the total area of the buildings.

3. The proportion of portfolio is calculated on the basis of the current rent as at 31 December 2015.

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

PROPORTION OF PORTFOLIO ³ (IN %)	RENT BILLED DURING THE FISCAL YEAR (€ THOUSAND)	CURRENT RENT ⁴ (€ THOUSAND) (A)	CURRENT RENT + ESTIMATED RENTAL VALUE ON VACANCY (€ THOUSAND) (B)	OCCUPANCY RATE (IN %) (C) C = A/B
0.4%	571	582	582	100.0%
0.2%	233	237	237	100.0%
0.2%	259	264	264	100.0%
0.2%	291	297	297	100.0%
0.6%	869	886	886	100.0%
0.0%	220	0	204	0.0%
4.1%	5 472	6 056	6 056	100.0%
0.2%	335	341	341	100.0%
0.4%	524	534	534	100.0%
0.3%	367	374	374	100.0%
0.2%	233	238	238	100.0%
6.6%	9 374	9 811	10 015	98.0%
4.9%	8 132	7 301	7 301	100.0%
2.3%	3 405	3 419	3 419	100.0%
0.1%	195	198	198	100.0%
0.1%	203	207	207	100.0%
0.3%	388	395	395	100.0%
0.6%	894	911	911	100.0%
0.3%	404	412	412	100.0%
0.2%	290	296	296	100.0%
0.3%	399	407	407	100.0%
0.2%	285	290	290	100.0%
0.7%	1 078	1 099	1 099	100.0%
0.2%	243	248	248	100.0%
0.3%	445	453	453	100.0%
0.4%	628	641	641	100.0%
0.1%	201	93	93	100.0%
0.3%	431	439	439	100.0%
1.1%	1 571	1 602	1 602	100.0%
0.2%	222	226	226	100.0%
1.3%	1 804	1 894	2 060	92.0%
0.2%	271	276	276	100.0%
0.1%	415	80	308	26.0%
0.3%	382	389	389	100.0%
0.1%	340	80	262	30.4%
0.3%	495	505	505	100.0%
0.5%	786	801	801	100.0%
0.6%	899	917	917	100.0%
0.3%	440	449	449	100.0%
0.9%	1 299	1 325	1 325	100.0%
0.3%	502	512	512	100.0%
0.6%	846	863	863	100.0%
0.8%	1 151	1 173	1 173	100.0%
0.1%	200	204	204	100.0%
0.1%	157	160	160	100.0%
0.6%	884	901	901	100.0%
19.6%	30 285	29 167	29 742	98.1%
3.6%	5 219	5 368	5 516	97.3%
3.6%	5 219	5 368	5 516	97.3%
95.2%	138 798	141 611	150 416	94.1%
0.1%	125	160	1 683	9.5%
4.5%	-	6 762	6 762	100.0%
0.1%	670	115	1 405	8.2%
0.0%	63	63	260	24.2%
-	-	-	-	-
-	-	-	-	-
4.8%	858	7 100	10 111	70.2%
100.0%	139 656	148 711	160 527	92.6%
0.0%	22	0	70	0.0%
0.0%	22	0	70	0.0%
100.0%	139 678	148 711	160 597	92.6%

OFFICE PROPERTY MARKETS¹

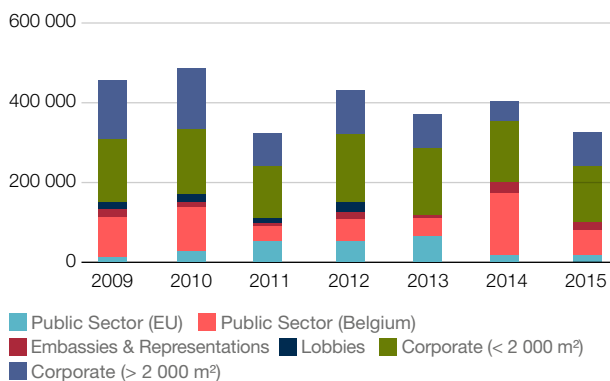
Brussels

KEY FIGURES OF THE BRUSSELS OFFICE PROPERTY MARKET	31.12.2015	31.12.2014
Office market	12 732 747 m ²	12 809 147 m ²
Demand (take-up)	325 577 m ²	403 507 m ²
Development for the next 2 years	± 260 000 m ²	-
Rental vacancies	10.10%	10.63%
Rental values (prime rent)	€285 per m ²	€285 per m ²
Investment market (offices)	€1.1 billion	€1.8 billion

Rental market

Demand on the Brussels office property market was 325,577 m² in fiscal year 2015, as against 403,507 m² in 2014. This demand came mainly from the private sector (almost 70% of transactions), while in 2014 there were major transactions with the public sector.

Take-up by occupant type (in m²)



The most significant transactions include the Passport project at Brussels airport, 13,000 m² of which is pre-let to KMPG, a public social assistance service that will take occupancy of the Silver Building (10,352 m²) in the decentralised area, and the Treurenberg building (10,000 m²) in the centre of Brussels, let to the European Union's Single Resolution Board. Calls for tender by public institutions, notably the European Commission, expected in 2015, were postponed until 2016.

The limited demand on the market by "corporates" is due to the uncertain economic climate. Quite small transactions (672 m² per transaction on average) are being concluded with the private sector, mainly in the periphery (33%) and decentralised areas (21%), as companies seek to take advantage of competitive market conditions.

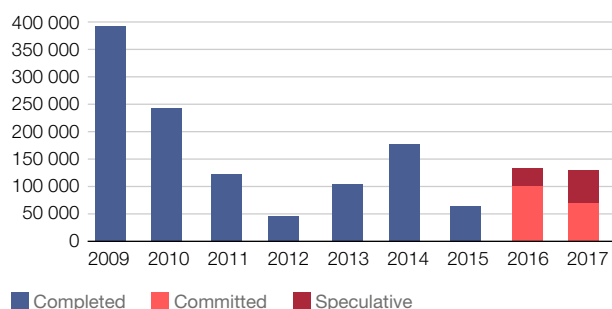
Some transactions with the private sector have already materialised in early 2016. Therefore, 2016 looks more promising than 2015, when a level of public-sector take-up in line with historic benchmarks should be achieved.

Development market

During 2015, some 64,000 m² of new office space were handed over onto the market, only 34,181 m² of which were speculative projects, where there is no prior commitment from a tenant. Despite their caution, developers are returning to the market selectively and in the best central districts. The number of speculative projects for 2016 and 2017 remains low; 131,460 m² and 129,865 m² of office space respectively are expected to come onto the market, only 98,768 m² of which are speculative projects. The market for new buildings is therefore currently dominated by handovers of build-to-suit projects.

Currently, only 8.1% of vacant office space on the market is of "Grade A", while between 2001 and 2010, that grade accounted for between 20% and 25% of the vacant stock. This figure is expected to decline further in 2016. Ultimately, the limited volume of speculative projects could therefore lead to a real lack of "Grade A" office buildings on the Brussels market, particularly in the CBD.

Development projects (in m²)

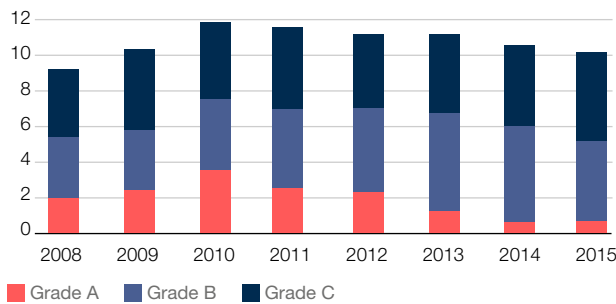


1. Source : CBRE – 31 December 2015.

Rental vacancies

The falling trend in vacancy rates is continuing; at 31 December 2015, rental vacancies stood at 10.10%, down on 10.63% at 31 December 2014.

Rental vacancies by type of property (in %)

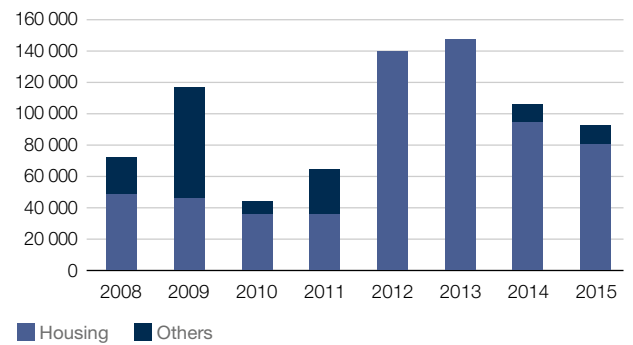


In the Central Business District, vacancy rates are 5.77% in the Leopold district and 5.25% in the North area. The city centre is doing even better, at 4.7%, which marks a return to pre-crisis vacancy levels.

Conversely, the decentralised and periphery markets are still under pressure, with vacancy rates of 13.4% and 23.7% respectively.

The declining trend in vacancies is due to a combination of the small number of new speculative buildings coming onto the market and the conversion of a substantial number of structurally vacant offices for use as housing, hotels and nursing homes.

Conversion of offices to other uses (in m²)



IKAROS, BRUSSELS PERIPHERY



Alyson Sieuw - Sales Support Officer, has been working at Befimmo since 2011, shares good vibes

I'm very fond of the new buildings in Ikaros Phase 2 in the Brussels periphery: it's hard to believe the difference between before and after.

It's a major renovation, with a simply stunning result.

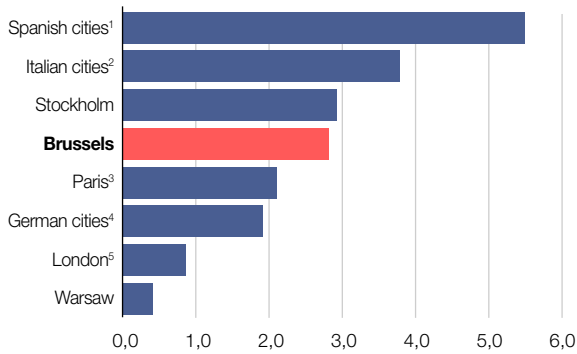
I'm very proud to show it to prospective tenants during visits.

Rental values

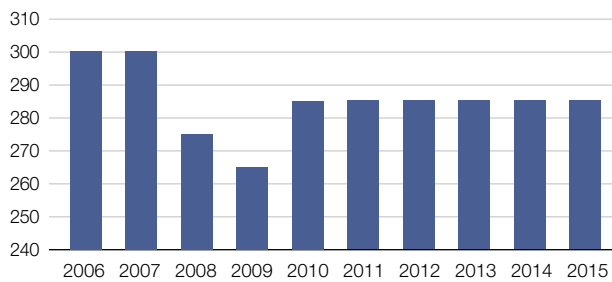
“Prime rent” held steady over the year, at €285 per m². Weighted average rents are at €150 per m². In the current economic climate, rental gratuities and concessions to tenants in existing buildings still remain stable, albeit relatively high, especially in the periphery and decentralised areas.

Generally speaking, the space still available on the market is of “Grade B” or “C”. In the event of an economic recovery, the lack of readily available “Grade A” office buildings could hold up rental values, as illustrated in the graph below.

Office rental growth in Europe - 5 years to March 2021 (in % per year)



Prime rent in Brussels (in euro/m²)



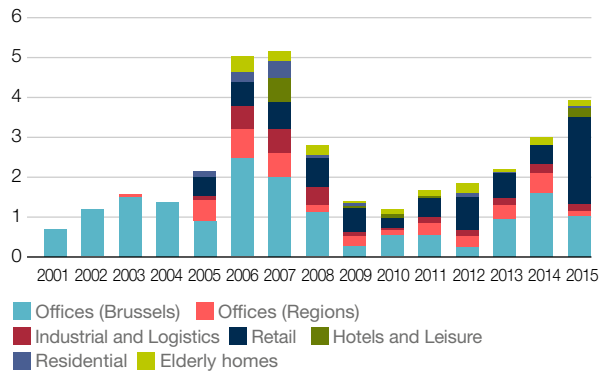
Investment market

Over the year, nearly €1.1 billion was invested in office buildings in Brussels, as against €1.8 billion in 2014; this decline is due to a lack of available good products rather than a lack of market liquidity. For Belgium as a whole, investments in office buildings amounted to €1.2 billion.

Some important transactions materialised in late 2015, notably the Livingstone II building, sold to Aberdeen with a record yield of 4.28%, and the De Brouckère Tower in the Brussels city centre sold to DW Partners. Befimmo has also been active on the investment market; the acquisition of the Gateway building at Brussels airport was the largest office building transaction over the fiscal year. Several major transactions initiated in 2015 should still materialize in early 2016.

Yields on CBD buildings on conventional (3/6/9-year) leases in the “prime” category declined further to around 5.5% (as against 6% in 2014). Properties of the same type but let long-term to high-rating tenants are earning yields well below 5%, of the order of 4.5%.

Investment volume on the Belgian market (in € billion)



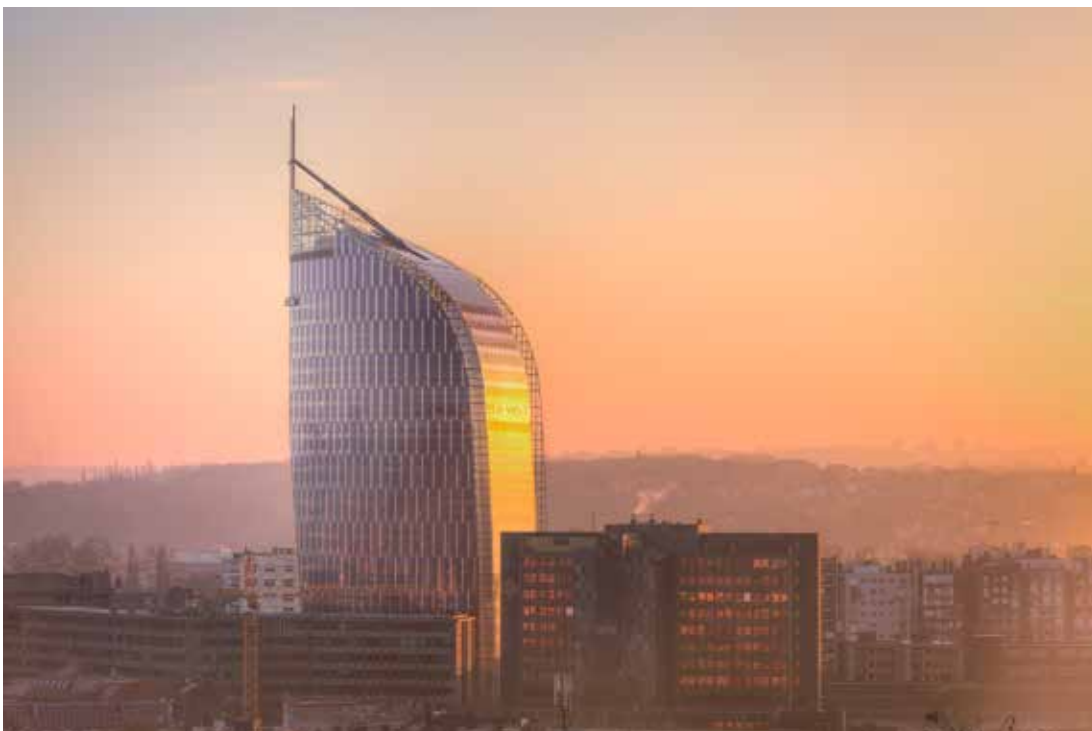
1. Averages of Madrid and Barcelona.
 2. Averages of Milan et Roma.
 3. Averages of CBD and La Défense.
 4. Averages of Berlin, Dusseldorf, Frankfurt, Hamburg and Munich.
 5. Averages of City and West End.

Antwerp

KEY FIGURES OF THE OFFICE PROPERTY MARKET IN ANTWERP	31.12.2015	31.12.2014
Office market	1.7 million m ²	1.7 million m ²
Demand (take-up)	88 225 m ²	108 549 m ²
Development for the next 2 years	24 000 m ²	-
Rental vacancies	11.7%	12.1%
Rental values (prime rent)	€145/m ²	€145/m ²
Investment market (all transactions)	€3.9 million	€4.2 million

Liège

KEY FIGURES OF THE OFFICE PROPERTY MARKET IN LIÈGE	31.12.2015	31.12.2014
Office market	460 000 m ²	460 000 m ²
Demand (take-up)	7 824 m ²	8 666 m ²
Development for the next 2 years	33 300 m ²	-
Rental vacancies	1.4%	2.0%
Rental values (prime rent)	€135/m ²	€135/m ²
Investment market (all transactions)	€2.7 million	€1.8 million



PARADIS TOWER,
LIÈGE

Luxembourg (Grand Duchy of Luxembourg)

KEY FIGURES OF THE OFFICE PROPERTY MARKET IN LUXEMBOURG	31.12.2015	31.12.2014
Office market	3 920 000 m ²	3 766 000 m ²
Demand (take-up)	336 627 m ²	204 935 m ²
Development for the next 2 years	433 000 m ²	-
Rental vacancies	5.5%	4.5%
Rental values (prime rent)	€46/m ² /month	€46/m ² /month
Investment market (offices)	€0.794 billion	€0.968 billion

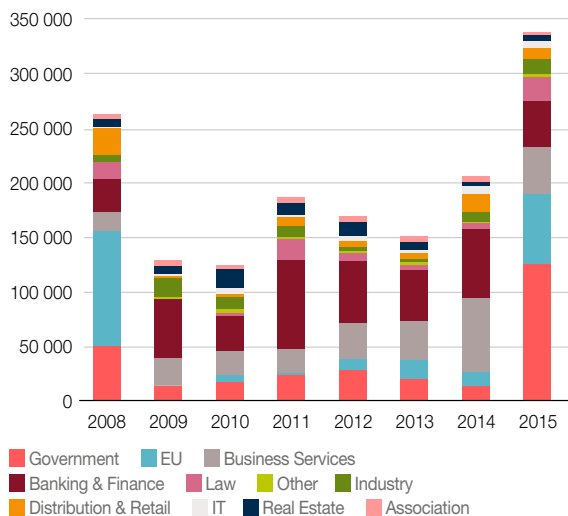
Rental property market - Demand

Demand for office space in Luxembourg reached a historic high level: take-up over the year was 336,627 m² as against 204,935 m² in 2014. Take-up grew by 65% in relation to the average for the past ten years.

Most of this growth is accounted for by the conclusion of several transactions for over 10,000 m², such as the European Investment Bank which clinched two major deals: the pre-leasing of the IAK building (21,400 m² in Kirchberg) and take-up of Monnet 3 (10,750 m² in Kirchberg). In addition, some major private-sector transactions were concluded over the year, such as Ernst & Young, which moved into its new headquarters in Kirchberg (15,262 m²).

During fiscal year 2015, 65% of demand came from the private sector.

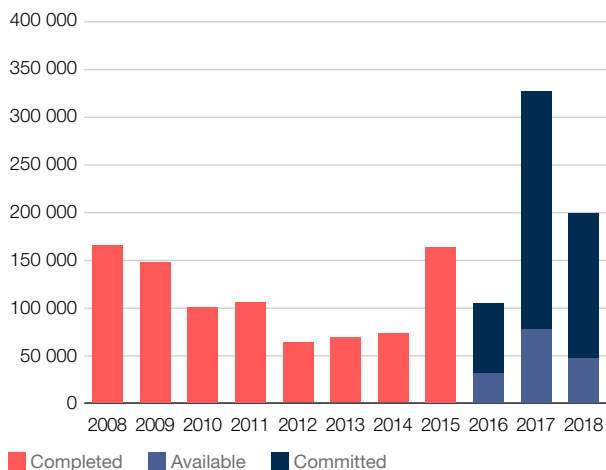
Take-up by occupant type (in m²)



The development market - Supply

The number of speculative projects handed over onto the market is still very limited. In 2016 about 31,400 m² are expected on the market out of a total of 105,000 m². For 2017 the figure should be 77,500 m² out of a total of 327,400 m². For 2018, 113,000 m² of new projects are expected, 47,000 m² of which are unsecured.

Development projects (in m²)



Rental vacancies

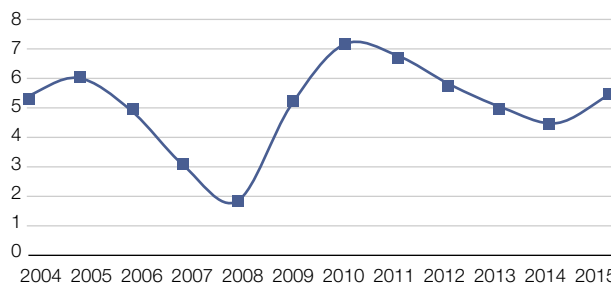
The vacancy rate averaged 5.5% on the Luxembourg market, as against 4.5% at 31 December 2014.

Vacancy rates vary from one district to another, but city-centre vacancies remain low: in the CBD the rate is 2.9% (as against 1.7% at the end of 2014); in Kirchberg, vacancies stood at 3.7% (as against 1.1% at the end of 2014) and in the station area, vacancies were 4.7% (as against 2.8% at the end of 2014). In other districts, vacancy levels are between 4% and 16%.

Rental values

In this market situation, prime rent is €46/m²/month in the CBD and €35/m²/month in the Kirchberg and Station districts.

Rental vacancies (in %)



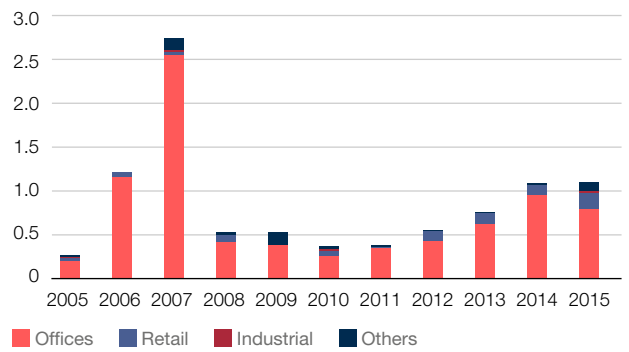
Luxembourg investment market

Over the year, nearly €794 million were invested in office buildings, compared with €968 million in 2014.

Yields on “conventional” (3/6/9-year) leases were around 4.6%. Yields were lower for office buildings on longer leases.

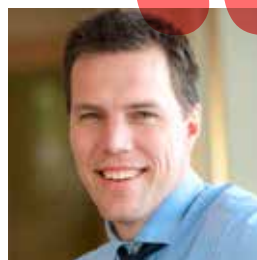
Investors are indeed showing a preference for buildings let long-term at record yields. However, they are also interested in off-plan buildings or those with low vacancies, to take advantage of the lack of readily available space and the possibility of raising rents.

Investment volume (in € billion)



David Vanbegin - Property Manager, has been working at Befimmo since 2011, lives life to the full!

Without wanting to sound chauvinistic, I would class the Malmédy building as one of Befimmo’s atypical buildings. Unknown to most of us, it’s neither the best-looking nor the most modern, but it’s a building with character, full of history, within the tourist site of Malmedy, and located in one of the most beautiful regions of Belgium. It conveys the feeling of a gentle lifestyle, and its occupants are respectful of the property entrusted to them and the people who look after it.



MALMEDY, LIÈGE

CONCLUSIONS OF THE REAL-ESTATE EXPERT COORDINATOR

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

Dear Mesdames,
 Dear Sirs,

Re : Valuation of the real-estate portfolio of Befimmo as at 31st December 2015.

Context

In accordance with Chapter III, Section F of the law of 12th of May 2014 on BE-REITs, Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 31st December 2015. We have been mandated to value part of the Befimmo and Fedimmo portfolios mainly let on long or potentially long term, while CBRE Valuation Services have been mandated to value part of the Befimmo and Fedimmo portfolios mostly let on conventional 3/6/9 year leases. 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. CBRE Valuation Services also indicate that they benefit from sufficient knowledge of the property markets in which Befimmo and Fedimmo are 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 BE-REIT and in accordance with the IAS/IFRS norms it is common practice to use the fair value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006, the fair value can be obtained by subtracting 2.5% transaction costs from properties with an investment value of more than €2,500,000. For properties with an investment value under €2,500,000 registration duties of 10% or 12.5% should be subtracted, depending on the region where they are situated.

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Befimmo property portfolio as at 31st December 2015 amounts to a total of

€2,448,706,520
(TWO BILLION FOUR HUNDRED FORTY EIGHT MILLION SEVEN HUNDRED SIX THOUSAND FIVE HUNDRED TWENTY EUROS);

this amount includes the valuation of the buildings which have been carried out by CBRE Valuation Services.

The property portfolio comprises:

OFFICES	FAIR VALUE (IN € MILLION)	(IN %)
Properties available for lease	2 230.4	93.4%
Brussels Central Business District	1 226.0	51.3%
Brussels decentralised	91.8	3.8%
Brussels periphery	144.7	6.1%
Wallonia	187.9	7.9%
Flanders	493.2	20.6%
Luxembourg City	86.8	3.6%
Properties that are being constructed or developed for own account in order to be leased	157.4	6.6%
Properties held for sale	0.5	0.0%
Total	2 388.3	100.0%

Yours sincerely,

Brussels, 19th January 2016



R.P. Scrivener FRICS
National Director
Head of Valuation and Consulting
On behalf of Jones Lang LaSalle
Avenue Marnix 23, 1000 Bussels

The most likely sale value corresponding to the fair value of the consolidated Befimmo property portfolio as at 31st December 2015 amounts to a total of

€2,388,289,841
(TWO BILLION THREE HUNDRED EIGHTY EIGHT MILLION TWO HUNDRED EIGHTY NINE THOUSAND EIGHT HUNDRED FORTY ONE EUROS);

this amount includes the valuation of the buildings which have been carried out by CBRE Valuations services.

On this basis, the initial yield of the portfolio with properties available for lease is 6.19%. Should the vacant accommodation be fully let at estimated rental value, the initial yield would be 6.58% for the same portfolio. The occupation rate of the portfolio with properties available for lease is 94.15%. For the total portfolio of investment properties this rate is 92.64%.

The average level of passing and contractual rent is currently approximately +/- 8.41% above the current estimated rental value of the portfolio with properties held for letting.

Laurent Carlier - Chief Financial Officer,

has been working at Befimmo since 2006,

helped to found the professional BE-REIT association

"I've visited the Blue Tower building a number of times since I began my career. When I was a young graduate, I applied for a job at UCB, which at the time had its headquarters there. I remember being very impressed when I went inside this imposing tower.

A few years later, I had professional dealings with the Bain & Company strategy consultant which occupies the top floors. Up there, there is an amazing view of Brussels, the Bois de la Cambre and the ponds of Ixelles. The funny thing is that the upper floors of the IT tower, a little further along Avenue Louise, are occupied by another strategy consultant, McKinsey & Company. It looks as though these consultants need an overview to do their job better."



Wim De Petter - Environmental & Technical Officer,

has been working at Befimmo since 2013

triathlete and father of two girls

"The view of Brussels from the roof of the Blue Tower is a unique experience."

BLUE TOWER



24

Storeys



Service

Common meeting
rooms



24,300 m²

Surface



Belgium — Brussels Louise district — Avenue Louise 326 — 24,300 m²
Architect: Montois Partners Architects

FINANCIAL REPORT

AXENTO, GRAND DUCHY OF LUXEMBOURG



KEY FIGURES

	31.12.2015	31.12.2014
Number of shares issued ¹	23 021 293	22 673 609
Number of shares not held by the group	23 021 293	22 138 280
Average number of shares not held by the group	22 198 549	21 570 715
Shareholders' equity (in € million)	1 265.29	1 195.45
Net asset value (in € per share)	54.96	54.00
EPRA NAV (in € per share)	54.91	54.38
EPRA NNNNAV (in € per share)	54.30	52.80
EPRA Like-for-Like Net Rental Growth ² (in %)	1.16%	-2.83%
Net result (in € per share)	4.41	3.19
Net current result (in € per share)	3.93	3.93
EPRA earnings (in € per share)	3.89	3.90
Average financing cost ³ (in %)	2.66%	3.16%
Weighted average duration of debts (in years)	3.99	3.82
Debt ratio according to the Royal Decree (in %)	48.37%	47.48%
Loan-to-value ⁴ (in %)	45.66%	45.21%
Return on shareholders' equity ⁵ (in € per share)	4.43	3.11
Return on shareholders' equity ⁵ (in %)	8.29%	5.82%

FINANCIAL STRUCTURE

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

Financing arranged during the fiscal year

Private placement of 535,329 own shares

In November 2015, Befimmo arranged a private placement of 535,329 treasury shares, representing 2.4% of its outstanding shares.

The shares were placed at a price of €55.5 per share. Through this transaction, Befimmo raised €29.7 million. The proceeds were used to reduce the debt and to strengthen the Company's balance sheet. The placement of the shares had an impact on the LTV⁴ ratio of -1.2%⁶ (in absolute terms).

Other financing

During the 2015 fiscal year, Befimmo set up several European private placements for a total amount of €74 million over durations of 7 and 10 years. Furthermore, the Company arranged a new bank credit line of €30 million for 5 years and also revised the terms of 5 bilateral lines worth a total of €415 million.

At constant perimeter, and taking into account the progressive financing of the Gateway building and the renegotiation of a bilateral line for an amount of €100 million arranged early 2016, the Company covered its financing needs until the end of the first quarter of 2017.

1. The increasing number of shares issued is explained by the creation of 347,684 new shares following the operation of the optional dividend.

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

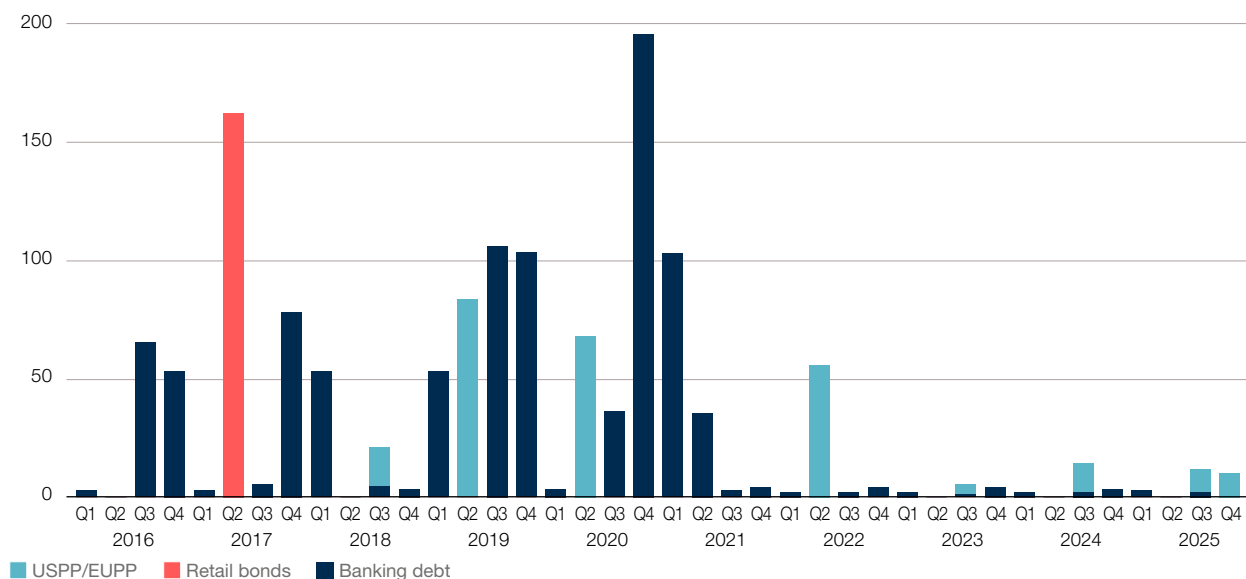
3. Including margin and hedging costs.

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

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

6. Calculated based on an LTV ratio of 46.06% as at 30 September 2015.

Maturities of commitments by quarter (in € million)



Main characteristics of the financial structure

As at 31 December 2015, Befimmo's financial structure had the following main characteristics:

- confirmed financing totalling €1,339.99 million (including 68.9% bank financing), €1,090.68 million of which were in use. The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of the financing agreements and the commitments planned for the coming years;
- a debt ratio of 48.37%¹;
- an LTV ratio of 45.66%²;
- a weighted average duration of debts of 3.99 years;
- 63.4% of total debts at fixed rates (including IRS³);
- an average financing cost (margin and hedging cost included) amounting to 2.66% over the year, compared with 3.16% for 2014.

On 22 May 2015 the Standard & Poor's rating agency confirmed the rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

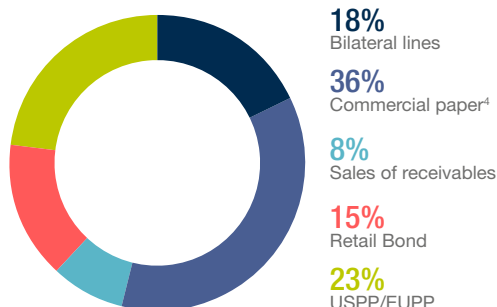
To reduce its financing costs, Befimmo has a commercial paper programme for an amount up to €600 million, €393.75 million of which was in use as at 31 December 2015 for short-term issues and €59 million for long-term issues. For short-term issues, this programme has backup facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private debt placements.

Hedging the interest rate and exchange-rate risk

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

Befimmo holds a portfolio of instruments to hedge (i) the interest rate risk, consisting of IRS, CAP and COLLAR⁵, and (ii) the exchange-rate risk US Dollar and Pound Sterling on its fixed-rate United States private placement (USPP) by holding Cross Currency Swaps.

Debt distribution



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

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

3. Considering the active hedging instruments as from the first week of January 2016.

4. With confirmed bank lines in excess of one year as a back-up.

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

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

The package of instruments in place gives the Company a hedge ratio of 96.91%⁶ as at 31 December 2015. The hedge ratio remains above 80% until the second quarter of 2017 and above 50% until the fourth quarter of 2019.

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

- it bought seven IRS worth a total notional amount of €175 million covering the period from January 2016 to

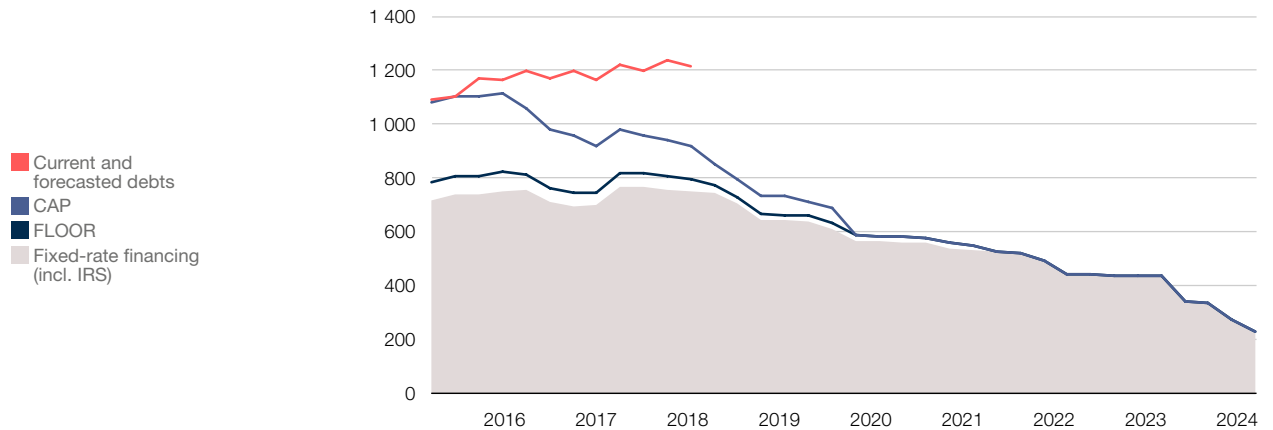
January 2024 (€75 million), to July 2024 (€50 million), and to April 2025 (€50 million); the average rate of IRS amounts to 0.4872%;

- it bought two CAP at 0.50% (€30 million) and 0.85% (€25 million) respectively, covering a period of 5 years starting in July 2015;
- the acquisition of a COLLAR at (0.5475% - 1.15%) (€20 million), covering a period of 6 years, starting in January 2016;
- the extension of two existing IRS of which the initial expiry date was to be the end of 2017 by 7 and 8 additional years (for a total notional of €50 million).

Furthermore, during the 2015 fiscal year, Befimmo restructured several IRS (for a total notional of €140 million) and its Cross Currency Swaps (for a total notional of €150 million) and placed their hedging level at the market rate.

Early 2016, Befimmo arranged two IRS for a notional of €55 million, expiring at the end of 2025.

Evolution of the portfolio of hedging instruments and fixed-rate debts (as at 16.02.2016) (in € million)



ANNUAL AVERAGE		2016	2017	2018	2019	2020	2021	2022	2023	2024
CAP	Notional (in € million)	366	264	190	94	47	20	-	-	-
	Average rate (in %)	1.49%	1.38%	1.32%	0.83%	0.87%	1.15%	1.15%	-	-
FLOOR	Notional (in € million)	70	51	50	22	20	20	-	-	-
	Average rate (in %)	0.94%	0.72%	0.71%	0.57%	0.55%	0.55%	0.55%	-	-
Fixed-rate financing (incl. IRS)	Notional (in € million)	736	716	760	685	596	548	496	438	296
	Average rate ⁷ (in %)	1.22%	1.06%	1.01%	1.04%	1.09%	1.08%	1.01%	0.91%	0.93%

6. Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAP)/total borrowings. Considering the active hedging instruments as from the first week of January 2016.

7. Average fixed rate excluding credit margin.

FINANCIAL RESULTS G4-EC1

Net asset value as at 31 December 2015

As at 31 December 2015, Befimmo's total net asset value was €1,265.3 million.

The net asset value is therefore €54.96 per share, as against €54.00 per share as at 31 December 2014.

Changes in the net asset value

	(IN € PER SHARE)	(IN € MILLION)	NUMBER OF SHARES NOT HELD BY THE GROUP
Net asset value as at 31 December 2014	54.00	1 195.4	22 138 280
Final dividend of the 2014 fiscal year		-19.0	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		0.1	
Interim dividend of the 2015 fiscal year		-57.3	
Capital increase within the framework of the optional dividend		18.9	
Private placement of 535 329 own shares		29.3	
Net result as at 31 December 2015		97.9	
Net asset value as at 31 December 2015	54.96	1 265.3	23 021 293

Trend of results

Condensed consolidated income statement

(IN € THOUSAND)	31.12.2015	31.12.2014
Net rental result	139 510	138 695
Net property charges	-12 808	-15 506
Property operating result	126 702	123 189
Corporate overheads	-9 930	-11 110
Other operating income & charges	-1 675	1 289
Operating result before result on portfolio	115 098	113 369
Operating margin	82.5%	81.7%
Gains or losses on disposals of investment properties	967	632
Net property result	116 064	114 001
Financial result (excl. changes in fair value of financial assets and liabilities)	-27 637	-28 104
Corporate taxes	-1 459	-1 119
Net result before changes in fair value of investment properties and financial assets and liabilities	86 968	84 779
Changes in fair value of investment properties	10 984	9 278
Changes in fair value of financial assets and liabilities	- 25	-25 194
Changes in fair value of investment properties & financial assets and liabilities	10 959	-15 916
Net result	97 927	68 863
Net current result	87 249	84 779
EPRA earnings	86 282	84 146
Net result (in €/share)	4.41	3.19
Net current result (in €/share)	3.93	3.93
EPRA earnings (in €/share)	3.89	3.90

Events with an impact on the perimeter of the Company

The perimeter of the Company's property portfolio was changed during the 2015 fiscal year by the following events:

- disposals of the buildings at rue Stassart in Namur, Kasteelstraat 19 in Izegem and Digue des Peupliers in Mons;
- the incorporation into the portfolio, as work progresses, of the Gateway building.

The comparison of the data per share is also affected by the placement of 535,329 own shares in November 2015, and 347,684 new shares issued as part of the optional dividend in December 2015.

Analysis of the net result

The **net rental result** is up by €0.8 million, or 0.6%. This increase is explained mainly by the combined impact of a one-off effect related to the commencement of the 27.5 year lease in the new Paradis Tower, the payment of compensation for an early departure in early 2015 and a fall in rental income related to the change in floor area (-€0.9 million).

All other components of the net rental income (the arrival of new tenants, indexing and the departure of tenants) cancel one another out overall.

Net property charges are down by €2.7 million. This change is due mainly to the non-recurring elements like the receipt of compensation for an early departure and rental damage, a decline of property management expenses and lower project study costs.

The **property operating result** is therefore up €3.5 million (2.9%).

The evolution of the **EPRA Like-for-Like Net Rental Growth** in 2015 amounts to +1.16%.

Overheads are down €1.2 million in relation to 2014. This decrease is explained mainly by lower legal costs (notably the costs related to the new law on BE-REITs in 2014), expenses for studies of projects outside the portfolio and a refund of taxes and levies.

Other operating income and expenditure amounted to -€1.7 million (as against +€1.3 million in 2014), due principally to the impact of the restatement, in accordance with IFRS, of rental concessions and gratuities granted incorporated into income (+€1.5 million).

An **overall gain** of €1.0 million was realised on the sale of various buildings in the Fedimmo portfolio, at a total selling price of €7.2 million.

The **change in fair value of the investment properties** (excluding the amount of acquisitions, investments and disinvestments) amounted to +€11.0 million, an increase of +0.46%, close to the figure for the 2014 fiscal year (+0.41%).

The **realised financial result** (excluding changes in fair value of financial assets and liabilities) passes from -€28.1 million in the 2014 fiscal year to -€27.6 million in the 2015 fiscal year. The average financial debt over the fiscal year was €1,087.4 million as against €1,012.8 million for 2014. The slight decrease in financial charges, despite the rise in the volume of average borrowings of 7.4%, is explained by the fall in the average cost of financing from 3.16% in 2014 to 2.66% in 2015. This results mainly from the fall in rates and the restructuring of certain hedge instruments. Euribor rates remained at a historic low in 2015 (Euribor 1-month and 3-month rates averaged -0.05%).

The **change in fair value of the financial assets and liabilities** is close to zero as against -€25.2 million for the 2014 fiscal year. The fair value of financial assets and liabilities has stabilised following a significant decline in 2014, explained by the substantial drop in the interest rate curve at 31 December 2014 compared with 31 December 2013.

The **net result** emerging from all of the above items amounts to €97.9 million at 31 December 2015, as against €68.9 million at 31 December 2014.

EPRA earnings amounted to €86.3 million, up 2.5% on the previous fiscal year.

Despite the increase in the average number of shares (627,834), **EPRA earnings per share** were stable in relation to last year, at €3.89 at 31 December 2015 (€3.90 at the end of December 2014).

Condensed consolidated balance sheet

(IN € MILLION)	31.12.2015	31.12.2014
Investment and held for sale properties	2 388.3	2 285.2
Other assets	111.9	68.7
Total assets	2 500.2	2 353.9
Shareholders' equity	1 265.3	1 195.4
Financial debts	1 123.9	1 048.6
non current	659.4	534.3
current ¹	464.5	514.3
Other debts	111.0	109.9
Total equity & liabilities	2 500.2	2 353.9
LTV	45.66%	45.21%

1. Although the commercial paper has to be recorded as a current liability as per IAS 1, the Company has confirmed bank lines in excess of one year as a back-up for the commercial paper.

As at 31 December 2015, 96% of the assets side of the balance sheet consisted of investment properties carried at fair value, assessed by independent real-estate experts in accordance with IAS 40. The value of this portfolio was up €103.1 million on last year following the acquisition of the Gateway building (€75 million), the renovation or redevelopment work carried out in the portfolio (€22.6 million), the disposal of buildings that had become non-strategic (-€6.0 million) and changes in the fair value of properties (€11 million). The other assets consist mainly of goodwill recognised on the acquisition of Fedimmo in 2006 (€14.6 million), hedging instruments (€50 million), trade receivables (€21.2 million) and tax receivables (€11.2 million).

Shareholders' equity accounts for 51% of sources of finance. Non-current financial debts comprise €209 million in bank debt, €162 million in a retail bond, €104 million in a

number of European private placements and the equivalent of €183 million (at fair value) in a private placement in the United States.

Current financial debts amount to €394 million in short-term commercial paper. The Company has confirmed bank lines at one year as a back-up for this finance.

Other debts consist mainly of trade and other payables (€21 million for suppliers, €14 million in withholding tax on the dividend payment) and accrued charges and deferred income (mainly in property income received in advance).

The LTV ratio was 45.66% at 31 December 2015, a slight increase in relation to the end of December 2014 (45.21%).

APPROPRIATION OF RESULTS (STATUTORY ACCOUNTS)

The net result for the fiscal year is €97,895,183.36.

Taking account of the result carried forward as at 31 December 2014 of €125,632,877.20 and the net result for the fiscal year realised on the sale of own shares, the result to be appropriated is €225,792,269.40.

The result for the fiscal year relates to 23,021,293 shares, an increase of 1.53% in relation to the previous fiscal year. The increase in the number of outstanding shares is the result of the creation of 347,684 shares on 15 December 2015 in the context of the optional interim dividend declared by Befimmo on 19 November 2015.

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

1. approve the annual accounts as at 31 December 2015 which, in accordance with the Royal Decree of 13 July 2014 on BE-REITs (SIR/GVV), contain appropriations to the statutory reserves;

2. distribute, as return on capital, a dividend of €3.45 gross per share. This dividend will consist of an interim dividend of €57,338,145.20, or €1.9425 net per share (€2.59 gross per share), declared on 27 October 2015, and a final dividend of €19,798,311.98, or €0.6278 net per share¹ (€0.86 gross per share), payable by detaching coupon No 30;
3. carry forward the balance again, i.e. the sum of €115,775,835.78.

The proposed dividend for fiscal year 2015 (including the interim dividend declared on 27 October 2015 and the final dividend referred to above) complies with article 13 of the Royal Decree of 13 July 2014 on BE-REITs (SIR/GVV), 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 year, as reflected in the statutory accounts.

1. The change in the withholding tax from 25% to 27% arises from the entry into force of the law of 26 December 2015 on measures to stimulate job creation and purchasing power, published in the Belgian Official Gazette on 30 December 2015 (article 92). This change is applicable as from 1 January 2016.

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

A. Net result	97 895 183.36
B. Transfer to/from reserves (±)	-20 758 726.18
I. Transfer to/from reserve of balance (positive or negative) of changes in fair value of properties (±)	-23 153 120.07
- Fiscal year	-10 983 669.83
- Previous fiscal years	-9 814 211.85
- Realisation of properties	-2 355 238.39
II. Transfer to/from reserve of estimated fees and charges incurred in the hypothetical disposal of investment properties (±)	- 599 413.83
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 (±)	-9 127 442.54
- Fiscal year	-9 127 442.54
- Previous fiscal years	-
XI. Transfer to/from result brought forward from previous fiscal years (±)	12 121 250.26
C. Remuneration of capital	-77 136 457.18
- Interim dividend for the fiscal year paid out in December 2015	-57 338 145.20
- Final dividend for the fiscal year (payable after the Ordinary General Meeting of 26 April 2016) ²	-19 798 311.98
D. Remuneration of capital apart from C	-

Explanatory table of the statutory result of the 2015 fiscal year³ (in €)

Result to bring forward as at 31 December 2013	117 579 544.04
Result for the 2014 fiscal year	68 868 073.48
Result to be appropriated as at 31 December 2014	186 447 617.52
Interim dividend for the 2014 fiscal year	-56 239 842.75
Impact of appropriation to reserves other than "(n) Result brought forward from previous fiscal years" (Royal Decree of 13 July 2014)	14 464 023.23
Final dividend proposed for the 2014 fiscal year	-19 038 920.80
Result to bring forward as at 31 December 2014	125 632 877.20
Impact of the realised result on direct sale of own shares	2 264 208.84
Result for the 2015 fiscal year	97 895 183.36
Result to be appropriated as at 31 December 2015	225 792 269.40
Interim dividend for the 2015 fiscal year	-57 338 145.20
Impact of appropriation to reserves other than "(n) Result brought forward from previous fiscal years" (Royal Decree of 13 July 2014)	-32 879 976.44
Final dividend proposed for the 2015 fiscal year ²	-19 798 311.98
Result to bring forward as at 31 December 2015	115 775 835.78

MEIR,
ANTWERP

Caroline Kerremans -
IR & External Communication Manager,
 has been working at Befimmo since 2010,
 partner of Philippe, proud mother of Bill,
 loyal to her native Antwerp with an affinity for Brussels!

As a true Antwerp woman, my favourite just has to be the magnificent building on the Meir in Antwerp. When we were little, we used to meet up at the Wapper on our way to school. Later, I had a chance to visit the building as a member of the Befimmo team. The Meir has many architectural features, but the most impressive are undoubtedly the skylight and the safe deposit vault in the basement!

2. Amount subject to the approval of the Ordinary General Meeting of 26 April 2016.

3. Please see the note of the statutory shareholders' equity on pages 198 and 199 of the financial statements.

EPRA BEST PRACTICES



FOUNTAIN PLAZA, BRUSSELS PERIPHERY



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

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

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

Key performance indicators

EPRA INDICATORS	EPRA DEFINITIONS ¹		31.12.2015	31.12.2014
(1) EPRA earnings	Recurring earnings from core operational activities	in € thousand in €/share	86 282 3.89	84 146 3.90
(2) EPRA cost ratio	Ratio of overhead and operating expenses on gross rental income	Incl. direct vacancy costs Excl. direct vacancy costs	16.62% 12.88%	19.69% 17.12%
(3) EPRA NAV	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long term investment property business model	in € thousand in €/share	1 264 109 54.91	1 203 893 54.38
(4) EPRA NNNAV	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes	in € thousand in €/share	1 250 007 54.30	1 168 954 52.80
(5) (i) EPRA Net Initial Yield (NIY)	Annualised rental income ² based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs	in %	5.78%	5.89%
(ii) EPRA Topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)	in %	5.91%	5.95%
(6) EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	in %	6.35%	6.50%
(7) EPRA Like-for-Like	Like-for-Like Net Rental Growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described	in %	1.16%	-2.83%

Table 1 - EPRA earnings

(€ THOUSAND)	31.12.2015	31.12.2014
Net result IFRS	97 927	68 863
Adjustments to calculate EPRA earnings	-11 645	15 283
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	-10 984	-9 278
II. Gains and losses on disposals of investment properties	-967	-632
V. Negative goodwill/goodwill impairment	138	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	167	25 194
EPRA earnings	86 282	84 146
EPRA earnings (in €/share)	3.89	3.90

1. Source: EPRA Best Practices (www.epra.com).

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

Table 2 - EPRA cost ratio¹

(IN € THOUSAND)	31.12.2015	31.12.2014
Net administrative and operating expenses in the income statement	-23 280	-27 499
III. (+/-) Rental charges	-553	-995
Net property charges	-12 808	-15 506
XIV. (-) Corporate overheads	-9 930	-11 110
XV. (+/-) Other operating income and charges	-1 675	1 289
Exclude:		
i. Impact of the spreading of gratuities	1 547	-1 178
ii. Negative goodwill/goodwill impairment	138	-
EPRA costs (including direct vacancy costs) (A)	-23 280	-27 499
XI. (-) Charges and taxes on unlet properties	5 235	3 586
EPRA costs (excluding direct vacancy costs) (B)	-18 045	-23 913
I. (+) Rental income	140 063	139 690
Gross rental income (C)	140 063	139 690
EPRA cost ratio (including direct vacancy costs) (A/C)	16.62%	19.69%
EPRA cost ratio (excluding direct vacancy costs) (B/C)	12.88%	17.12%

Tables 3 and 4 - EPRA NAV & NNNAV

(IN € THOUSAND)	31.12.2015	31.12.2014
Net asset value	1 265 295	1 195 448
Net asset value (in € per share)	54.96	54.00
To include:		
II. Revaluation at fair value of finance lease credit	173	205
To exclude:		
IV. Fair value of financial instruments	-1 359 ²	8 240
EPRA NAV	1 264 109	1 203 893
EPRA NAV (in € per share)	54.91	54.38
To include:		
I. Fair value of financial instruments	1 359	-8 240
II. Revaluations at fair value of fixed-rate loans	-15 461	-26 698
EPRA NNNAV	1 250 007	1 168 954
EPRA NNNAV (in € per share)	54.30	52.80

1. For more information, please refer to "Analysis of the net result" on page 55 of this Report.

2. From 2015, the heading "Fair value of financial instruments" includes, in addition to hedging instruments, the cumulative change in fair value of the USPP debt. Indeed, the fair value of the cross-currency swaps in the portfolio cannot be considered without taking account of cumulative changes in the fair value of the USPP debt for which they hedge the risk of changes in exchange and interest rates. Applying the same approach, the amount of €8,240 thousand mentioned in 2014 would be €23,461 thousand.

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

(IN € THOUSAND)	31.12.2015	31.12.2014
Investment properties and properties held for sale	2 388 290	2 285 235
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	-157 386	-60 665
Properties held for sale	-484	-1 967
Properties available for lease	2 230 420	2 222 603
To include:		
Allowance for estimated purchasers' cost	56 422	56 629
Investment value of properties available for lease (B)	2 286 842	2 279 232
Annualised cash passing rental income	138 692	142 005
To exclude:		
Property charges ³	-6 464	-7 727
Annualised net rents (A)	132 228	134 279
To include:		
Notional rent expiration of rent free periods or other lease incentives	1 593	424
Future rent on signed contracts	1 292	951
Topped-up annualised net rents (C)	135 113	135 654
EPRA Net Initial Yield (A/B)	5.78%	5.89%
EPRA Topped-up Net Initial Yield (C/B)	5.91%	5.95%



LA PLAINE,
BRUSSELS DECENTRALISED

Delia Agneessens - Communication Officer,
has been working at Befimmo since 2011,
a committed draughtswoman

The La Plaine building has always inspired me.

The building was built in 1995, twenty years ago. It therefore has the same age as our beloved Company. It was one of Befimmo's first acquisitions. Twenty years later, the La Plaine building is still a real jewel in Befimmo's portfolio, let for many years to Beobank.

It's quite simply an imposing building, resplendent on the Boulevard Général Jacques.

3. The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

Table 6 - Investment Property Rental Data

SEGMENT	GROSS RENTAL INCOME (IN € THOUSAND)	NET RENTAL INCOME (IN € THOUSAND)
Brussels centre (CBD)	78 792	77 619
Brussels decentralised	4 953	2 278
Brussels periphery	8 972	8 053
Wallonia	10 449	9 503
Flanders	30 173	29 105
Luxembourg city	5 162	5 031
Properties available for lease	138 501	131 590
Reconciliation to the consolidated IFRS income statement		
Rental income related to :		
- Properties booked as financial leases (IAS 17)	0	-2
- Properties held for sale	22	7
- Properties that are being constructed or developed for own account in order to be leased	776	593
- Investment properties sold during the last 12 months	212	303
Other property charges	0	-5 789
Total	139 510³	126 702⁴

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

SEGMENT (IN € THOUSAND)	31.12.2015				
	PROPERTIES OWNED THROUGHOUT 2 CONSECUTIVE YEARS	ACQUISITIONS	DISPOSALS	PROPERTIES HELD FOR SALE	PROPERTIES THAT ARE BEING CONSTRUCTED OR DEVELOPED ⁵
Brussels centre (CBD)	73 710	1 116	-	-	3 386
Brussels decentralised	2 278	-	-	-	-
Brussels periphery	6 859	-	-	-	-
Wallonia	3 810	-	193	7	5 692
Flanders	29 071	-	145	-	-
Luxembourg city	5 031	-	-	-	-
Properties available for lease	120 760	1 116	338	7	9 078
Reconciliation to the consolidated IFRS income statement					
Net rental income related to:					
- Properties booked as financial leases (IAS 17)					
- Compensation for early termination of a contract in 2015					
Other property charges					
Property operating result in the consolidated IFRS income statement					

- As from the 2015 fiscal year, Befimmo is publishing the floor area for lease (i.e. above-ground areas) whereas in the past it published the total area of the buildings.
- The annual current rent at the closing date plus future rent on leases signed, as reviewed by the real-estate experts.
- The total "Gross rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Net rental result" of the consolidated IFRS accounts.
- 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.
- These are properties that are being constructed or developed for own account in order to be leased.

FLOOR AREA FOR LEASE ¹ (IN M ²)	CURRENT RENT ² (IN € THOUSAND)	ESTIMATED RENTAL VALUE (ERV) ON VACANT SPACE (IN € THOUSAND)	ESTIMATED RENTAL VALUE (ERV) (IN € THOUSAND)	VACANCY RATE 31.12.2015 (IN %)	VACANCY RATE 31.12.2014 (IN %)
372 823	82 055	3 011	75 994	3.96	4.06
46 125	5 662	2 031	7 323	27.74	37.34
101 452	9 549	2 835	12 532	22.63	23.75
68 929	9 811	204	8 988	2.27	-
235 946	29 167	576	28 629	2.01	0.50
12 247	5 368	148	5 278	2.80	3.85
837 522	141 611	8 805	138 743	6.35	6.50

TOTAL NET RENTAL INCOME ⁴	31.12.2014					TOTAL NET RENTAL INCOME ⁴	EVOLUTION
	PROPERTIES OWNED THROUGHOUT 2 CONSECUTIVE YEARS	ACQUISITIONS	DISPOSALS	PROPERTIES HELD FOR SALE	PROPERTIES THAT ARE BEING CONSTRUCTED OR DEVELOPED ⁵		PROPERTIES OWNED THROUGHOUT 2 CONSECUTIVE YEARS
78 212	71 236	116	-	-	4 125	75 477	3.47%
2 278	3 419	-	-	-	-	3 419	-33.36%
6 859	7 378	-	-	-	-	7 378	-7.04%
9 702	3 696	-	1 705	90	4 523	10 015	3.10%
29 215	28 677	-	240	-	-	28 917	1.37%
5 031	4 975	-	-	-	-	4 975	1.14%
131 298	119 381	116	1 945	90	8 648	130 180	1.16%
-2						-5	
1 194						-	
-5 789						-6 986	
126 702						123 189	

Investment properties - Valuation data

SEGMENT	FAIR VALUE (IN € THOUSAND) 31.12.2015	FAIR VALUE (IN € THOUSAND) 31.12.2014	CHANGES IN FAIR VALUE (IN € THOUSAND) 31.12.2015	CHANGES IN FAIR VALUE (IN € THOUSAND) 31.12.2014
Brussels centre (CBD)	1 226 002	1 233 500	1 641	-4 704
Brussels decentralised	91 849	97 053	-5 865	-1 277
Brussels periphery	144 703	144 324	-4 191	-14 173
Wallonia	187 882	179 837	8 404	-6 774
Flanders	493 163	483 319	9 692	15 528
Luxembourg city	86 820	84 571	2 229	1 819
Total properties available for lease¹	2 230 420	2 222 603	11 910	-9 582
Reconciliation to the consolidated IFRS balance sheet				
<i>Properties that are being constructed or developed for own account in order to be leased</i>	157 386	60 665	-779	18 860
Investment properties in the consolidated IFRS balance sheet	2 387 806	2 283 268	11 131	9 278

Investment properties - Lease data

SEGMENT	AVERAGE DURATION OF LEASES AS AT 31.12.2015 (IN YEARS)	FINAL EXPIRY DATE			
		CURRENT RENT ² OF THE LEASES REACHING FINAL EXPIRY (€ THOUSAND)			
	FINAL EXPIRY DATE	IN 2016	IN 2017	IN 2018-2020	AS FROM 2021
Brussels centre (CBD)	7.79	1 483	2 850	24 395	52 948
Brussels decentralised	4.42	31	-	4 747	904
Brussels periphery	5.92	482	295	2 653	6 110
Wallonia	19.57	237	-	-	9 573
Flanders	10.71	822	-	931	27 414
Luxembourg city	4.37	1 575	-	1 324	2 469
Total properties available for lease	8.82	4 630	3 145	34 050	99 418

SEGMENT	AVERAGE DURATION OF LEASES AS AT 31.12.2015 (IN YEARS)	NEXT EXPIRY DATE			
		CURRENT RENT ² OF THE LEASES REACHING NEXT BREAK (€ THOUSAND)			
	1 ST BREAK	IN 2016	IN 2017	IN 2018-2020	AS FROM 2021
Brussels centre (CBD)	7.26	2 849	12 552	19 146	47 129
Brussels decentralised	3.40	564	1 077	3 363	678
Brussels periphery	2.71	1 785	2 740	4 232	782
Wallonia	19.57	237	-	-	9 573
Flanders	10.68	827	207	721	27 411
Luxembourg city	2.09	1 618	828	2 367	554
Total properties available for lease	8.16	7 880	17 404	29 830	86 129

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

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

	CHANGES IN FAIR VALUE (IN %) 31.12.2015	CHANGES IN FAIR VALUE (IN %) 31.12.2014	EPRA NET INITIAL YIELD (IN %) 31.12.2015	EPRA NET INITIAL YIELD (IN %) 31.12.2014	REVERSION RATE (IN %) 31.12.2015	REVERSION RATE (IN %) 31.12.2014	WEIGHTED AVERAGE DURATION ¹ (IN YEARS) 31.12.2015	WEIGHTED AVERAGE DURATION ¹ (IN YEARS) 31.12.2015
	0.13	-0.37	6.39	6.32	-11.94	-14.03	7.25	7.84
	-6.00	-1.75	2.74	3.42	-5.06	-7.97	3.40	3.54
	-2.81	-8.94	5.13	5.47	1.17	-5.52	2.71	2.73
	4.62	-9.12	4.61	5.32	-11.43	-6.39	19.57	19.49
	2.00	3.31	5.55	5.63	-3.89	-2.16	10.68	11.34
	2.66	2.20	5.40	6.00	-4.50	-6.56	2.09	1.60
	0.53	-0.45	5.78	5.89	-8.41	-9.69	8.60	8.64
	-0.49	9.12						
	0.47	0.41						

FINAL EXPIRY DATE

ESTIMATED RENTAL VALUE (ERV)
OF THE LEASES REACHING FINAL EXPIRY
(IN € THOUSAND)

IN 2016	IN 2017	IN 2018-2020	AS FROM 2021
1 432	2 849	18 496	50 573
22	-	4 889	982
451	216	2 509	6 464
153	-	-	8 630
637	-	1 084	26 335
1 468	-	1 237	2 437
4 164	3 065	28 215	95 421

NEXT EXPIRY DATE

ESTIMATED RENTAL VALUE (ERV)
OF THE LEASES REACHING NEXT BREAK
(IN € THOUSAND)

IN 2016	IN 2017	IN 2018-2020	AS FROM 2021
2 772	12 939	12 846	44 794
486	1 083	3 626	698
1 733	2 654	4 466	787
153	-	-	8 630
642	192	889	26 332
1 507	823	2 255	557
7 294	17 691	24 084	81 797



Properties that are being constructed or developed for own account in order to be leased¹

	COST TO DATE (IN € THOUSAND)	FUTURE ESTIMATED COST (IN € THOUSAND)	INTERIM INTEREST TO BE CAPITALISED (IN € THOUSAND)	TOTAL ESTIMATED COST (IN € THOUSAND)	FORECAST COMPLETION DATE	RENTAL SPACE (IN M ²)	% LET
Brederode 9 and Namur 48	4 522	10 036	84	14 642	Mid 2016	8 200 m ²	11.5%
WTC IV	15 706	²	-	²	According to commer- cialisation	53 500 m ²	To be built
Guimard	760	11 531	134	12 424	Second quarter 2017	5 400 m ²	-
Gateway	75 430	71 020	-	146 450	Fourth quarter 2016	34 000 m ²	100%
Total	96 418	92 587	218	173 516			
Reconciliation to the consoli- dated IFRS balance sheet							
Fair value of the properties that are being constructed or developed for own account in order to be leased within the IFRS consolidated balance sheet BEFORE works	58 465						
Difference between fair value as at 31 December 2015 and [the fair value before works + the cost of the works]	2 502						
Properties that are being constructed or developed for own account in order to be leased within the IFRS consoli- dated balance sheet	157 386						

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

2. Amount according to the commercialisation.

SUBSEQUENT KEY EVENTS AFTER YEAR-END CLOSING

Apart from routine management, there were no particular subsequent events to report.

BREDERODE 13, BRUSSELS CENTRE



OUTLOOK AND DIVIDEND FORECAST

BLUE TOWER, BRUSSELS LOUISE DISTRICT



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

Befimmo doesn't publish assumptions about changes in value of the financial assets and liabilities (IAS 39) and in fair values of the property portfolio (IAS 40). IAS 39 and 40 aggregates are in fact unrealised items of the income statement. Befimmo is therefore forecasting only its future EPRA earnings.

EPRA EARNINGS OUTLOOK

The forecasts are formulated at a stable perimeter in terms of property assets and equity. It is assumed, however, that shareholders avail themselves each year of the opportunity to obtain a dividend in new shares (of about 30%¹ of the amount of the interim net dividend of the withholding tax proposed in December²) and that the disposals of properties (that are no longer strategic) will take place in

2016 (to approximately €14.63 million, based on the fair value of the buildings concerned as at 31 December 2015, representing a current annual rent of €1.1 million as at 31 December 2015). Forecasts do not take account of new acquisitions or any new investments, apart from the works planned. Accordingly, these projections do not include any growth assumption.

Assumptions

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

	REALISED		ASSUMPTIONS	
	2015	2016	2017	2018
External assumptions on which the Company cannot exercise any influence				
Evolution of the health index (annual average)	1.05%	1.54%	1.20%	1.30%
Average of Euribor 1- and 3-month interest rates	-0.05%	-0.22%	-0.16%	0.18%
Internal assumptions on which the Company can exercise at least a partial influence				
Impact of the health index on rents (on an annual basis)	1.19%	1.45%	1.20%	1.30%
Perception ratios of rents ³	91.87%	91.93%	92.85%	90.29%
Average financing cost (including margin and hedging costs)	2.66%	2.20%	2.28%	2.37%
Total number of shares	23 021 293	23 277 085	23 535 719	23 787 888

- The indexing rates applied to rents are based on forecast changes in the health index established by the Planning Office (Bureau du Plan) (five-year plan published in July 2015 and update of the short-term outlook in December 2015).
- The interest rates are the average of the forecast Euribor 1 and 3 month rates established by three major Belgian financial institutions and market rates ("forward" rates) over the next three fiscal years. These forecasts were made in late January 2016.
- Assumptions about rent perception ratios are made on the basis of an individual assessment of each lease. This is the ratio of the net income realised (2015) or budgeted (2016 onwards) to potential income.
- The average financing cost covers all financial charges, including the theoretical linear amortisation of premiums paid for the purchase of hedging instruments.

1. In 2015, a proportion of 44% of the coupons representing the dividend was reinvested in new shares.

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

3. 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 fiscal year had not only the let space but also the vacant space been let throughout the year at the estimated rental value (ERV).

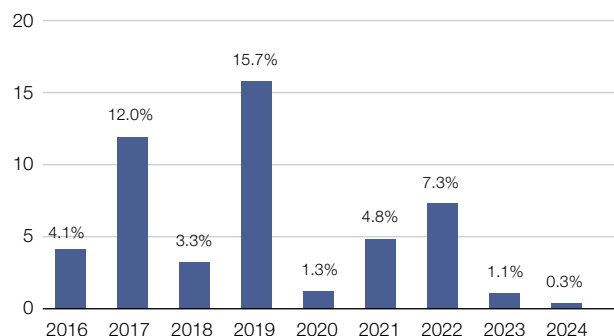
Real-estate assumptions

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

Expiry of leases

The graph hereafter illustrates the full-year impact (in %) of the lease expiries (first possible break) of leases signed as at 31 December 2015. This impact is calculated based on the annual current rent as at 31 December 2015. Each percentage corresponds to the sum of the annual rent for the leases that have an intermediate or final expiry date falling during the year¹.

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

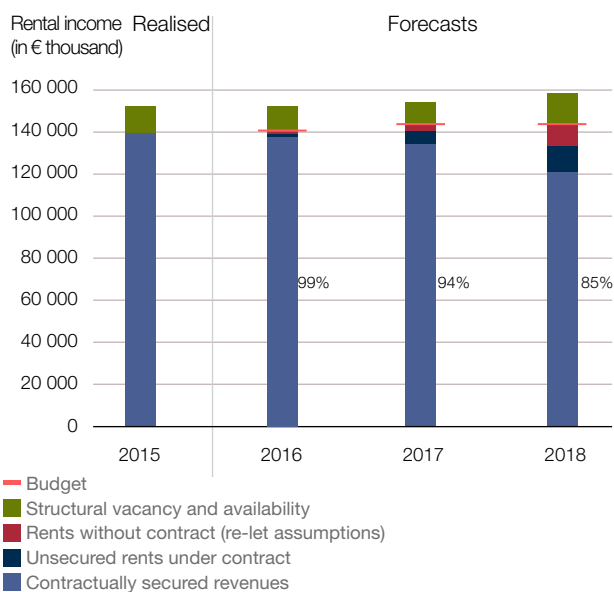


Income guaranteed under contract

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

For example, for the 2016 fiscal year, this graph shows that the budgeted income is 99% guaranteed under contracts. In the same year, 1% of budgeted income is therefore under unsecured contracts (owing to an expiry) and/or based on relet assumptions. Note also that the potential rent from vacant space (shown in green in the graph) is assessed on the basis of the estimated rental value.

Income guaranteed under contract



Property charges

When budgeting for maintenance and repair works of buildings, total guarantee and maintenance fees, incoming and outgoing inventories borne by the Company, and other miscellaneous expenses, the following main assumptions are made:

- common charges, taxes, property tax and management fees for empty premises are borne by Befimmo. Charges are generally allocated on the basis of floor area (amount per m²). Other systems for allocating charges may nevertheless be used;
- whenever a property is re-let, agency commissions are foreseen, the amount of which depends on the annual rent and the expected difficulty of finding a tenant (e.g. allowances are higher in the periphery areas). These agency commissions are generally determined on the basis of a percentage of the annual rent;
- when a tenant leaves a building, the vacated areas are renovated. The budgets for renovation work in the vacated space are borne by the Company and established on the basis of a flat rate per square meter. This results in a charge of €0.7 million, €0.5 million and €0.1 million for the fiscal years 2016 to 2018, respectively (as against charges of €0.5 million for 2015);
- when a tenant leaves a space, allowance is made for rental damage (to be borne by the tenant) and one month of unavailability for lease is taken into account.

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

Work planned and estimated over the next three years

	FLOOR AREA FOR LEASE	LOCATION	TYPE	FORECASTS (IN € MILLION)		
				2016	2017	2018
Ikaros Business Park Phase I	9 600 m ²	Brussels, periphery	Renovation	2.9	6.5	-
Brederode 9 and Namur 48	8 200 m ²	Brussels CBD, centre	Renovation	10.1	-	-
Brederode Corner	6 500 m ²	Brussels CBD, centre	Renovation	0.3	4.1	9.0
WTC IV	53 500 m ²	Brussels CBD, North	Construction	12.0	1.8	²
Quatuor Building	60 000 m ²	Brussels CBD, North	Construction	2.3	4.3	36.5
Paradis Express	20 000 m ²	Liège	Construction	2.6	17.7	26.7
Energy investments and others				27.8	15.2	7.1
Total				58.1	49.7	79.3

Financial assumptions

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

- use of the commercial paper programme of up to some €350 million in 2016, €300 million in 2017 and €250 million in 2018, based on the outstanding amount of €373.50 million and €393.75 million as at 31 December 2014 and 31 December 2015 respectively;
- financing excess enabling sufficient liquidity notably to anticipate, on a 12-month period, refinancing maturities of debt capital market instruments (retail bonds, EUPP and USPP), with a minimal excess level of around €100 million;
- refinancing of the debt capital market instruments at their respective maturity for the same notional amounts and for a period of 7 years, with a margin at current market conditions (for corporate bonds with an equivalent rating) plus a fixed rate (corresponding to the IRS seven-year forward rate defined on the basis of the interest rate curve at the end of January 2016);
- refinancing of bilateral lines at maturity by a floating-rate bank loan with a margin (including exposure fees) and a non-use fee in line with the banks' current requirements. The notional amount of this financing is therefore changing, taking account of the maturities of the bilateral lines, and also in accordance with changes in the forecast debt level to maintain an excess as described before;
- the cost of issuing debt (the banks' "upfront fees" and related expenses) are estimated on the basis of the above refinancing assumptions and the terms obtained in our recent refinancing operations. These charges are smoothed over the duration of the financing;
- in order to limit the risk of fluctuating interest rates on its financial debts at floating rates, Befimmo has acquired financial instruments (CAP, FLOOR and IRS) which, under IAS 39 on financial instruments, however, do not qualify as hedging instruments³;
- the outlook is based on the assumption that the Company's rating is maintained at BBB outlook stable in future fiscal years;
- the estimated average number of shares in future fiscal years is based on the actual average number for the year ended 31 December 2015 and on the assumption that a stock option is offered for the interim dividend for the fiscal years 2016-2018;
- no assumption has been made about early repayment of financing.

2. Amount according to commercialisation.

3. For more information, please consult the financial statements (on page 183).

TABLE ON THE EPRA EARNINGS OUTLOOK

(IN € THOUSAND)	REALISED	FORECASTS		
	2015	2016	2017	2018
Rental income	140 063	140 051	142 991	142 832
Charges linked to letting	-553	-919	-960	-968
Net rental result	139 510	139 133	142 031	141 864
Net property charges	-12 808	-16 144	-10 539	-7 972
Property operating result	126 702	122 989	131 492	133 892
Corporate overheads	-9 930	-10 533	-11 472	-11 483
Other operating income and charges (excl. goodwill impairment)	-1 536	-1 060	-281	261
Operating result before result on portfolio	115 236	111 396	119 739	122 670
Financial result (excl. the changes in fair value of the assets and liabilities and close-out costs)	-27 495	-23 501	-25 561	-26 511
Corporate taxes	-1 459	-1 170	-1 175	-1 180
EPRA earnings	86 282	86 724	93 003	94 980
EPRA earnings (in € per share)	3.89	3.77	3.99	4.03
Average number of shares	22 198 549	23 032 506	23 288 423	23 546 773

? "Glossary"

COMMENTS ON THE SECTIONS OF THE TABLE ON THE EPRA EARNINGS OUTLOOK

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

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

Property charges also show the total staff costs of the real-estate departments, as well as all study costs related

to the existing buildings in the portfolio (costs of lawyers, tax experts, due diligence or agency commissions for legal, fiscal, financial or technical analysis of a real-estate project).

The increase in net property charges in the forecast for the 2016 fiscal year in relation to fiscal year 2015 primarily reflects the non-recurrence of exceptional items recorded in 2015, the increase in personnel costs and agency commissions.

The decrease in these charges in the following years reflects in particular the assumption that the vacant space for which Befimmo bears the charges and taxes will gradually be let, lower agents' commission and other non-recurring items.

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

Corporate overheads

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

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

Other operating income and charges

The projected other operating income and charges mainly relate to the restatement of the effect of spreading gratuities applied to rental income, as per IFRS standards.

Financial result

The financial result consists of:

- financial charges on floating-rate borrowings, calculated by applying the assumptions about interest rate described above, plus the relevant margins;
- financial charges on fixed-rate borrowings;
- proceeds of, or interest charges on the derivative instruments;
- other financial results, consisting primarily of expenses associated with bank financing lines (commitment fees on credit lines, exposure fees and debt issuance costs) and other costs for services charged by banks.

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

Other items of the net result

As previously stated, Befimmo refrains from publishing forecasts of changes in the fair values of its properties and financial assets and liabilities.

However, as an indication, it can be estimated, based on data at 31 December 2015, that a 1% change in the fair value of the property portfolio (IAS 40) would have an impact of the order of €23.88 million on the net result, thereby generating a change of the order of €1.04 in the net asset value per share and 0.46% in the LTV¹ ratio.

Furthermore, a change in the forecast movements of short-term interest rates could alter the fair value of the financial assets and liabilities carried at fair value (IAS 39). Based on the fair value as at 31 December 2015, it can be estimated that if the Euro, US Dollar and Pound Sterling interest rate curves had been 0.5% lower than the curves of 31 December 2015, the change in fair value of the financial assets and liabilities carried at fair value would have been -€23.77 million. In the opposite case, the change would have been +€23.12 million.

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

DEBT AND LTV

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

Finally, the forecast nominal net debt is €1,197.96 million at the end of 2016, €1,220.98 million at the end of 2017 and €1,271.94 million at the end of 2018.

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

DIVIDEND FORECAST OF THE 2016 FISCAL YEAR

The assumptions used for making forecasts at constant perimeter indicate that EPRA earnings of €3.77 per share should be achieved in the 2016 fiscal year.

All other things being equal and based on these forecasts, Befimmo expects to be able to offer a gross dividend of €3.45 per share for the 2016 fiscal year. It may be paid via an interim dividend¹ of €2.59 in December 2016 and a final dividend¹ of €0.86² in May 2017.

Based on a share price of €55.00 and, based on the net asset value of €54.96 as at 31 December 2015, this dividend would give a gross yield of 6.3%.

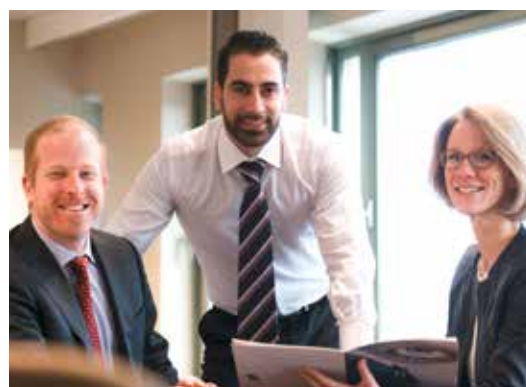
The dividend in subsequent years will depend on the economic climate and the investment opportunities that the Company takes, while continuing to benefit from a stable income, thanks to the defensive nature of its property assets.

Disclaimer

This outlook may not be interpreted as a commitment on the part of Befimmo. Whether or not these forecasts will actually be achieved depends on a number of factors beyond Befimmo's control, such as developments on the real-estate and financial markets. Given the present context of uncertainty and economic recession, the assumptions used may be highly volatile in future.

The assumptions and risk assessments seemed reasonable at the time they were made but, since it is impossible to predict future events, they may or may not prove to be correct. Accordingly, Befimmo's actual results, financial situation, performance or achievements, or the market trend, may differ substantially from these forecasts. Given these uncertainties, shareholders should not give undue credence to these forecasts.

Moreover, these forecasts are valid only at the time of writing of this Report. Befimmo does not undertake to update the forecasts, for example to reflect a change in the assumptions on which they are based, except of course as required by law, notably the law of 2 August 2002 on the surveillance of the financial sector and financial services, and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.



1. Subject to a decision of the Board of Directors.
2. Subject to a withholding tax of 27% as from January 2016.

STATUTORY AUDITOR'S REPORT

The Board of Directors on behalf of Befimmo NV/SA Chaussée de Wavre 1945 - B-1160 Brussels

25 March 2016

Dear Madam

Dear Sirs

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

We report on the forecast of the EPRA earnings (as defined in December 2014 in the report "Best Practices Recommendations" of the European Public Real Estate Association) of Befimmo NV/SA ("the Company") and its subsidiaries (together "the Group") for the 12 months periods ending 31 December 2016, 31 December 2017 and 31 December 2018 (the "Forecast"). The Forecast, and the material assumptions upon which it is based are set out in chapter "EPRA earnings outlook" (pages 69 to 74) of the Annual Financial Report 2015 ("the 2015 Annual Report of the Group") issued by the Company dated 25 March 2016. We do not report on the chapters 'Other items of the net result', 'Debt and LTV' and the 'Dividend forecast of the 2016 fiscal year' as mentioned on pages 73 and 74 of the 2015 Annual Report of the Group. This report is required by Annex I item 13.2 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Forecast of the EPRA Earnings in accordance with the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by the Prospectus Directive Regulation, as to the proper compilation of the Forecast and to report that opinion to you.

Save for any responsibility arising under art. 61 of the Law of 16 June 2006 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the registration document.

Basis of Preparation of the Forecast

The Forecast has been prepared on the basis stated in chapter "EPRA earnings outlook" of the 2015 Annual Report of the Group and is based on a forecast for the 12 months periods ending 31 December 2016, 31 December 2017 and 31 December 2018. The Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with the International Standard on Assurance Engagement 3400 "The Examination of Prospective Financial Information" ("ISAE 3400") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work included evaluating the basis on which the historical financial information included in the Forecast has been prepared and considering whether the Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

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

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

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

Opinion

In our opinion, the Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Declaration

For the purposes of art. 61 of the Law of 16 June 2006 we are responsible for this report as part of the registration document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the registration document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

The statutory auditor

DELOITTE

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by

Rik Neckebroeck

BEFIMMO ON THE STOCK MARKET

OCEAN HOUSE, BRUSSELS PERIPHERY



BEFIMMO SHARE

Key figures

	31.12.2015	31.12.2014
Number of shares issued	23 021 293	22 673 609
Number of shares not held by the group	23 021 293	22 138 280
Average number of shares not held by the group	22 198 549	21 570 715
Highest share price (in €)	69.70	63.70
Lowest share price (in €)	53.59	49.14
Closing share price (in €)	55.00	60.21
Number of shares traded ¹	20 379 355	12 777 448
Average daily volume ¹	79 607	50 108
Free float velocity ¹	116%	77%
Distribution ratio (in relation to the EPRA earnings)	89%	89%
Gross dividend (in € per share) ²	3.45	3.45
Gross yield ³	6.27%	5.73%
Return on share price ⁴	-2.92%	26.47%

Evolution of the share price

Against a backdrop of volatile financial markets, the Befimmo share fluctuated considerably during the 2015 fiscal year.

On 31 December 2015, it closed at €55.00 as against €60.21 one year earlier. Assuming the reinvestment of the dividends distributed in 2015 (€3.45 gross per share) it offered an annual return on share price of -2.92%. Over the 20 years since its listing, the share has offered a total annualised return of 7.5%⁵.

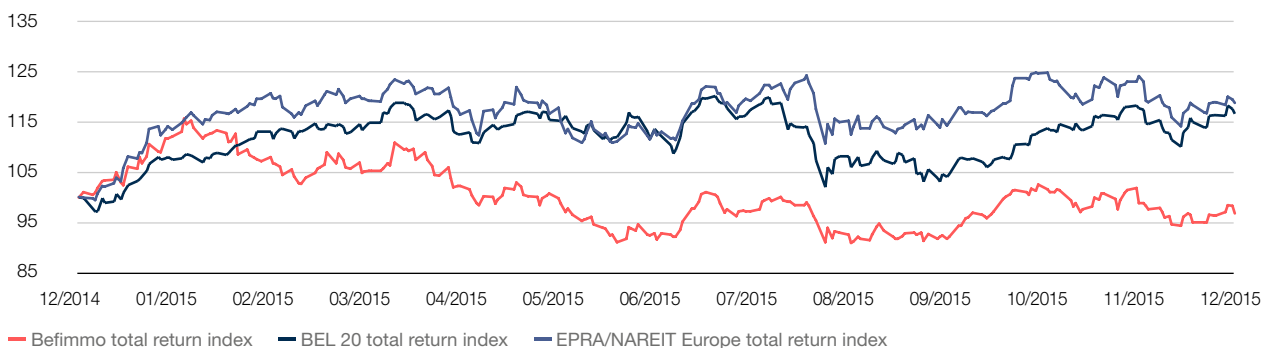
Note that the total number of issued Befimmo shares went from 22,673,609 to 23,021,293 over the fiscal year, or an increase of 1.5% due to the creation of 347,684 shares linked to the distribution of the interim dividend in shares in December.

As at 31 December 2015, the Befimmo share was trading at its net asset value. Befimmo's market capitalisation stood at €1,266,171,115 at 31 December 2015.

Based on transactions recorded on all market platforms, the Befimmo share offers growing liquidity, with an average daily volume of around 79,607¹ shares, which corresponds to a free-float velocity of around 116%. This increase in the average daily volume is in line with general market trends.

On 4 March 2016, the new composition of the BEL 20 index has been announced by Euronext Brussels. As from 21 March 2016, the Befimmo share will no longer be part of this index.

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



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

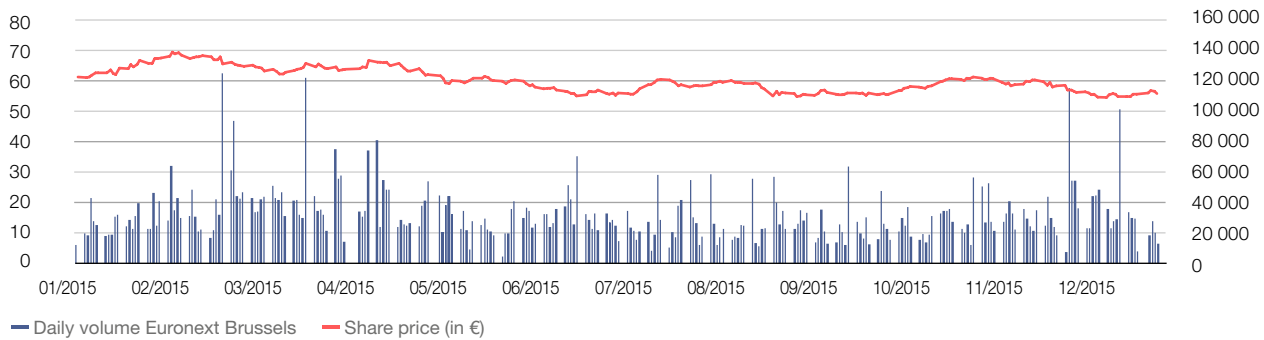
2. Subject to a withholding tax of 27% as from January 2016.

3. Gross dividend divided by the closing share price.

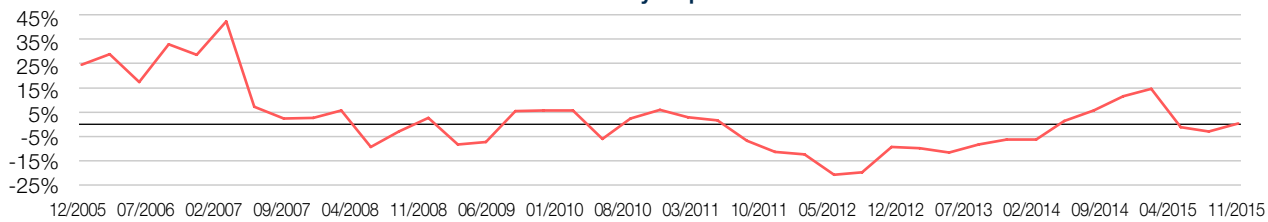
4. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment and the participation in the optional dividend.

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

Share price and volumes (01.01.2015 to 31.12.2015)



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



On a 10-year period, the Befimmo share listed on average with a premium of 2.19% in relation to the net asset value.

DIVIDEND FOR THE 2015 FISCAL YEAR

Distribution of interim dividend: 44% reinvested in new shares

A proportion of 44% of the interim dividend for the 2015 fiscal year was distributed in new shares (347,684 new shares) at a price of €54.39 per share, which increased the Company's equity by €18.9 million.

Final dividend for the 2015 fiscal year

The agenda of the Ordinary General Meeting of shareholders to be held on Tuesday 26 April 2016, at which the accounts for the 2015 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.86¹ gross per share.

The final dividend will supplement the interim dividend of €2.59 gross per share paid out in December 2015, bringing the total dividend for the fiscal year as planned to €3.45 gross per share.

Operations on own shares

	NUMBER OF SHARES ISSUED	NUMBER OF SHARES HELD BY THE GROUP	DISTRIBUTION OF OWN SHARES HELD BY THE GROUP		ACCOUNTABLE PAR (IN €) (ROUNDED)	COUNTER VALUE PER SHARE HELD BY THE GROUP (IN €)	PERCENTAGE IN CAPITAL (BASED ON THE NUMBER OF SHARES ISSUED)
			BEFIMMO	SUBSIDIARIES			
Situation as at 31 December 2014	22 673 609	535 329	535 329	-	14.53	55.44	2.36%
Private placement of own shares of 30 November 2015		- 535 329	- 535 329		14.53	54.75 ²	-2.36%
Capital increase of 18 December 2015 within the framework of the optional dividend	347 684				14.53		
Situation as at 31 December 2015	23 021 293	-	-	-	14.53	-	-

Sale of bearer securities

In the context of the dematerialisation³ of the Company's last remaining bearer securities, Befimmo has complied with the

provisions of the law of 14 December 2005 on the abolition of bearer securities.

1. Subject to a withholding tax of 27% as from January 2016.

2. Amount net of costs.

3. For more information see the announcement of 3 August 2015, pursuant to article 11(1) of the law of 14 December 2005 as amended by the law of 21 December 2013, published on Befimmo's website (www.befimmo.be).

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.

For any further information, please refer to the appendix 2 of this Report on page 216.

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

Shareholding

DECLARANTS	NUMBER OF SHARES (DECLARED)	DATE OF THE STATEMENT	(IN %)
Ageas and affiliated companies	2 393 476	10.02.2015	10.4%
AXA Belgium SA	2 467 295	15.12.2015	10.7%
BlackRock Inc.	664 130	06.02.2014	2.9%
Other shareholders under the statutory threshold	17 496 392	15.12.2015	76.0%
Total	23 021 293		100%

Based on the transparency declarations or based on the information received from the shareholder.

KEY DATES FOR SHAREHOLDERS

Key dates for shareholders 2016

Online publication of the Annual Financial Report 2015	Friday 25 March 2016
Ordinary General Meeting of the fiscal year closing as at 31 December 2015	Tuesday 26 April 2016
Payment of the final dividend of the 2015 fiscal year on presentation of coupon No 30	
- Ex-date	Wednesday 4 May 2016
- Record date	Thursday 5 May 2016
- Payment date	from Friday 6 May 2016
Interim statement as at 31 March 2016	Wednesday 4 May 2016 ⁴
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2016	Wednesday 20 July 2016 ⁵
Interim statement as at 30 September 2016	Thursday 27 October 2016 ⁴
Payment of the interim dividend ⁶ of the 2016 fiscal year on presentation of coupon No 31	
- Ex-date	Monday 19 December 2016
- Record date	Tuesday 20 December 2016
- Payment date	from Wednesday 21 December 2016
Publication of the annual results as at 31 December 2016	Thursday 16 February 2017 ⁴
Online publication of the Annual Financial Report 2016	Friday 24 March 2017
Ordinary General Meeting of the fiscal year closing as at 31 December 2016	Tuesday 25 April 2017
Payment of the final dividend ⁶ of the 2016 fiscal year on presentation of coupon No 32	
- Ex-date	Wednesday 3 May 2017
- Record date	Thursday 4 May 2017
- Payment date	from Friday 5 May 2017

4. Publication after the close of the stock exchange.

5. Change of date compared to the date which was initially published in the press release of 18 February 2016.

6. Subject to a decision of the Board of Directors.



 Belgium — Brussels airport — 34,000 m²
 Architects: Jaspers – Eyers Architects & A2RC Architects



18 years

Duration of lease
with Deloitte



Location

Located right next to the tarmac
of the Brussels airport



34,000 m²

Surface off-plan



GATEWAY



Stéphane dos Santos - Assets & Corporate Accounting Coordinator, has been working at Befimmo since 2015, passionate about figures

"My favourite is the future Gateway building. I've been with Befimmo for a year now, and this is the first acquisition I've been involved in. Also, since I look after owner accounts, I've been directly involved in the setting-up of the BEWAY SA company (the Befimmo and Fedimmo subsidiary that owns the Gateway building), in the accounting systems and in preparing its first closure of the accounts. I also like its unique and strategic position at Brussels Airport."



Cédric Biquet - Chief Investment Officer, has been working at Befimmo since 2003, a converted sportsman

"For me, the Gateway building is first of all the magnificent building that it will become once it is finished; a prestigious and efficient building, with a unique location and hence a perfect match for Befimmo's quality criteria. But it's also the culmination of a highly complex investment dossier, and the purchasing process went through many twists and turns, some great cooperation and, to cap it all, it was a great success. Undoubtedly a memorable experience!"

SOCIAL RESPONSIBILITY

MEDIA, BRUSSELS PERIPHERY

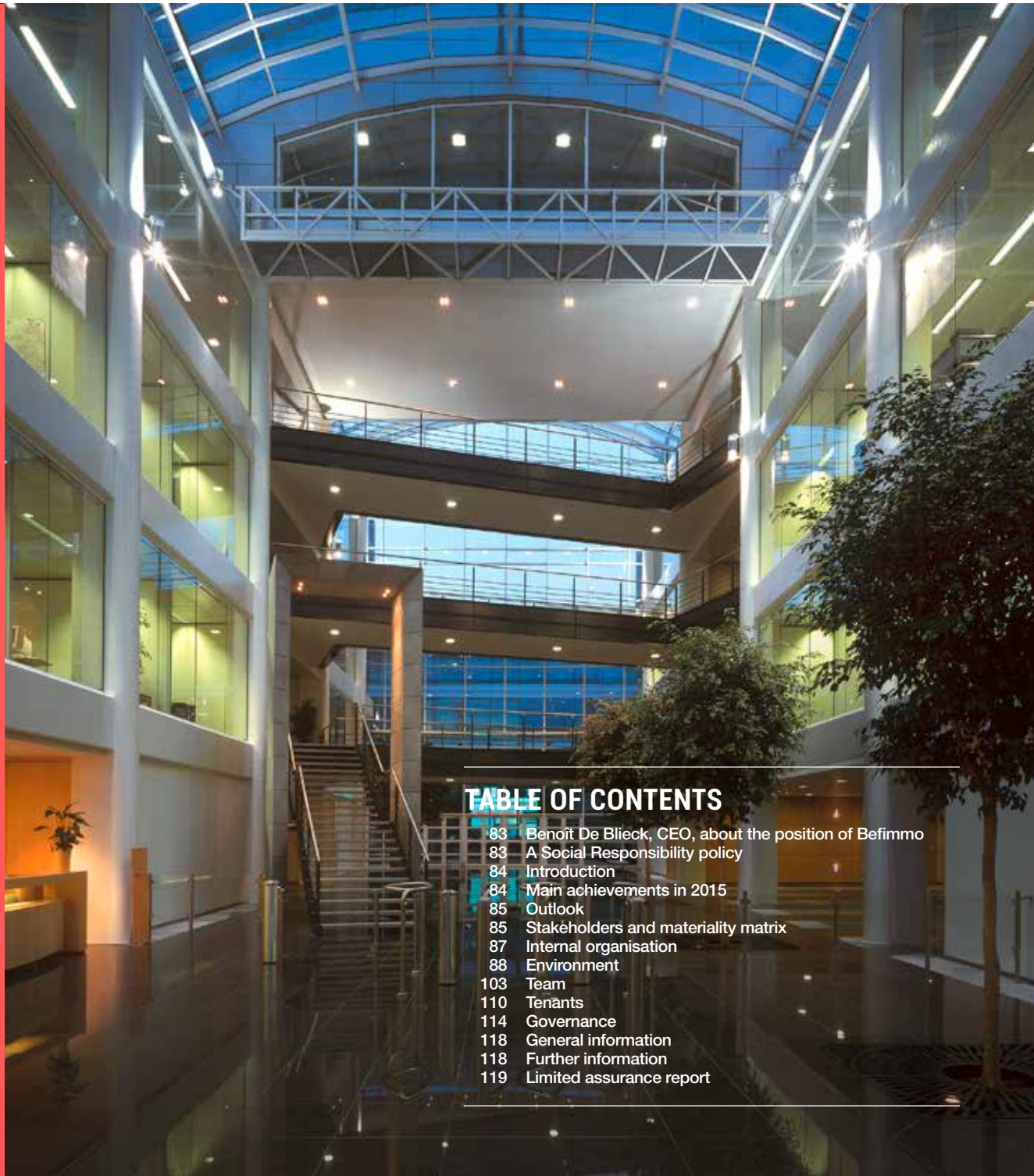


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BENOÎT DE BLIECK, CEO, ABOUT THE POSITION OF BEFIMMO G4-1

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

- **A responsible strategy** | We aim to be a reference and we strive to differentiate ourselves by innovating and incorporating the Social Responsibility into our overall strategy with the aim of creating value for all our stakeholders.
- **Accountable to our stakeholders** | We proactively initiate unifying measures, with measured impacts designed to meet the expectations of our stakeholders. We seek to strike a balance between these expectations and the challenges we regularly face. Befimmo strives to be a responsible landlord, proactively managing its portfolio to best meet the expectations of its tenants by anticipating changes in working methods.
- **Responsibility extending beyond our own activities** | We aim to go beyond our own activities by raising awareness and endeavouring to inspire all our stakeholders to meet our qualitative and quantitative societal objectives.

- **Responsible to our team** | We strive to be a responsible employer, attentive to the well-being of our team, while respecting and developing the Company’s three core values: Professionalism, Commitment and Team spirit.
- **Responsible communication** | We act with full transparency in a long-term perspective, paying special attention to the reliability of the reporting process and the rigour, accuracy and transparency of financial and non-financial communications.”



A SOCIAL RESPONSIBILITY POLICY G4-14 G4-18 G4-23

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

Befimmo recognises that effective governance over the long term requires a committed approach, designed to anticipate its risks, applying the precautionary principle, and to control its costs. Indeed, identifying the risks that could affect Befimmo (described in detail in the “Risk factors” section),

Befimmo is putting in place the necessary measures to anticipate these risks and limit their potential impact.

► [“Risk Factors, on page 2”](#)

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

INTRODUCTION

G4-1 G4-19 G4-20 G4-21

Befimmo has integrated the principles of Social Responsibility into its strategy and day-to-day operations, anticipating economic, societal and environmental developments. Over the years it has built a strategy of Social Responsibility based on the topics of importance to Befimmo and its stakeholders.

With the aim of continuously improving its position as a responsible business and landlord, Befimmo conducts a regular dialogue with all its internal and external stakeholders. Producing a materiality matrix enabled Befimmo to refine its

Social Responsibility strategy and identify **14** environmental, economic and social **priorities**. These were grouped into **four main pillars: Environment, Team, Tenants and Governance**.

The response to these priorities is reflected in the specific commitments and measures, and quantifiable and measurable long-term objectives described below, and also in more detail in the Social Responsibility Action Plan. This plan, prepared and reviewed annually, is published as an annex to this report (on page 226) and on the Befimmo website.

4 Pillars - 14 Priorities



MAIN ACHIEVEMENTS IN 2015

Specifically, throughout 2015, Befimmo has continued its efforts to cut energy consumption (gas, electricity and water) and waste generation in its buildings. It has also maintained its commitment to improving its BREEAM certification and has raised awareness of environmental issues among its tenants by proposing them its environmental cooperation agreement.

As a responsible landlord, Befimmo is aware that the value of a building is no longer measured solely in terms of its intrinsic value but also of other criteria related to sustainable development. The graph (hereafter) shows the decrease in CO₂e¹ emissions related to direct and indirect energy achieved between 2008 and 2015², compared with investments made in the Befimmo portfolio (excluding Fedimmo).

This significant reduction in CO₂e emissions, of -64% overall, is the result of continuous investments made since 2008 to improve the energy and environmental performance of the buildings.

These investments are of two kinds:

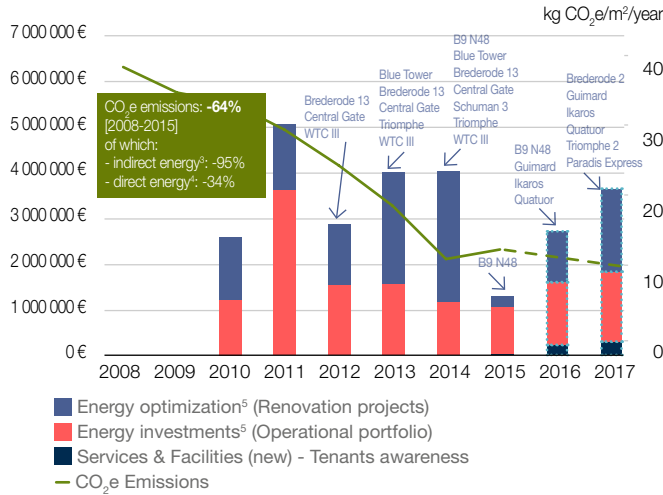
- Operational portfolio:** several years ago, Befimmo devised a multiannual investment plan (averaging €2 million/year) for carrying out work to improve the energy and environmental performance of the operational buildings (excluding properties undergoing major renovation) such as the removal of oil-fired boilers, the installation of water-recovery systems, upgraded BREEAM certifications, installation of photovoltaic panels, installation of cogeneration units, replacement and/or optimisation of certain technical installations, etc.
- Construction and renovation projects:** part of the cost of the projects has been specifically earmarked for achieving optimum energy performance. This is not only to comply with current regulations or even to anticipate them, but also to meet the expectations of tenants, investors and shareholders.

1. The table showing emission factors can be found under Methodology on pages 101 and 102.

2. The 12% increase in specific emissions of CO₂e (kg CO₂e/m²) for 2015 in relation to 2014 is explained by the fact that 2015 was cooler than 2014 (1,828 degree days in 2014 as against 2,112 degree days in 2015) which led to higher absolute gas consumption in the portfolio.

Reduction in CO₂e emissions achieved since 2008 and goals for 2016 and 2017

G4-EN15 G4-EN16 G4-EN17 G4-EN18 G4-EN19
G4-EN31



Apart from its recurring activities, Befimmo has also worked on other priority challenges, such as:

- (i) an overall analysis of its **value chain** with a view to improving the structure and professionalism of its procurement and supplier-appraisal system, while incorporating environmental and social criteria;
- (ii) an analysis of its **working environment**, with a view to improving it and better responding to the needs of its team. The objective over 2016 is to provide a flexible workplace adapted to modern technology, that stimulates sharing and creativity among its employees. This analysis is part of a comprehensive debate on the working methods (Smart Ways of Working) and its evolution. To offer such a space, that is the vision that Befimmo wishes to embrace, as an “office space provider”, and, logically, starting with its own operation.

OUTLOOK

In the coming years, Befimmo aims, firstly, to continue investing in its portfolio in a sustainable manner and to carry out the various projects begun or identified for achieving the objectives and, secondly, to continue its process of dialogue by seeking to achieve the best possible balance between the expectations of its stakeholders and the challenges it regularly faces.

Furthermore, Befimmo also wishes to increase its indirect impact by further stepping up its **tenant-oriented**

approach through the services and facilities that it already offers and by increasingly offering them in future (see the graph above). Tenant satisfaction is Befimmo’s priority, and it has always striven to offer quality properties in good locations, that are flexible, environmentally friendly and efficient. Now, it will endeavour more than ever to provide them with comprehensive personalised services, provide the best facilities in its buildings and be even more proactive in raising tenants’ awareness of energy and environmental issues.

► “Tenants, on page 110”

STAKEHOLDERS AND MATERIALITY MATRIX

G4-12 G4-18 G4-23 G4-24 G4-25 G4-26 G4-37 G4-43 G4-45

In view of its market capitalisation (€1.3 billion), its shareholders, its team, which has grown significantly over the past 10 years, and also its property portfolio and the properties’ impact on the environment, Befimmo must continually consider how to limit its impacts on society while allowing for economic development and improving its dialogue with its stakeholders. Accordingly, in a process of constantly improving G4-DMA G4-35 its Social Responsibility policy, Befimmo carried out a materiality study and in 2013 embarked on a process of continuous dialogue with all its internal and external stakeholders.

This materiality matrix, the detailed Methodology of which is described on its website⁶, has enabled Befimmo (i) to identify and organise its environmental, economic and social priorities, taking account of their importance to Befimmo and to its stakeholders, (ii) to fine-tune its Social Responsibility strategy and (iii) to focus on its action on priority topics.

Befimmo is now working on the priority issues identified in the matrix (shown hereafter) without neglecting other topics assigned a lower priority in the short term, which will be analysed and implemented in the medium and/or long term.

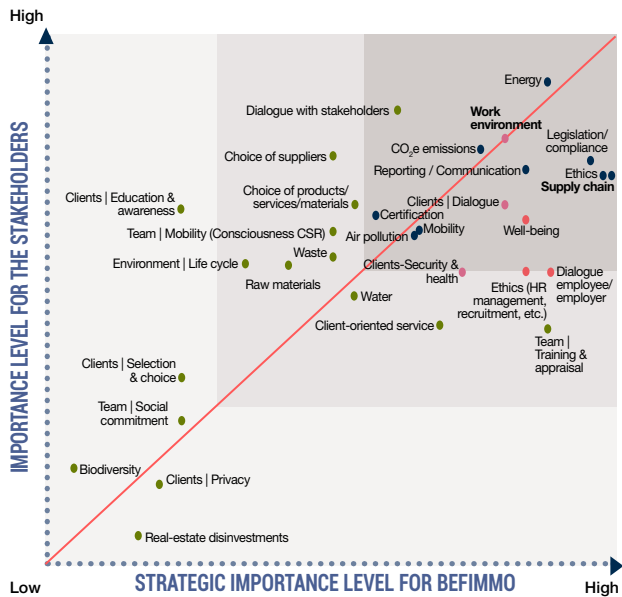
3. Electricity (196 gr CO₂e/kWh) | Green electricity contracts (0 gr CO₂e/kWh).
 4. Gas (188 gr CO₂e/kWh), District heating (43 gr CO₂e/kWh) and Heating oil (2.662 kg CO₂e/l).
 5. Investments regarding energy aspects (indirect & direct energy), excl. investments regarding environmental aspects.
 6. For more information about the Methodology, please see the heading “Materiality matrix” on Befimmo’s website (www.befimmo.be).

Updating and development of the matrix

The matrix is reviewed annually in order to adapt to gradual changes in the market, changes in the regulations, new expectations of stakeholders, etc. Thus, over the past two years, two priorities have been added, notably the issue of Social Responsibility related to the **value chain**, structural change in **the working methods and the working environment**, and more specifically the use of offices that affects Befimmo's tenants and team.

The matrix will be reviewed in depth at the end of 2016 as part of the transition from the 2004 version of ISO 14001 to the 2015 version.

Materiality matrix



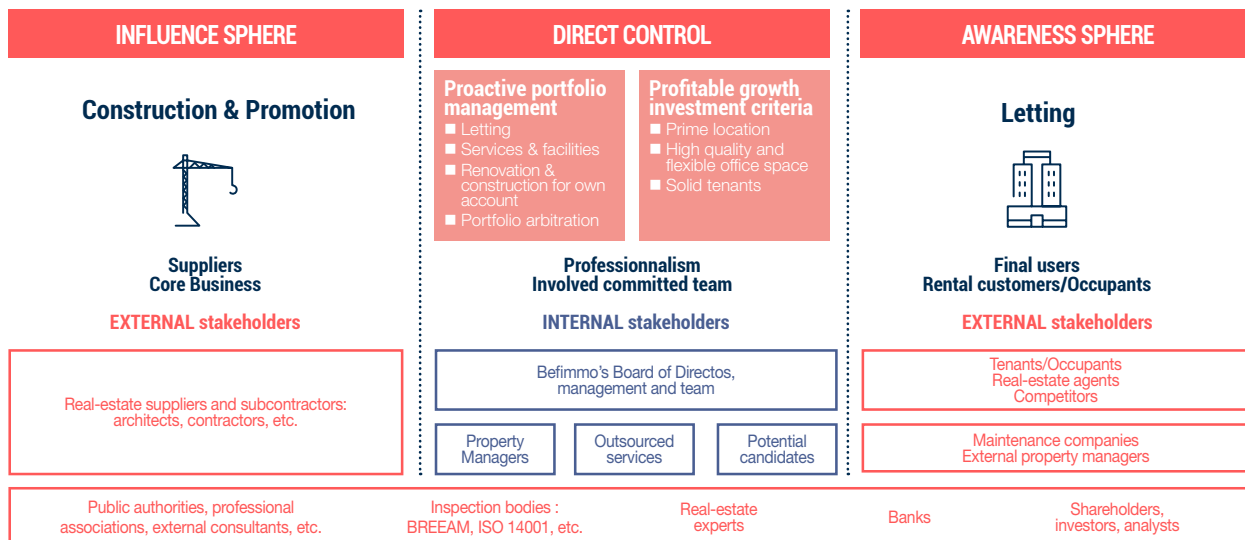
Stakeholders integrated into the value chain

In identifying its stakeholders, Befimmo includes any player actively or passively affected by a decision or a project of the Company, i.e. all internal and external stakeholders involved in the value chain (see diagram below). These stakeholders are classified according to their impact on Befimmo's various activities and opportunities to influence and/or educate them on environmental, social and economic issues.

Befimmo undertakes to take account of the expectations of its stakeholders in devising its strategy and to have a regular, open dialogue and constructive consultation with them. The dialogues held with these various stakeholders are described in detail in the documents published on Befimmo's website: "Communication with external and internal stakeholders" and "Analysis of stakeholders' expectations".

www.befimmo.be

Stakeholders



INTERNAL ORGANISATION

G4-17 G4-34 G4-35 G4-36 G4-42 G4-44 G4-48 G4-49

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

At strategic level, the Corporate Social Responsibility team (CSRT) consists of 5 people including 3 Executive Officers: **the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Environmental Management (HEM) and the CSR Manager (CSRM)**. This team, which meets quarterly, is responsible for developing and monitoring the Social Responsibility Action Plan, releasing sufficient resources, and actively participates in the annual Management Review of the ISO 14001 Environmental Management System. The Directors of Befimmo also take part in defining and approving budgets and taking major decisions on Social Responsibility, especially at the strategy meetings held each year and at the meetings scheduled every quarter when the results are published.

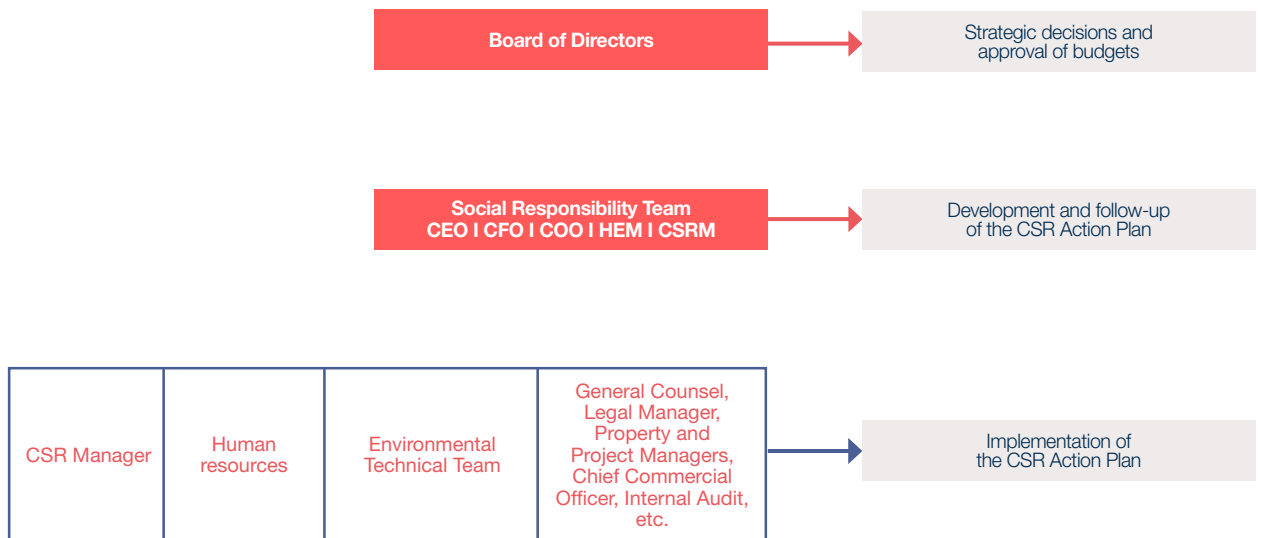
At operational level, the Environmental Technical Team (ETT) consists of 5 specialists with the task of improving the environmental performance of the portfolio. It meets regularly and its responsibilities include implementing the

Social Responsibility Action Plan. These specialists include the Green Adviser who plays an important role monitoring the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.

The CSR Manager, a member of the Social Responsibility Team, reports directly to the CEO. Her role is both **strategic** (developing CSR strategy, managing relations with stakeholders) and **operational** (coordinating and running CSR projects, managing the Social Responsibility Action Plan, acting as in-house consultant for other departments and encouraging staff to embrace change).

For **human resources** the Human Resources Officer (HRO) is responsible for educating all members of the team to take more account of Social Responsibility, for following up initiatives put in place and for continuing to develop the strong corporate culture that exists within Befimmo. The HRO works with the CSR Manager and interacts with the Social Responsibility Team.

Other staff also have specific responsibilities defined in the Environmental Management System: Legal Manager, Chief Commercial Officer, Property Managers, Chief Investment Officer, Internal Audit, Project Managers, etc.



ENVIRONMENT¹

G4-DMA G4-35



ENERGY



POLLUTION



MOBILITY



CERTIFICATION

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

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

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

The implementation, monitoring and control of specific measures related to the environment are managed primarily by the Environmental Technical Team (ETT), composed of 5 experienced people, which reports directly to the Social Responsibility team.

-30%²
Electricity (2008-2015)

-23%²
Gas (2008-2015)

-64%
CO₂ emissions (2008-2015)

+3,760 m²
Solar panels

ENERGY

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

ISSUES

raised by stakeholders:

- climate change;
- use of natural resources;
- energy consumption;
- renovation/construction;
- maintenance of portfolio.

COMMITMENTS

Befimmo undertakes to:

- position itself as a reference in terms of reducing energy consumption (gas, heating oil, district heating and electricity) of all the buildings in its portfolio;
- anticipate future regulatory requirements and find a balance between "cost and energy efficiency" in its investment projects;
- maintain all of its operational portfolio in line with standards;
- lead by example in the energy management of its "corporate" premises;
- strive to cut water consumption in operational buildings and analyse opportunities for reducing consumption in all its renovation and/or construction projects.

Reporting of consumption

For its non-financial reporting, Befimmo has chosen to report the data for the Befimmo and Fedimmo portfolios separately. Befimmo's commitments to sustainable development apply to its whole portfolio. However the policy implemented by Befimmo at operational level cannot be applied in the same way to the Fedimmo portfolio, almost all of which is let to the Buildings Agency.

Indeed, under the lease agreements with the Buildings Agency, most of the recurring work and the operational management of buildings are the Agency's responsibility, so Befimmo has only limited control over these activities.

Nevertheless, through regular dialogue and consultation with the Buildings Agency, potential improvements in the environmental performance of the buildings are gradually being proposed by Befimmo and, in some cases, directly implemented.

1. The detailed Action Plan for 2016, in particular the part related to the Environment, is annexed to this Report on pages 226 to 229.

2. Befimmo portfolio (excluding Fedimmo), common areas, specific consumptions (kWh/m²).

Given its limited control, Befimmo cannot readily access the data on energy consumption and waste production of Fedimmo's buildings, which makes it hard to set meaningful and representative quantitative objectives.

For the Befimmo portfolio, **10 quantitative objectives, including 5 new ones**, have been set for the coming years.

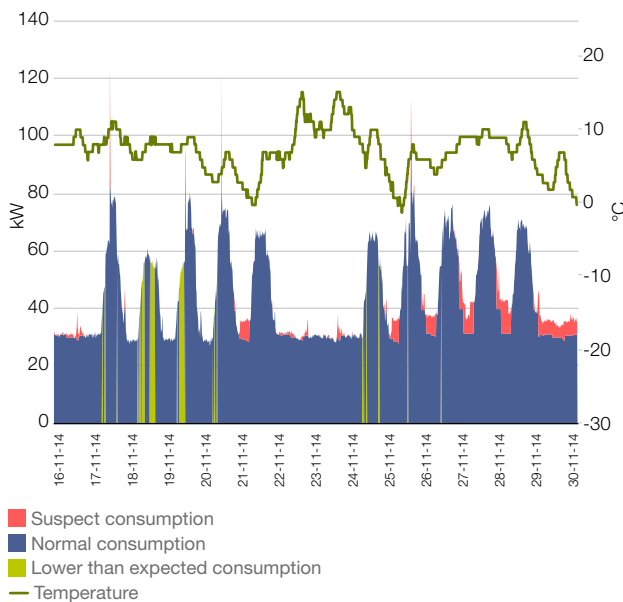
In most cases, in addition to providing overall data, data from the two portfolios have been segmented by size [1-5000 m²], [5001-10000 m²], [>10,000 m²] of the buildings, which allows analysis from various angles and certain specific data to be exploited. The full detailed tables, covering 4 reporting years (2008 and 2013 to 2015) and the **Methodology** necessary for the proper interpretation and understanding of the data, are annexed to this report on pages 237 to 243 and page 101 respectively.

Main achievements and objectives

Management of consumption data

All energy-consumption data and information are obtained via (i) the network managers and energy suppliers, (ii) the maintenance companies, (iii) the telemonitoring of consumption and (iv) the internal manager.

Typical example of statistical model of a Befimmo building



Telemonitoring now covers 91% of the buildings in the Befimmo portfolio and a small proportion of the buildings in the Fedimmo portfolio. The data collected generally cover all consumption (water, gas and electricity). This centralisation of data and online real-time access to them allows us to remotely identify any malfunctioning technical installations, immediately take the necessary corrective action, and to assess the energy performance of each building and identify priority future investments to be considered.

With regard to the management of electricity consumption data, Befimmo is continuing to work on separating consumption for private and common areas of the buildings in which it has control over the energy supply contract. Regarding the buildings in which the supply contracts are not in Befimmo's name, the Environmental Technical Team directly asks tenants for consumption data and/or the renewal of the mandates needed for obtaining data via the network managers. This approach is systematically applied to all new tenants, notably when signing the lease.

In this way, Befimmo is increasing its reporting scope year by year, with the goal of eventually obtaining 100% of consumption data. All the data obtained are centralised, consolidated, compared and analysed in detail. The information extracted is also compared with the telemonitoring tool to ensure that it is effectively and accurately calibrated.

Also in 2015, Befimmo has been systematically using statistical models to refine the detection of abnormal electricity, water and gas consumption. These models for predicting future consumption are based on the energy signature of the building and working hours. More relevant than generic alarms triggered when a maximum threshold is exceeded, these models can detect very slight overconsumption in relation to total consumption.

Objective for 2016

Continue implementing systems for consolidating and monitoring energy consumption data. The objective is to collect, analyse and exploit the consumption data on a quarterly basis, by the end of 2016.



Multi-annual investment plan G4-EN31

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

Befimmo is implementing a specific multi-annual investment plan designed to carry out work to optimise the sustainable performance of the operational buildings (replacement of old technical installations by energy-saving equipment, installation of new equipment management technologies, installation of water-recovery systems, improved insulation, installation of photovoltaic panels, etc.) and generally to improve the BREEAM In-Use certification of the buildings. In 2015, the budget for this work was of the order of €1.5 million.

As for major renovations, part of the overall renovation budget is allocated to sustainable optimisation and anticipating new regulations on the improvement of the environmental performance of buildings.

► “Outlook and dividend forecast, on page 68”

Objectives for 2016-2018

Befimmo plans to continue these initiatives and maintain a recurrent budget for the improvement of existing technical installations in addition to the share of the major renovation budgets allocated to the sustainable optimisation of the environmental performance of buildings.

(IN € MILLION)	REALISED		OUTLOOK	
	2015	2016	2017	2018
Total	1.48	1.99	1.77	1.53
Energy	1.00	1.38	1.53	1.47
Environment	0.48	0.61	0.24	0.06

Investment criteria G4-DMA

Befimmo is interested in real-estate projects that meet the standard investment criteria such as quality, critical mass, flexibility, the rental situation and the potential for value creation. However, in line with its Social Responsibility policy and in a process of continuous improvement, when considering acquisition projects it also reviews and analyses energy efficiency, aspects related to soil pollution and the presence of hazardous substances, together with aspects related to mobility, such as location, accessibility, proximity to public transport, etc.

► “Identity and strategy, on page 18”

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

2. Befimmo called upon Deloitte to carry out a limited assurance review. Data with the **V** symbol were controlled within the framework of this limited assurance review. The Deloitte report can be found on page 119 of this chapter.

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



Summary table of EPRA sustainable performance indicators

Befimmo is following the trend towards standardisation of financial reporting and also reporting on Social Responsibility by subscribing to the indicators published by EPRA¹ in its report “Best Practices Recommendations on Sustainability Reporting (2nd version – September 2014)”.

EXTERNAL ASSESSMENT ²	EPRA SUSTAINABILITY PERFORMANCE MEASURES	GRI G4 (CRESD) INDICATOR	PORTFOLIO	DATA 2015	PAGE(S) AFR 2015
V	Elec-Abs non-normalised	G4-EN3	Befimmo Fedimmo	47.1 GWh 15.2 GWh	
V	Elec-LfL non-normalised	G4-EN3	Befimmo 2014 Befimmo 2015 Fedimmo 2014 Fedimmo 2015	44.9 GWh 40.7 GWh 14.6 GWh 13.5 GWh	92 238
V	DH&C-Abs normalised	G4-EN3	Befimmo	1.4 GWh	92
V	DH&C-LfL normalised	G4-EN3	Befimmo 2014 Befimmo 2015	1.7 GWh 1.4 GWh	238
V	Fuels-Abs normalised	G4-EN3	Befimmo Fedimmo	41.9 GWh 37.0 GWh	93 237
V	Fuels-LfL normalised	G4-EN3	Befimmo 2014 Befimmo 2015 Fedimmo 2014 Fedimmo 2015	37.3 GWh 36.3 GWh 29.9 GWh 34.7 GWh	-
V	Energy-Int non-normalised	CRE1	Befimmo Fedimmo	163 kWh/m ² 148 kWh/m ²	94 239
V	GHG-Dir-Abs	G4-EN15	Befimmo Fedimmo	8 152 tonnes CO ₂ e 6 653 tonnes CO ₂ e	
V	GHG-Indir-Abs	G4-EN16	Befimmo Fedimmo	580 tonnes CO ₂ e 0 tonne CO ₂ e	
V	GHG-Dir-LfL	G4-EN15	Befimmo 2014 Befimmo 2015 Fedimmo 2014 Fedimmo 2015	5 795 tonnes CO ₂ e 6 520 tonnes CO ₂ e 4 646 tonnes CO ₂ e 6 232 tonnes CO ₂ e	97 241
V	GHG-Indir-LfL	G4-EN16	Befimmo 2014 Befimmo 2015 Fedimmo 2014 Fedimmo 2015	522 tonnes CO ₂ e 490 tonnes CO ₂ e 0 tonne CO ₂ e 0 tonne CO ₂ e	
V	GHG-Int	CRE3	Befimmo Fedimmo	14.33 19.02	
V	Water-Abs	G4-EN8	Befimmo Fedimmo	159 560 m ³ 72 741 m ³	
V	Water-LfL	G4-EN8	Befimmo 2014 Befimmo 2015 Fedimmo 2014 Fedimmo 2015	145 954 m ³ 132 204 m ³ 47 091 m ³ 50 729 m ³	95 240
V	Water-Int	CRE2	Befimmo Fedimmo	0.29 m ³ /m ² 0.23 m ³ /m ²	
V	Waste-Abs ³	G4-EN23	Befimmo Fedimmo	Recycled: 2 871 tonnes Reused: 17 tonnes Composted: 0 tonne Incinerated: 1 117 tonnes Landfill/dump: 65 tonnes Recycled: 2 799 tonnes Reused: 0 tonne Composted: 0 tonne Incinerated: 724 tonnes Landfill/dump: 961 tonnes	96 97
V	Waste-LfL ³	G4-EN23	Befimmo Fedimmo	Recycled 2014: 1 433 tonnes Recycled 2015: 2 851 tonnes Composted 2014: 3 tonnes Composted 2015: 0 tonne Incinerated 2014: 1 021 tonnes Incinerated 2015: 1 117 tonnes Recycled 2014: 214 tonnes Recycled 2015: 323 tonnes Composted 2014: 0 tonne Composted 2015: 0 tonne Incinerated 2014: 331 tonnes Incinerated 2015: 92 tonnes	242 243
V	Cert-Tot	CRE8	Befimmo & Fedimmo	Breeam Design Outstanding 1 building Breeam Design Excellent 5 buildings Breeam Design Very Good 9 buildings Breeam Design Good 2 buildings Breeam In-Use (Asset) Very Good 3 buildings Breeam In-Use (Asset) Good 37 buildings Breeam In-Use (Asset) Pass 26 buildings Breeam In-Use (Asset) Non certified 2 buildings Breeam In-Use (Management) Very Good 2 buildings Breeam In-Use (Management) Good 2 buildings Breeam In-Use (Management) Pass 50 buildings Breeam In-Use (Management) Acceptable 9 buildings	99 100

Indirect energy consumption (GWh and kWh/m²)

DH&C-Abs DH&C-LfL Elec-Abs Elec-LfL G4-EN3
G4-EN4 G4-EN5 G4-EN6 G4-EN7

The Axento building located in Luxembourg, built in 2009, is heated by a district heating system, the data of which are not included in this graph¹.

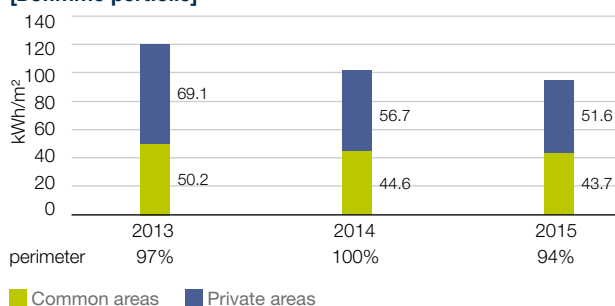
The specific data in the graph below relate to electricity consumption purchased from utility companies (94% green energy²) and/or self-generated by solar panels and cogeneration units. This self-generated energy is included in the specific data (kWh/m²) for common areas.

Specific electricity consumption of the common areas of Befimmo's portfolio fell from 50.2 kWh/m² in 2013 to 43.7 kWh/m² in 2015, exceeding the objective of cutting -2.5% per year for three years from 2013 to 2016. Two thirds into the period, the actual reduction achieved is -13%, which exceeds the ultimate objective. This improvement is due mainly to energy-efficiency measures and the addition to the portfolio of an energy-efficient building.

Specific electricity consumption of the private areas of Befimmo's portfolio fell from 69.1 kWh/m² in 2013 to 51.6 kWh/m² in 2015, also exceeding the objective of cutting 1% per year for three years from 2013 to 2016. Two thirds into the period, the actual reduction achieved is -25%, which exceeds the ultimate objective. This performance is mainly due, firstly, to the departure of a tenant with a data processing centre that needed a substantial cooling plant and, secondly, to very considerable cuts in private consumption in two large buildings³ in the portfolio.

In order to ensure consistency and be representative of office consumption, the calculation of specific consumption also excludes the private consumption data of a fitness centre with an indoor pool.

Specific indirect consumption (kWh/m²) [Befimmo portfolio]



The objective of reducing total gross electricity consumption in the common areas of Befimmo's portfolio, at constant floor area [LfL] by -1% over the period 2014-2015 has been substantially exceeded, achieving a total reduction of -5.8%.

Despite already substantially exceeding the three objectives set in early 2014 for the end of 2016, Befimmo has decided to wait for the deadline it had set before setting new objectives.

Full tables of absolute and specific indirect consumption of the Befimmo and Fedimmo portfolios are annexed to this Report, on page 238.

Objectives

Befimmo is pursuing its commitment to cut energy consumption in its buildings. Priority is given to cutting consumption of common areas, over which Befimmo has more control, although efforts to reduce private consumption are also systematically considered, especially during renovation work, commercial renegotiations or when setting up an Environmental Cooperation Agreement with tenants.

The objectives set are:

1. Reduce specific consumption (kWh/m²) of electricity in common areas of Befimmo's portfolio by -2.5% per year for 3 years, i.e. a total of -7.5% by the end of 2016.
2. Reduce specific consumption (kWh/m²) of electricity in private areas of Befimmo's portfolio by -1% per year for three years, i.e. a total of -3% by the end of 2016.
3. NEW: Reduce absolute gross electricity consumption of the common areas in the Befimmo portfolio, at constant floor area [LfL], by -1.5% over the period 2015-2016.
4. NEW: Reduce specific electricity consumption (kWh/m²) in the private areas in Befimmo's portfolio of tenants who register and actively participate in the Environmental Cooperation Agreement project, by -5% over one year, at constant floor area [LfL].
5. NEW: Increase, at constant floor area [LfL], the overall percentage of green energy used in the Befimmo portfolio from 94% to 97%. The idea is to increase the use of green energy in private areas and indirectly cut CO₂e related to the use of electricity.

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

Plan 2013-2016

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

1. The table of Axento consumption data is annexed to this Report on page 239.

2. Green energy: energy produced from renewable sources.

3. For one of these buildings, private data are incomplete.

Befimmo corporate electricity consumption (MWh and kWh/FTE⁴)

G4-EN3 G4-EN5

As a responsible landlord and occupant of one of its buildings, Befimmo itself strives to apply the good environmental practices it develops. Constantly seeking ways to reduce its environmental footprint and improve its performance, in 2014 Befimmo set itself an objective of reducing standby private electricity consumption (chargers, computers, printers, photocopiers, etc.) on its own premises by 5% in relation to 2013 (approx. 6,800 kWh). With the installation in the third quarter of 2015 of an intelligent system for automatically shutting down electricity consumption after office hours, in a few months it succeeded in achieving a reduction of 2.7% in 2015 in relation to 2013, from 136.1 MWh in 2013 to 132.5 MWh in 2015 (representing 2,268 kWh/FTE in 2013 and 1,920 kWh/FTE in 2015 respectively).

Objective for 2016

In 2016, when refurbishing the “corporate” premises as part of the SWOW project, special attention will be paid to the new electrical installations to keep consumption as low as possible.

Direct energy consumption (kWh/m²)

Fuels-Abs G4-EN3 G4-EN4 G4-EN5

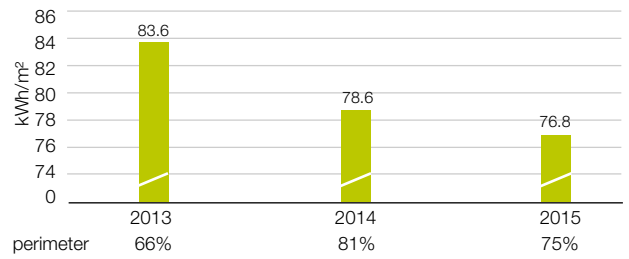
The specific data given in the chart hereafter relate to consumption of natural gas, gross and normalised for all above-ground space in the Befimmo portfolio.

Where available, these data are supplemented by normalised heating oil consumption data.

Consumption data for heating oil are normalised for the influence of the outdoor temperature using the 16.5/16.5 degree-day method. This method can compare the consumption of different years by overcoming climate-related effects. The degree days for Belgium are calculated by the observatory in Uccle.

At the end of 2015, two thirds into the three-year period set as a objective for reducing Befimmo’s normalised specific direct consumption by 9%, consumption has already been cut by 8%. It fell from 83.6 kWh/m² in 2013 to 76.8 kWh/m² in 2014.

Specific direct energy consumption (kWh/m²) [Befimmo portfolio]



At constant floor area [LfL], the gas consumption of Befimmo’s portfolio also decreased, by -2.7% over the period 2014-2015.

Full tables of absolute and specific direct energy consumption of the Befimmo and Fedimmo portfolios are annexed to this Report, on page 237.

Objectives

Befimmo is pursuing its commitment to cut the energy consumption of its buildings by maintaining its objective set in early 2014.

1. Reduce normalised specific consumption (kWh/m²) of gas in Befimmo’s portfolio by -3% per year for 3 years, i.e. a total of -9% by the end of 2016.
2. NEW: Reduce the absolute normalised gas consumption of Befimmo’s portfolio, at constant floor area [LfL], by -2% over the period 2015-2016.

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

Plan 2013-2016

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

4. FTE: Full-time equivalent. At 31 December 2015, the number of FTEs was 69 and 60 at 31 December 2013.

Total and specific energy consumption (GWh and kWh/m²)

Energy-Int | G4-EN3 | G4-EN4 | G4-EN5 | CRESS-CRE1

The absolute and specific (normalised and non-normalised¹) data presented in the tables below relate to the total energy

purchased and/or generated for the use of the private and common areas of the buildings in the Befimmo portfolio.

Full tables of absolute and specific total energy consumption of the Befimmo and Fedimmo portfolios are annexed to this Report, on page 239.

BEFIMMO PORTFOLIO (EXCLUDING FEDIMMO)	UNITS	2013	2014	2015	2015		
					1 - 5 000 M ²	5 001- 10 000 M ²	> 10 000 M ²
Total portfolio area	m ²	549 360	539 530	576 957	84 646	75 012	417 299
Total	GWh	101.7	87.6	88.3	14.4	11.2	62.7
Total (non-normalised)	kWh/m²	208.3	162.7	163.4	143.4	160.6	167.4
Total (normalised degree/day)	kWh/m²	196.1	176.7	166.9	147.3	164.4	170.8

Cost savings due to energy savings G4-EN6

The data given in the table below refer to the direct financial impact on Befimmo and its tenants of (i) measures taken to cut energy consumption (excluding potential benefits of green certificates from self-generation) and (ii) close management of

the technical installations in the portfolio for 2014 and 2015. These cost savings are calculated using the average cost per kWh depending on the energy supply contract².

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

BEFIMMO PORTFOLIO (EXCLUDING FEDIMMO)		PERIMETER	ENERGY (KWH)	FINANCIAL SAVINGS (€) (ANNUAL BASIS)
Total savings			1 445 247	€168 519
Like-for-Like [LfL]	of which common electricity reduction	71%	1 532 441	€165 504
-	of which autoproduction [solar panels and cogenerations]		134 821	€14 561
2013-2014	of which gas reduction (including heating network)	74%	-222 015	-€11 545
Total savings			2 623 643	€227 806
Like-for-Like [LfL]	of which common electricity reduction	86%	1 170 174 V	€138 432 V
-	of which autoproduction [solar panels and cogenerations]		324 983 V	€38 445 V
2014-2015	of which gas reduction (including heating network)	90%	1 128 487 V	€50 929 V



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

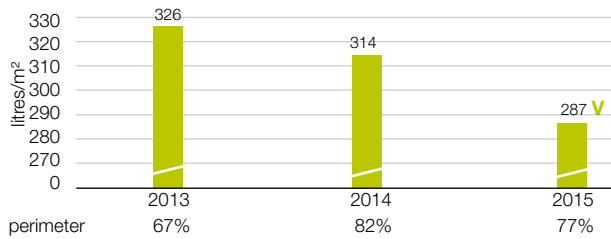
2. The average prices for calculating the cost savings, for 2013 and 2014, amount respectively to €108/MWh (including VAT) **V** for electricity, €52/MWh (including VAT) **V** for gas €118/MWh (including VAT) **V** for electricity €45/MWh (including VAT) **V** for gas for 2014-2015. These prices include transmission costs.

Water consumption (litres/m²)

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

The data for the Befimmo buildings given in the chart below relate to the specific consumption of water (litres/m²) from the water mains, water recovery systems (rainwater cisterns and recovery of grey water) and abstraction of groundwater.

Specific water consumption (litres/m²) [Befimmo portfolio³]



Specific consumption (litres/m²) in 2015 was down 12% compared with 2013 from 326 l/m² to 287 l/m².

Moreover, at the end of 2015, half-way through the two-year period set for the objective of covering 2% of its total water requirements from recovery systems, Befimmo already achieved two thirds of the objective, covering 1.3% of its needs, at constant floor area [LfL], in relation to 2014.

Full tables of absolute and specific water consumption of the Befimmo and Fedimmo portfolios are annexed to this Report, on page 240.

Objective

Befimmo has set a quantitative objective for water recovery (m³) of covering 2% of water requirements, at constant floor area [LfL], of the Befimmo portfolio by the end of 2017, in relation to the reference period of 2014.

POLLUTION

Greenhouse gas emissions (carbon equivalent) and waste management.

ISSUES

raised by stakeholders:

- environmental footprint;
- greenhouse-gas emissions.

COMMITMENTS

Befimmo undertakes to:

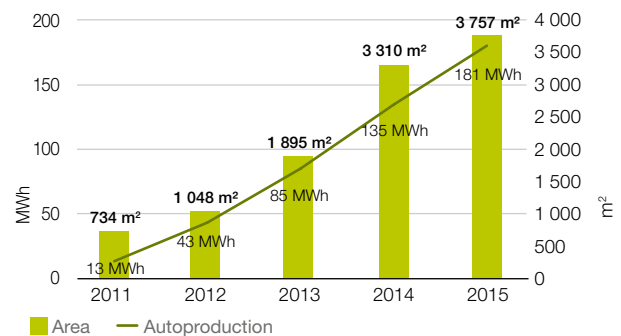
- protect the environment, including pollution prevention;
- reduce CO₂e emissions for its “corporate” premises;
- reduce “corporate” waste and educate its staff to improve recycling;
- implement a strategy for reducing CO₂e emissions and waste for the entire portfolio and raise awareness among its tenants and suppliers.

Main achievements and objectives

Self-generation of renewable energy (MWh) and production area (m²) G4-EN3

Photovoltaic panels (m²)

The current total coverage of photovoltaic panels for the Befimmo and Fedimmo portfolios is 3,757 m² as against 1,895 m² installed at the end of 2013 and 3,310 m² at the end of 2014.



3. Excluding the data for the fitness centre located in the View Building.

Objective

In view of ongoing and planned renovation and construction projects, the total area of solar panels will be further increased in line with progress on worksites.

By 2020 the total area of the photovoltaic panels should achieve 11,000 m².

Cogeneration

There are currently two cogeneration systems in the Befimmo portfolio, one in the View Building, which has an indoor pool, and a second in the WTC III building (Fedimmo portfolio). Both buildings have a very high heating requirement, thereby justifying the installation of such a system.

In 2015, two feasibility studies were conducted for the installation of additional cogeneration units in the Central Gate and Brederode 9 buildings in the Befimmo portfolio.

Objective

Based on the analysis of the consumption data of the portfolio, there are currently no other profitable opportunities for investing in cogeneration systems in the portfolio. We will nevertheless keep reassessing the situation throughout the portfolio including the Fedimmo buildings in the course of 2016.

Self-generation of energy - electricity

The objective for self-generated energy (photovoltaic panels and cogeneration), set in 2015, of covering 5% of electricity needs, at constant floor area [LfL], for the common areas of Befimmo's portfolio (excluding Fedimmo) by the end of 2017, compared with the reference period of 2014, will probably not be achieved, mainly because of the temporary suspension of the installation of a cogeneration unit in a building of Befimmo's portfolio.

Objective for 2017

However, the remaining projects planned by the deadline and the start of full production at some sites still under construction in 2015 are expected to give reasonable coverage of 2% of electricity needs, at constant floor area [LfL], of the common areas in the Befimmo portfolio (excluding Fedimmo) by the end of 2017.

Reporting

Total waste by type (tonnes)

G4-EN23 Waste-Abs Waste-LfL

The data given in the table hereafter relate to the quantities of hazardous¹ and non-hazardous waste, of all categories (paper and cardboard, plastic, glass, wood, earth, concrete, rubble, metals and other mixed waste).

Building waste includes all waste related to building and/or major renovation projects, all of which is reported. Information on the waste associated with such projects has been systematically collected since 2013.

In 2014 Befimmo, in cooperation with an external partner, launched an awareness campaign for tenants and their respective cleaning companies with a view to reducing the total amount of unsorted waste (= household waste) and thereby improve the recycling rate.

This awareness-raising has led to a reduction of more than 50% in unsorted waste in relation to 2012, with an increase in the volume of paper of the order of 36% over the past two years.

In 2014 and 2015, the percentage of recycled waste for the operational buildings which Befimmo collects itself was 63%.

Moreover, in 2015 Befimmo continued to take part in the circular economy project with Rotor ASBL on some of its sites that had a potential for recovery. In this way, more than 17 tonnes of materials were removed and reused in various projects.



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

Total waste by type (tonnes)

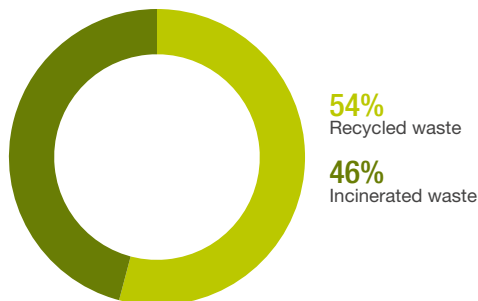
BEFIMMO PORTFOLIO (EXCLUDING FEDIMMO)	UNITS	2013	2014	2015	2015		
					1 - 5 000M ²	5 001- 10 000M ²	>10 000M ²
Total portfolio area	m ²	549 360	539 530	576 957	84 646	75 012	417 299
Reporting perimeter	%	100%	100%	100%	100%	0%	100%
Total linked to works	tonnes	5 505	664	2 078	4	0	2 074
of which non-hazardous	tonnes	5 503	658	2 078	4	0	2 074
of which hazardous	tonnes	2.0	5.6	0.4	0.0	0.0	0.4
Reporting perimeter	%	72%	90%	86%	91%	76%	87%
Total linked to operational buildings	tonnes	1 966	1 994	1 992	209	331	1 452
of which non-hazardous	tonnes	1 966	1 994	1 990	209	329	1 452
of which hazardous	tonnes	0.4	0.0	2.0	0.1	1.9	0.0
Total	tonnes	7 471	2 658	4 070	214	331	3 526

The complete tables of waste by type from the Befimmo and Fedimmo portfolios are annexed to this Report on page 242.

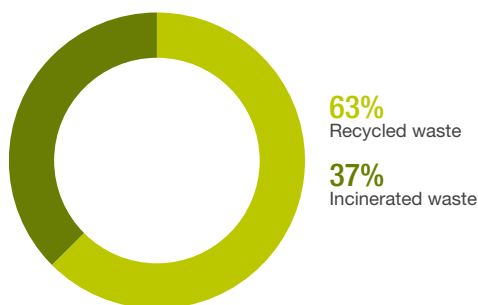
Treatment of waste from operational buildings (%) G4-EN23

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

Waste treatment (%) [Befimmo portfolio]



Waste treatment (%) [Befimmo portfolio which it collects itself]



The complete tables of waste treatment from the Befimmo and Fedimmo portfolios are annexed to this Report on page 243.

Objective for 2016

NEW: Increase the recycling rate of the operational buildings in which Befimmo collects waste itself from 63% to 65%, at constant floor area [LfL], by the end of 2016, educating tenants and companies cleaning the common and private areas. To date, no objective has been set for waste from building sites except for improving the collection of the relevant data.

Non-normalised specific energy-related greenhouse gas (GHG) emissions (kg CO₂e/m²)

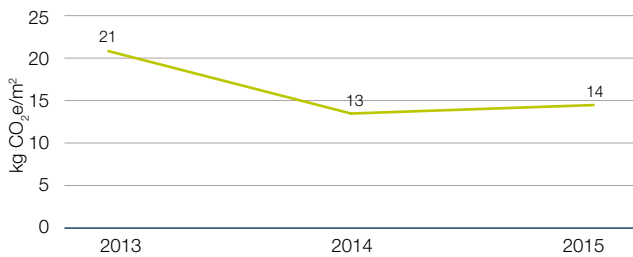
- CRESS-CRE3 GHG-Dir-Abs GHG-Dir-LfL GHG-Int
- GHG-Indir-Abs GHG-Indir-LfL G4-EN15 G4-EN16
- G4-EN17 G4-EN18 G4-EN19

The non-normalised specific greenhouse gas emissions data (kg CO₂e/m²) shown in the chart hereafter relate to greenhouse gas emissions associated with energy consumption in Befimmo buildings (electricity, gas, district heating and heating oil).

The reductions in CO₂e emissions related to energy (-64%) between 2008 and 2015 in the Befimmo portfolio are explained mainly by (i) energy-saving measures between 2008 and 2015, (ii) an increase in the supply of green energy, related to private electricity contracts of tenants, and (iii) close management of technical systems (Green Adviser, telemonitoring, etc.).

The 12% increase in specific CO₂e emissions (kg CO₂e/m²) for 2015 compared with 2014 is explained by the fact that 2015 was cooler than 2014 (1,800 degree days in 2014 as against 2,100 degree days in 2015) which led to an increase in absolute gas consumption in the portfolio.

Energy-related greenhouse gas (GHG) emissions (kg CO₂e/m²)



The complete tables of greenhouse gas (GHG) emissions from the Befimmo and Fedimmo portfolios are annexed to this Report on page 241.

CO₂e emissions related to Befimmo "corporate" business

G4-EN15 G4-EN17

Emissions of CO₂e linked to Befimmo "corporate" business, i.e. the bureaucratic activities of its staff, were evaluated according to the carbon balance method¹. 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 building (heating and electricity).

Emissions linked to Befimmo's business (Tonnes CO₂e, kg CO₂e/m² and Tonnes CO₂e/FTE)

	UNITS	2013	2014	2015	
Befimmo « corporate » areas	m ²	2 150	2 150	2 150	▼
# full time equivalents (FTE)	#	60	68	69	▼
Total emissions linked to direct energy	Tonnes	238	265	291	▼
of which total heating emissions	Tonnes	18.2	14.8	18.5	▼
emissions per FTE (heating)	Tonnes / FTE	0.3	0.2	0.3	▼
emissions per m ² (heating)	kg CO ₂ e/m ²	8.5	6.9	8.6	▼
Total heating [Lfl]	%	-19%	-19%	24%	▼
of which diesel car emissions ²	Tonnes	207.0	238.0	252.0	▼
of which petrol car emissions ²	Tonnes	12.8	12.6	20.6	▼
Total emissions linked to indirect energy	Tonnes	35	36	36	▼
emissions per ETP	Tonnes / ETP	0.6	0.5	0.5	▼
emissions per m ²	kg CO ₂ e/m ²	16.4	16.7	16.6	▼
Total electricity [Lfl]	%	9%	2%	0%	▼
Total emissions linked to travel, paper consumption	Tonnes	13	7	10	▼
Plane short-haul travel	Tonnes	1.1	0.3	3.7	▼
Plane long-haul travel	Tonnes	6.7	2.1	2.2	▼
High-speed train	Tonnes	0.2	0.2	0.1	▼
Paper consumption	Tonnes	5.0	4.3	4.3	▼

For some years now, Befimmo has been raising awareness in its team of good (corporate) waste management through various specific measures including cutting paper consump-

tion per employee. Average paper consumption was 53 kg/employee in 2013 and fell to 47 kg/employee in 2015, a cut of 11%³.

MOBILITY



Accessibility of buildings and business and private travel policy.

ISSUES

- raised by stakeholders:
- changing working methods;
 - location;
 - mobility;
 - parking.

COMMITMENTS

- Befimmo undertakes to:
- take account of location and accessibility when considering new real-estate investment opportunities;
 - educate and inform its tenants;
 - educate its team and encourage sustainable mobility.

1. Methodology developed by ADEME (the French Environment and Energy Management Agency (Agence de l'Environnement et de la Maîtrise de l'Énergie)).

2. CO₂e emissions related to the fuel consumed by "corporate" vehicles include the upstream emissions required to produce and transport the fuel. The table showing emission factors related to transport can be found under Methodology on pages 101 and 102.

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

Main achievements and objectives

CO₂e emissions related to Befimmo corporate transport (tonnes CO₂e)

G4-EN15 | G4-EN30 | GHG-Dir-Abs

Befimmo reduced the overall rate of average emissions per vehicle (CO₂e/km) of its fleet by 2.94% in 2015 in relation to 2014. This decrease is the result of applying the updated car policy to vehicles purchased new or replaced during the fiscal year.

The absolute increase in CO₂e vehicle-related emissions from 250.6 tonnes in 2014 to 272.6 tons in 2015 (9%), is explained mainly by a 10% increase in the number of vehicles in relation to 2013.

Electric vehicle

After various analyses, in 2014 Befimmo opted to include a pooled electric vehicle in its fleet of vehicles for intra-urban travel. It is in regular use by the team.

Objective

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

CERTIFICATION

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

ISSUES

raised by stakeholders:

- improve certifications obtained;
- relevance of other certifications.

COMMITMENTS

Befimmo undertakes to:

- further improve Befimmo's Environmental Management System (EMS) (ISO 14001) and adapt to developments of this standard;
- consider the relevance of other potential certifications (ISO 9001, ISO 50001, etc.);
- improve the Befimmo portfolio's BREEAM Asset & Management rating.



Main achievements and objectives

Environmental Management System, ISO 14001 certified G4-PR3

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

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

Objective

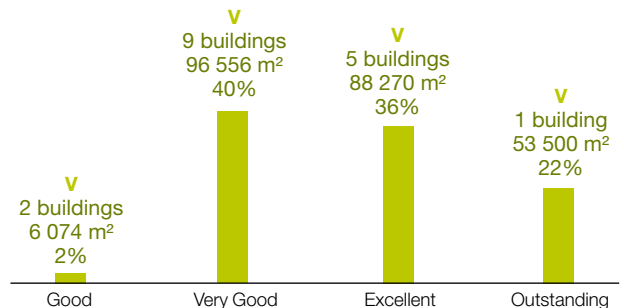
In 2016, Befimmo undertakes to further improve its EMS in line with the evolution of the standard and to consider the relevance of other potential certifications (ISO 9001, ISO 50001, etc.).

BREEAM Design and Post-Construction

G4-PR3 | Cert-Tot | CRESS-CRE8

The following chart illustrates the BREEAM Design certifications obtained since 2010 for all buildings being renovated or built in the Befimmo and Fedimmo portfolios. These projects relate to 17 buildings⁴ with a total space of 244,400 m².

BREEAM Design ? "Glossary"



4. Including the WTC IV and Quatuor Building projects.

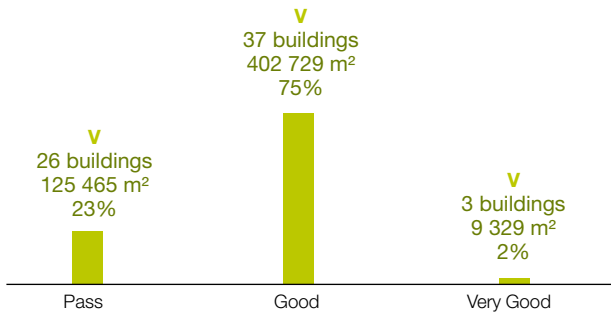
BREEAM In-Use

G4-PR3 Cert-Tot CRESS-CRE8

BREEAM In-Use Asset (# of assets)

The chart below shows the BREEAM In-Use (Asset) certifications for operational buildings in the Befimmo and Fedimmo portfolios¹. This relates to a total of 66 buildings with a total space of 537,523 m² (57% of Befimmo's consolidated portfolio).

BREEAM In-Use Asset [? "Glossary"](#)



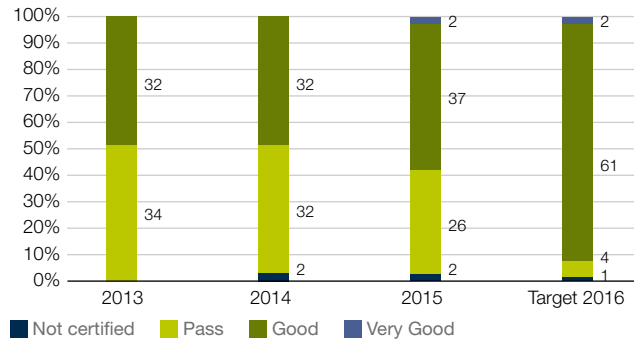
Objective

Befimmo will continue this process of improving the ratings of its portfolio (PASS to GOOD) and complete it by the end of 2016. Following a cost/benefit assessment, the Pass rating of 3 buildings will not be upgraded.

Furthermore, by the end of 2017 it will assess whether to upgrade all of its certificates based on a portfolio oriented approach. This comprehensive approach to administrative simplification is a first for a portfolio as large as Befimmo's. If the experience is positive, it will also be extended to the upgrading of the BREEAM In-Use Management certificates.

The rating of renovated buildings is reviewed as appropriate in each case after completion of the work.

Befimmo BREEAM In-Use certifications (# of assets)

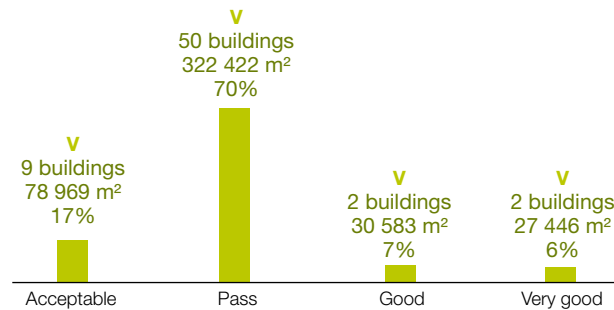


BREEAM In-Use Management (# of assets)

The chart below shows the BREEAM In-Use (Management) certifications obtained for operational buildings in the Befimmo and Fedimmo portfolios². This relates to a total of 63 buildings with a total space of 459,420 m² (49% of Befimmo's consolidated portfolio).

In 2015, Befimmo embarked on the necessary steps to obtain BREEAM Management certification for one of its new buildings. On that occasion a dialogue was established with BRE to re-assess the certification of all the buildings following an approach based on an online portfolio with the approach envisaged for the upgrade of the BREEAM In-Use Asset certificates.

BREEAM In-Use Management [? "Glossary"](#)



Objective

In 2016 and 2017, Befimmo will continue its work of improving BREEAM In-Use Management certification following a comprehensive approach.

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

METHODOLOGY G4-22

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

The reporting methodology in 2015 has not fundamentally changed in relation to 2014, with the exception of all the measures taken to comply with the new version³ of the EPRA Best Practices Recommendations on Sustainability Reporting.

General remarks

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

Furthermore, all the areas used for reporting were reviewed and adapted to recognise only the above-ground spaces of the buildings (floor area for lease). This new approach allows a more representative and accurate calculation of specific consumption data, particularly for heating-related consumption. The recalculated areas no longer include unheated spaces, which is basically in line with the calculation method used for EPB.

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

- the conversion factors needed to calculate the CO₂e were verified and updated and the 2014 conversion factors used in reporting associated with waste were adjusted;
- the accuracy and updating of tariff data were verified for energy supply contracts used to calculate the financial savings from energy saving.

Interpretation of data in the environmental reporting tables

In most cases the available information was processed separately for the Befimmo and Fedimmo portfolios. These two entities were also subdivided by the size of the buildings in the portfolio. Segmentations by region and age of buildings, used in previous reporting, have been suspended as they were found to be of less interest from an analytical point of view.

FEDIMMO PORTFOLIO	TOTAL FLOOR AREA FOR LEASE		
	2013	2014	2015
Building 1 - 5 000 m ²	30%	27%	25%
Building 5 001 - 10 000 m ²	21%	19%	19%
Building >10 000 m ²	49%	54%	56%
Total (m²)	342 123	379 318	368 116

Reporting perimeter

The reporting perimeter is expressed as a percentage and is determined on the basis of the ratio between the area covered by the data obtained and the total floor area of the portfolio for the period. It is directly affected by any sales and/or acquisitions. For detailed information on the 2014 financial year, see the reporting perimeter and changes since 1 January 2015, on page 119.

The areas mentioned above each table correspond to the figures as at 31 December 2015.

Calculation at constant floor area

The calculation at constant floor area (like-for-like [LFL]), expressed as a year-on-year percentage difference, helps to assess how an indicator changes over time. Indeed, by excluding variations due to changes in floor area (as a result of major renovations, acquisitions or sales), it is possible to analyse, compare and explain the results achieved in relation to the stated objectives. Note, however, that the calculation at constant floor area does not take account of changes in the occupancy of the buildings.

BEFIMMO PORTFOLIO	TOTAL FLOOR AREA FOR LEASE		
	2013	2014	2015
Building 1 - 5 000 m ²	15%	16%	15%
Building 5 001 - 10 000 m ²	16%	14%	13%
Building >10 000 m ²	69%	70%	72%
Total (m²)	549 360	539 530	576 957

3. Second version | September 2014.

Calculation of specific consumption (kWh/m² and litres/m²)

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

- buildings under construction and/or renovation;
- buildings for uses other than offices (for 2015, this concerns only part of one building, which houses an indoor pool/fitness centre);
- buildings with incomplete consumption data;
- buildings with an average annual occupancy rate below 50%¹ (calculated on the basis of the monthly occupancy history).

Regarding the calculation of the greenhouse gas emissions intensity **G4-EN18**, the following are excluded from the reporting scope:

- all buildings under construction, bought and/or sold during the year;
- buildings whose occupancy rate is less than 50%;
- buildings for which consumption data are incomplete and/or missing.

The resulting emission values form the numerator which is divided by the total area of buildings within the perimeter.

Emission factors

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

As regards the calculation of the CO₂e related to private consumption of non-green electricity by its tenants, for convenience until 2014 Befimmo had to use by default the average emission factor for non-green electricity, provided by its own energy supplier.

Now, since it follows the GHG protocol and its recommendations, for calculating electricity-related emissions it will use the factor provided by the International Energy Agency (IEA). Note that the latter has not been reviewed since 2011.

CO₂e emission factors (g CO₂e/kWh)

TYPE	2012	2013	2014	2015
Gas	-	188	188	188
Non-green electricity Belgium ²	196	196	196	196
Non-green electricity Luxembourg ²	387	387	387	387
Green electricity	0	0	0	0
Heating network	43	43	43	43

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

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

Not applicable

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

This applies:

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

Generally speaking,

- in the few cases where consumption of common and private areas could not be obtained separately, a distribution of 40/60 between common areas and private areas assumed in 2012 is confirmed and retained for 2013 to 2015;
- the electricity consumption data for private areas obtained directly from information received from tenants with a utility-company meter and unspecified own supply contracts are counted as non-renewable energy. Where the type of supply contract is known, only contracts specified as “100% green” are considered renewable, and a zero CO₂e emission rate is applied.

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

2. EIA Statistics 2013 Edition.

TEAM³

G4-DMA G4-35



WELL-BEING



ETHICS



DIALOGUE

The involvement of the Befimmo team in Social Responsibility is crucial to the success of its global strategy. Staff awareness of, and participation in, conceptual work as well as their day-to-day contribution, is an essential element for achieving the objectives set.

By providing a pleasant working environment, Befimmo helps to stimulate exchange, creativity and motivation among the staff and enhances their commitment to the Company.

One person in the human resources department is responsible, in cooperation with the CSR Manager, for raising

awareness throughout the team of CSR topics, dealing with the follow-up of initiatives introduced and continuing to develop the strong corporate culture that exists within Befimmo.

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

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

94%

Participation rate in satisfaction survey

27 hrs

training/employee /year

2016

Implementing Smart Ways of Working

Social indicators

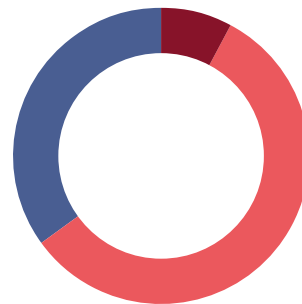
G4-LA1 G4-LA2 G4-LA6 G4-9 G4-10 G4-11

As at 31 December 2015, there were 72 staff on the team (57% men and 43% women). All team members, except the CEO, are employed on a permanent contract.

Befimmo also occasionally takes on temporary staff.

At the same date, 92% of Befimmo employees worked full-time and 8% part-time (including time credits). All staff working part-time have the same fringe benefits. As at 31 December 2015, 8% of staff, all women, were working part-time

Distribution of full- and part-time working



0%
Part-time working | Man

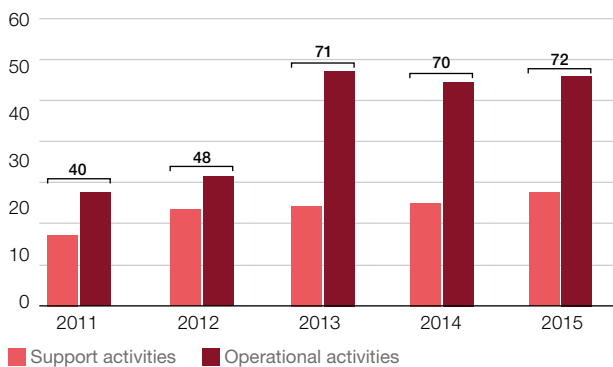
8%
Part-time working | Woman

57%
Full-time working | Man

35%
Full-time working | Woman

3. The detailed Action Plan for 2016, in particular the part related to the Team, is annexed to this Report on pages 230 to 231.

Evolution of the team / Distribution of staff per activity (# people)



Within the team, 57% have a university degree and 39% of those graduates also have a post-graduate diploma.

The average age of the Befimmo team (not including the Board of Directors) is 42. In fiscal year 2015, Befimmo recruited six new employees, two women and four men, while four people left, one woman and three men. Three of those who left resigned and one was dismissed.

	#	AVERAGE AGE
Arrivals		
Men	4	34
Women	2	
Departures		
Men	3	42
Women	1	

Absenteeism¹ amounted to 2.5% of the total number of hours worked, which is in line with the average rate of 2.6%² 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 200, which covers all team members.

The Company's pay scales are in line with market rates and substantially higher than the relevant minimum scales. Under their salary package, Befimmo employees are covered by a non-statutory pension scheme³ that guarantees a replacement income that is proportional to the salary earned at the time of retirement (defined-benefits scheme) and their length of service in the Company. Note that from financial year 2016, changes were made to the Company's supplementary pension scheme, namely the termination of the defined-benefits scheme described above for all new employees, the introduction of a defined-contributions supplementary pension scheme; employees in post at 31 December 2015 had the choice to opt to stay in the old scheme or move to the new one. Employees also receive full health-care coverage.

In 2016, Befimmo held social elections for the first time. The procedure is ongoing in accordance with the relevant legislation.

1. Absenteeism rate: ratio of the number of hours of short-term sickness (< 30 days) to the total hours worked.

2. Source: "Absentéisme 2015", SDWorx.

3. More detailed information is published in the note "Employee benefits", on page 186.

WELL-BEING G4-56

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

ISSUES

raised by stakeholders:

- pride, commitment, shared vision, team spirit and cohesion;
- health and safety;
- awareness of CSR;
- Smart Ways of Working;
- “à la carte” fringe benefits;
- work-life balance;
- attachment to an identity.

COMMITMENTS

Befimmo undertakes to:

- adopt best practices, analyse its relevance and take the necessary actions;
- implement the values identified within the team and throughout the business;
- unite the team around the Social Responsibility policy and Action Plan;
- comply with prevention standards and advice;
- comply with health and safety rules;
- encourage the team to engage in continuous training.

Main achievements and objectives

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

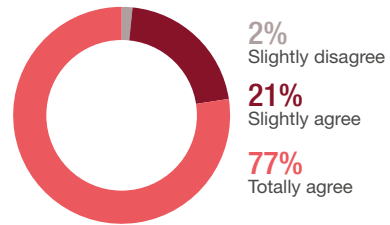
Well-being and prevention of psychosocial risks

In 2015, Befimmo continued to pay special attention to the well-being of its staff. In particular, in the context of the prevention of psychosocial risks, it held a training session on Mindfulness, open to all staff. By allowing everyone to focus their attention on the present moment, this discipline is designed to reduce stress or help to manage it, and prevent burnout.

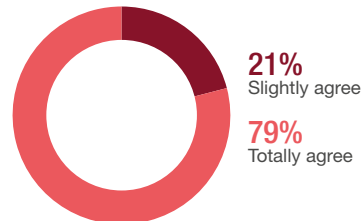
In late 2015, Befimmo repeated the satisfaction survey of its team that it has undertaken to conduct every two years. It covered general topics, such as communication, working environment, training, corporate culture and entrepreneurship, human resources, mobility and CSR. The participation rate remained very high, at 94% compared with 92% two years ago.

In particular, the survey revealed an improvement in the team’s perception of work/life balance between 2013 and 2015, a topic that Befimmo intends to keep among its concerns for the coming years. As in 2013, the 2015 survey indicates that the staff are motivated and interested in their own jobs.

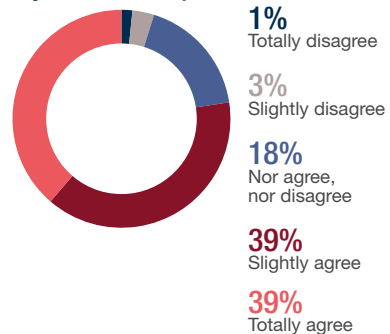
My job is interesting⁴



I feel part of a team working towards a common goal⁴



I manage to keep a reasonable balance between my work life and private life⁴



4. Extract from the results of the staff satisfaction survey (2015).

Working environment - SWOW

In response to the structural changes in the working methods, and more specifically in the use of offices, which will increasingly become a space for meeting and exchange between various team members, in 2015 Befimmo developed a project to implement “Smart Ways of Working” for its employees, which will come into effect during 2016. The vision that Befimmo wishes to embrace, as an “office provider”, is to offer a workplace that is flexible and suited to modern technology, that stimulates exchange and creativity between its employees and, logically, starting with its own operation. In particular, the satisfaction survey was a way of consulting the team members about the criteria that they believe would ensure the success of Befimmo’s SWOW project. The focus will be on opening up workspaces, collaboration, ergonomics, acoustics, computing and ease of movement and connection.

Health and safety

The Befimmo team includes a level-1 prevention advisor, who conducted a risk assessment related to office activities during the year.

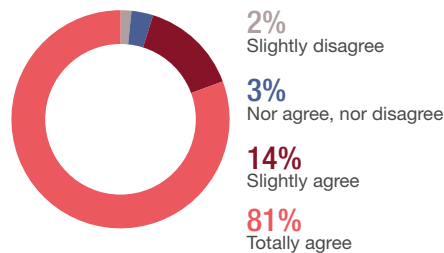
Befimmo also has a trusted person in-house in the framework of the prevention of psychosocial risks. During fiscal year 2015, there were no complaints about employment.

The team also includes three people trained in first aid, and Befimmo sends them on a refresher course every year.

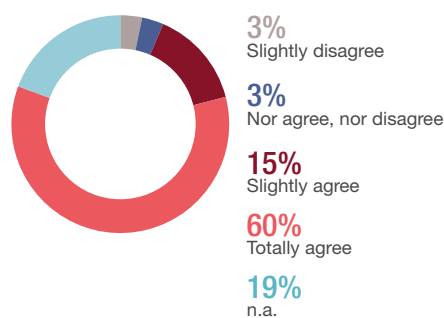
Over the year, there were two occupational accidents at Befimmo, but no cases of occupational disease. One was an accident on the way to work and the other was an accident on a building site. Neither accident led to absence from work and the accident on the site occurred despite compliance with safety regulations.

Some of the Company’s departments working in the field naturally need to pay special attention to health and safety. In 2015, the members of the technical team went on a training course entitled “BA5 - Qualified Person” run by an approved body to train them and raise their awareness of the risks involved in electrical installations in buildings. The Befimmo team currently includes 72 qualified people.

I feel safe in my office working environment¹



I feel safe in my outdoor working environment¹



Comité B+ and social action

Comité B+, set up in 2011 at the initiative of the staff and with the support of the Executive Officers, has continued its efforts to organise sporting, cultural, festive, charity and family activities. In 2015, Comité B+ continued its voluntary work on the partnership begun in 2011 with the Red Cross (Auderghem local section).

Following the success in previous years, the Committee once again organised blood donations at its premises in the Goe-maere building, and other tenants in the building had a chance to take part. It plans to continue organising blood donations in future years. Several staff members also took part in the Red Cross Fortnight and helped to sell sticking plasters and stickers for the Auderghem local section; the funds collected will be allocated to food aid.

The more athletic members took part in the 20 km of Brussels on the “Run for Parkinson” team. Finally, just before the Christmas period, staff were asked to donate food parcels which were distributed to the homeless in Auderghem.

In addition to the social action of the Comité B+, Befimmo decided to become a Be.face partner. Be.face is a movement of responsible businesses which aims to build bridges between the needs of associations and resources of the business world, in terms of time, activities and equipment. Through Be.face, in late 2015 Befimmo came into contact with the local municipal public social welfare centre (CPAS), and decided to spend the budget usually allocated to the team for end-year treats on end-year presents for disadvantaged children and older people in the municipality, organised by the CPAS.



1. Extract from the results of the staff satisfaction survey (2015).

Objective

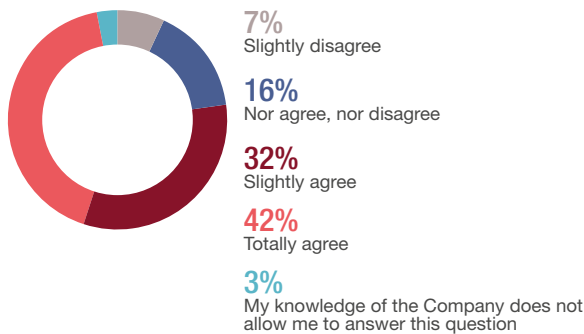
Comité B+ intends to continue its social outreach in 2015. The participants are keen to repeat most of the above operations. For its part, the Company will continue to support Comité B+ initiatives by proposing philanthropic activities to the team and will intensify its partnership with Be.face, both by informing team members of the opportunities the platform offers, particularly in terms of volunteering, and by considering organising donations of equipment.

Appraisal and training

G4-LA9 G4-LA10 G4-LA11

Befimmo is convinced that the development of its employees enhances their desire to advance their careers and deploy their skills, and so continued its policy in this area in 2015.

Overall, I'm satisfied with the training possibilities available at Befimmo²



Employees are increasingly satisfied with the training opportunities; there is an improvement of almost 10% in that answer to the 2015 survey compared with 2013. However Befimmo is aware that it can further enhance the development of its staff.

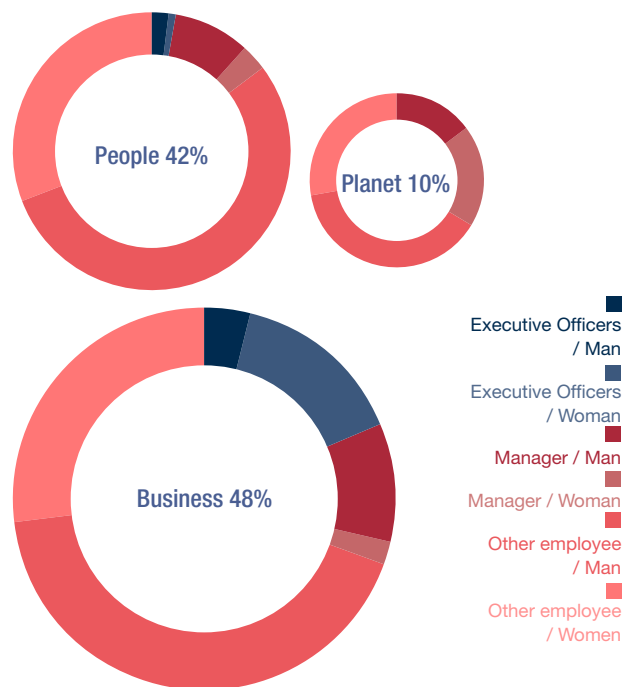
In addition to language training and individual courses, Befimmo offered training in Mindfulness to all staff, as mentioned above. Finally, the CSR department and Environmental Technical Team have continued implementing their awareness policy on employees' energy consumption, both in the office and at home. Under the "Befimmo Energy Challenge" initiative, which allows everyone to benefit from the ETT's energy accounting expertise, interested employees were able to borrow a Smappee for 6 weeks. The Smappee is a tool that identifies the various installations consuming electricity in a building and allows you to evaluate the consumption of each one and identify any faults. This is a striking awareness-raising measure since it affects everyone's management of their own resources and at the same time illustrates the policy that Befimmo is pursuing on a larger scale.

Other training sessions on environmental issues, relating to ISO 14001, will be offered to the team during 2016 and in particular to raise awareness on the Befimmo Social Responsibility policy to new employees.

In 2015, Befimmo made use of the new "development" topic in its appraisal process to inventory training needs from the beginning of the year, which helps to organise training courses more coherently and efficiently.

Over the past fiscal year, Befimmo imparted an average of **27 hours' training**. The average budget per staff member amounted to €1,680 in 2015, a third of which related to language courses.

Training hours (excluding language courses) broken down according to the 3 pillars, by gender and category (2015)



2. Extract from the results of the staff satisfaction survey (2015).

ETHICS

Ethical practices in human resource management and recruitment.

ISSUES

raised by stakeholders:

- discrimination (origin, M/F, disabled);
- integration;
- youth training;
- pay.

COMMITMENTS

Befimmo undertakes to:

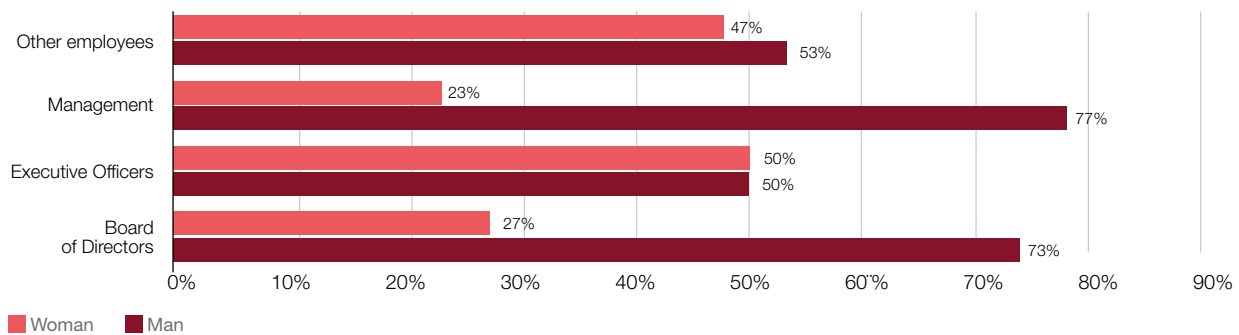
- be open to the diversity of team members (gender, age, language, origin, etc.);
- ensure fair treatment of its employees.

Befimmo describes itself as a Company open to diversity, respecting everyone's identity. During fiscal year 2015, no complaints were lodged about employment.

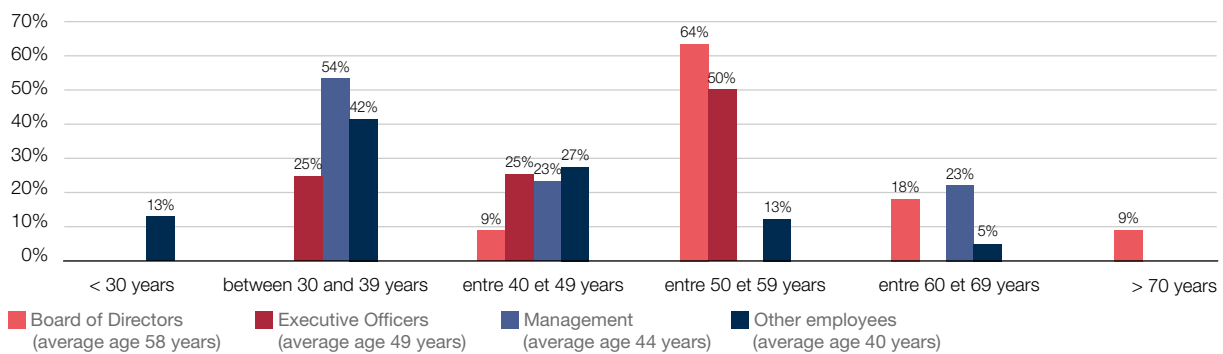
G4-LA16 | G4-10

Social indicators

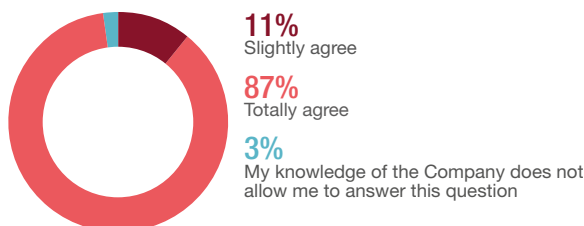
Composition of governance bodies and breakdown of employees by gender (31 December 2015) G4-LA12



Composition of governance bodies and breakdown of employees by age (31 December 2015) G4-LA12



Origin, gender, age, religion and sexual orientation have no impact on how employees are treated within the team¹



1. Extract from the results of the staff satisfaction survey (2015).

DIALOGUE

Maintaining a regular dialogue with the team.

ISSUES

- raised by stakeholders:
- inter-departmental relationships;
 - sharing and feedback;
 - uniting around a project and generating enthusiasm.

COMMITMENTS

- Befimmo undertakes to:
- listen to the team and maintain a regular dialogue with it;
 - leave room for team initiatives and creativity;
 - enhance dialogue between departments and promote more teamwork.

Befimmo continued its efforts to improve and diversify the communication flows within the team.

Befimmo has continued to organise in-house “breakfast presentations” by team members or departments on a variety of topics highlighting certain areas of the Company’s business.

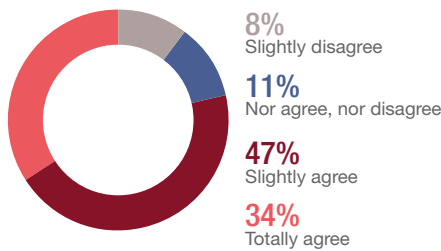
Main achievements and objectives

Awareness-raising in the team

While the satisfaction survey showed an overall improvement in terms of communication, it also once again revealed the extent of the Befimmo staff’s interest in the company, its strategy and activities, and their desire for more communication.

Recognising the potential of its team members, Befimmo is continuing its efforts to put their creativity to good use on specific topics, elicit suggestions, invite dialogue and listen to their opinions. These topics will be further developed and strengthened when improving the working environment in 2016, under the “SWOW” project mentioned above.

I am satisfied overall with communication at Befimmo¹



The intranet has continued to be a key facilitator of communication. Mainly in response to recommendations from the survey, it will be a slightly recast in 2016, in particular to allow more interactivity.

Befimmo is particularly pleased that the survey again confirms the team’s commitment, coming even closer together to celebrate the Company’s 20th anniversary, and the spirit that prevails in the Company and its strong corporate culture.

CULTURE AND ENTREPRENEURSHIP ¹	2013	2015
I am proud to work for the Company	95% ³	100% ³
I think that there is a spirit of cooperation within the Company	87% ³	100% ³

Ongoing objectives

SWOW, improving the intranet to allow more communication.

2. Extract from the results of the staff satisfaction survey (2015).
 3. Based on the addition of the headings “Totally agree” and “Slightly agree”



TENANTS¹

G4-DMA G4-35



WORKING ENVIRONMENT

In 20 years working methods have evolved. Today, more than ever before, Befimmo pays particular attention to satisfying the occupants and users of its property portfolio.

It endeavours to retain its tenants by providing quality spaces in good locations, that are flexible, and perform well in terms of environmental management, use of space, security, costs and accessibility. However, while it is still indispensable to offer quality space, nowadays this is no longer enough. Befimmo now needs to take its relationship with its tenants to a new level by offering them a broader range of integrated services that give them a better user experience, developing a comprehensive and proactive approach that it will deliver through multidisciplinary skills of its team.

Befimmo proactively manages the relationship with its tenants; the commercial team builds a relationship of trust



DIALOGUE

with them through regular dialogue. By building this trust, Befimmo endeavours to secure the loyalty of its tenants and maintain a high occupancy rate in its portfolio.

It has a team of motivated and multidisciplinary professionals (salespeople, technicians, specialist engineers, managers, etc.), reporting to Chief Operating Officer (COO), whose objective is to further strengthen the tenant-oriented approach.

Tenants' satisfaction, the working environment, dialogue between the landlord and tenant and their security and health are priorities for Befimmo and are essential in the eyes of all its stakeholders. Accordingly, Befimmo has put specific measures in place which it plans to further develop and improve over the months and years ahead.



HEALTH & SAFETY

Services

comprehensive, personalised services offered to tenants

94.1%

Occupancy rate

Helpsite and Extranet

New communication tools in 2016

WORKING ENVIRONMENT



Offer tenants quality buildings that are flexible and suited to their way of working, and thus meet their expectations.

ISSUES

raised by stakeholders:

- changing working methods;
- aspects of Smart Ways of Working;
- reducing office space.

COMMITMENTS

Befimmo undertakes to:

- adapt to changing corporate working methods;
- strengthen its tenant-oriented approach;
- be flexible when taking account of the changing demands of the tenants in the development of its property portfolio;
- facilitate the everyday lives of its tenants.

Working methods are changing, and more specifically office use is evolving over time towards spaces for meeting and exchange between various team members. This results in less demand for office space and makes tenants more selective in terms of the quality and flexibility of the spaces they are seeking.

Services

In response to this trend, Befimmo strives to offer its tenants a comprehensive personalised service to facilitate their everyday lives, strengthening and enhancing its existing activities and developing new ones.

1. The Action Plan for 2016, in particular the part related to Tenants, is annexed to this Report on pages 232 to 233.

- 1. Property management:** The Property Managers team consists of some fifteen specialists in building techniques (heating, HVAC, electricity, security, etc.) and in administrative and financial management, and is responsible for the operation and technical maintenance of the buildings in the portfolio. It manages the buildings while improving tenants' satisfaction and comfort and developing a regular and transparent relationship with them with a view to better meeting their expectations.
- 2. Space planning & Project Management:** The Space planning & Project Management team provides turnkey solutions by assisting current and prospective tenants with the design and implementation of their real-estate projects. With its knowledge of the building and its experience, it aims to show tenants the qualities of each space on offer in terms of flexibility, comfort and efficiency. It also aims to raise tenants' awareness of the importance of good management of office space in line with the building's various intrinsic technical characteristics, to anticipate and where possible avoid any short- and medium-term technical, comfort (especially in terms of indoor air quality), security and energy consumption problems.
- 3. Environmental support:** Befimmo now has an in-house team of five people experienced in energy and environmental management whose main role is to enhance the performance of the portfolio. Among these specialists, the Green Adviser plays an important role in the day-to-day analysis and monitoring of the buildings' consumption data. He ensures that conditions of tenant comfort are complied with and maintained, and he is also responsible for checking on the ground that the energy-efficiency measures taken in operational buildings are properly implemented and effective.

In 2016, Befimmo plans to start sharing the skills and expertise of its specialists with its tenants, and is offering them a comprehensive personalised support service aimed in particular at reducing their energy consumption and waste production. Befimmo is also able to offer support with procedures relating to the issue of environmental permits and support for any tenant wishing to obtain BREEAM certification for its organisation.

- 4. Facility Management:** Befimmo is studying and, over the coming months, plans to develop a new facility-management service, offering occupants of its buildings a range of services, notably surveillance, security, cleaning, technical maintenance of private areas and ordering of various supplies. This will help to facilitate tenants' everyday lives by outsourcing an activity that generally consumes their time and energy but is not part of their core business. This will enable tenants to benefit from Befimmo's expertise in choosing environmentally and socially responsible suppliers and also from lower prices owing to the economies of scale achieved through joint purchasing.

Equipment

In another initiative to retain its tenants, Befimmo also strives to equip its buildings appropriately. Accordingly, depending on the characteristics of the buildings (rental situation, location, etc.), tenants are gradually being offered common well-equipped meeting rooms, co-working spaces, restaurants and/or a catering service, a nursery, a fitness centres, bicycle parking areas equipped with lockers and terminals for electric vehicles (bicycles and cars).

In response to the evolution of the working methods, Befimmo, as a proactive landlord, has already implemented several projects, notably at its Ikaros Business Park site, located in the Brussels periphery, which is equipped in line with the latest trends in efficiency and working comfort, and offers all tenants a nursery, restaurant, fitness centre, etc. Another example is the provision of flexible meeting rooms on the ground floor of the Blue Tower building. At an ideal location in the heart of the Louise district, these meeting rooms are equipped with the latest audio-visual technologies and are offered to tenants of the portfolio at attractive prices, and also to any other companies wishing to rent a room for one or more meetings.



DIALOGUE

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

ISSUES

raised by stakeholders:

- educate and raise awareness among tenants of the “green lease”;
- a joint project with tenants and their community;
- satisfaction survey;
- loyalty;
- place the manager and the maintenance company as a link between the owner and the tenant;
- 24-hour helpdesk.

COMMITMENTS

Befimmo undertakes to:

- educate its tenants on aspects of Social Responsibility;
- improve dialogue with tenants and follow up their requests and implement specific measures.

Main achievements and objectives

Provision of an environmental cooperation agreement G4-EN27

Befimmo proposes its tenants an environmental cooperation agreement related to each lease. After visiting private spaces, the Environmental Technical Team (ETT) suggests measures to the occupants for improving environmental performance of their private installations in line with the BREEAM standards followed by Befimmo. On the basis of a detailed analysis of private consumption and internal benchmarking, the ETT also suggests measures for cutting energy consumption and waste production. It also offers support, a telemonitoring and detailed reporting of environmental data for the rented premises.

The environmental cooperation agreement is routinely offered to new tenants and to all existing tenants on a gradual basis. In 2015, Befimmo offered an environmental cooperation agreement for five buildings occupied by three major tenants.

Objectives for 2016

In 2016, Befimmo plans to meet, dialogue with and educate many tenants through the environmental cooperation agreement. It also plans to measure the positive impact of the process by inventorying savings and improvements brought about through close cooperation with tenants.

It will continue to approach a number of existing tenants with the highest private electricity consumption and offer to help them reduce it. Meanwhile it will offer its cooperation and services systematically to all new tenants from 2016.

Provision of a Building User Guide (BUG) G4-EN27

The BUG is a guide for the tenants of the building for the proper operation of the installations and for limiting its environmental footprint. So far, a BUG has been drafted for 12 buildings. A list of priority buildings has been drawn up for further BUGs to be drafted and distributed to tenants.

Objective for 2017

The objective is to finalise and distribute BUGs for all Befimmo buildings managed by the Property Management. There are 49 buildings in total. 24 BUGs will be drafted and circulated in 2016 and 13 in 2017. Property Management will send this document to new and existing tenants alike.

Helpsite G4-EN27

The Helpsite will be made available to tenants of the Befimmo portfolio in early 2016. This powerful tool will help the Property Management to optimise management and allow tenants to monitor their requests effectively. It is an automated system that covers the entire operational management of the buildings and allows the Property Manager to plan, implement and monitor services.

Objective for 2016

This collaborative online application will provide secure external access to tenants (and suppliers) and will be operational for all tenants in the Befimmo portfolio during the first half of 2016.

Setting-up and provision of a communication platform G4-EN27

Befimmo intends to improve the dialogue with tenants by providing them with an extranet-type communication platform, so that it can publish documents from Property Management, the BUG, the Environmental Cooperation Agreement, etc., and also for exchanging private information.

Objective for 2016

This platform is under development and will gradually be made available to tenants at the end of the first half of 2016.

HEALTH & SAFETY 

Accountability for the health and safety of tenants.

ISSUES

raised by stakeholders:

- indoor air quality;
- building security;
- reliable and compliant materials.

COMMITMENTS

Befimmo undertakes to:

- ensure the safety of its tenants in the buildings, with a focus on work sites in occupied buildings;
- ensure good air quality in the buildings in the portfolio;
- use good quality sustainable materials.

Main achievements and objectives

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

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

Incidents G4-PR2 G4-PR9

No major incidents were reported during fiscal year 2015.



GOVERNANCE¹

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



DIALOGUE & COMMUNICATION



RESPONSIBLE VALUE CHAIN



ETHICS



COMPLIANCE

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

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

For the prevention of conflicts of interest and market abuse, Befimmo is governed by the legal provisions applicable as a listed company and a BE-REIT (SIR/GVV), and by the additional rules it has laid down in its corporate governance charter. Befimmo therefore imposes stricter requirements than the law where it deems appropriate.

The General Counsel & Secretary General (member of the Executive Officers Committee) is responsible for updating and compliance with the code of ethics and the corporate governance charter. She also holds the position

of Compliance Officer and, in that capacity, ensures compliance with internal rules and procedures to prevent the risk of market abuse.

► “Corporate governance statement, on page 122”

Befimmo also pays particular attention to the reliability of the reporting process, and rigorous, accurate and transparent financial and non-financial communication.

Befimmo is aware that a significant part of its environmental and also societal impact is upstream in its value chain, and it wants to go beyond responsibility for its own activities by educating its suppliers through responsible management of its value chain.

The main priorities related to this topic are **dialogue and communication with stakeholders, ethics, compliance and the value chain.**



CDP 96 C



83%



Responsive



EPRA Gold Award

DIALOGUE & COMMUNICATION

Maintain a dialogue with the individuals and entities affected by the Company's business, and communicate transparently on initiatives taken, and follow them up.

ISSUES

raised by stakeholders:

- programme of specific, realistic, simple, coherent and understandable measures devised in cooperation with all stakeholders;
- clear vision, long-term objectives, ambitious and bold, exemplary and pioneering;
- regular, targeted and relevant communication, under management leadership, using benchmarks;
- implementation of governance integrated into the overall strategy, transparency.

COMMITMENTS

Befimmo undertakes to:

- maintain an ongoing dialogue with stakeholders and intensify the dialogue with investors and shareholders;
- adopt best practice, analyse its relevance and take the necessary action;
- continually develop a realistic action plan of specific measures that are realistic, measurable and meet stakeholders' expectations;
- communicate transparently and adapt the communication to the various stakeholders (type, means, frequency, etc.).

1. The Action Plan for 2016, in particular the part related to Governance, is annexed to this Report on pages 234 to 236.

Main achievements and objectives

Dialogue G4-26

With the aim of continuously improving its position as a responsible business and landlord, Befimmo conducts a regular dialogue with all its internal and external stakeholders.

Objective

Befimmo's objective is to continually improve the regular dialogue with all its stakeholders, enhancing the communication tools, adapting them to each stakeholder (website for investors and tenants, intranet for the team, presentations, reports, Helpsite and extranet available to tenants, etc.) and also to continue responding to CDP, GRESB, Vigeo, etc. published by institutional investors.

? "CDP, GRESB, Vigeo"

Transparent communication G4-32 G4-PR7

Befimmo also pays particular attention to the reliability of the reporting process, and rigorous, accurate and transparent financial and non-financial communication.

For some years now, throughout its Report, Befimmo has been following the trend towards standardisation not only of financial reporting but also of reporting on Social Responsibility, by subscribing to the indicators published by EPRA, the GRI-G4 ("Compliance" - Essential criteria) guidelines and those for the real-estate sector, GRI-CRESS.

Awards G4-15

For reporting, Befimmo won the following prizes during fiscal year 2015:

- Befimmo was awarded the "EPRA Gold Award Financial Reporting" for its Annual Financial Report 2014 and for the first time the "EPRA Gold Award Sustainability Reporting" for its Social Responsibility Report;
- Befimmo achieved a score of 83%, equivalent to GRESB "Green Star" status;
- Befimmo further improved its score with CDP by obtaining 96 (Disclosure score) and C (Performance score) for the 2015 CDP questionnaire;
- Befimmo obtained "Responsive" level for its Vigeo reporting.

Objective

To pursue and continually improve communication in line with the current reference standards.

RESPONSIBLE VALUE CHAIN



G4-SO10 G4-LA14 G4-LA15 GA-EN32 G4-EN33 G4-HR10 G4-HR11

Responsible management of the value chain, sustainable procurement policy and dialogue with suppliers.

ISSUES

raised by stakeholders:

- go beyond its own activities;
- dialogue with stakeholders.

COMMITMENTS

Befimmo undertakes to:

- dialogue with its suppliers and subcontractors so that more account is taken of sustainable development in its "core" and "corporate" procurement;
- analyse the value chain to enhance its sustainable performance;
- improve its procurement terms by incorporating sustainable aspects.

Main achievements and objectives

Befimmo is aware that a significant part of its environmental and also societal impact lies upstream in its value chain, with its suppliers. Its responsibility therefore extends beyond its own business and it must educate and inspire all of its stakeholders to achieve its qualitative and quantitative objectives as far as possible.

Accordingly, in the second half of 2015 Befimmo embarked on a comprehensive analysis of its value chain in order to make its procurement system more structured and professional, to assess its suppliers and integrate environmental and social criteria into its "core" and "corporate" procurement.

This study, conducted in cooperation with management and the various departments concerned, is structured in several stages:

- Individual analysis of the various categories of products and services, divided into three segments: Management (operational portfolio), Sites (renovation projects) and Corporate (various purchases and services for routine operation).
- Preparation of a matrix, notably the Kraljic matrix, to position each procurement category on two axes: (i) **risk**, assessed according to the position of the buyer in relation to its suppliers (negotiation, availability, substitutes) and criticality of the product/service, and (ii) **spendlevel** of the product/service (proportion of the category in Befimmo's total spending).
- Analysis of the various components of the products/ services, and development of sustainable procurement criteria (for the relevant procurement categories).

The matrix highlights the procurement categories (products and services) that Befimmo has to prioritise in accordance with their potential for action. The categories in the bottom half of the matrix (Routine and Leverage), present a low risk for Befimmo in the case of a stricter requirement relating to the conditions and criteria for sustainable procurement. The Company may therefore act primarily on these categories in function of the level of spending.

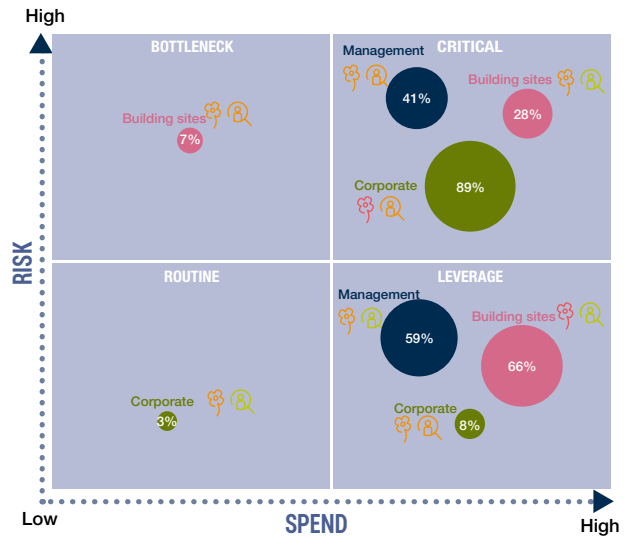
Conversely, the categories in the top half of the matrix (Bottleneck and Critical) present a higher risk in the case of a stricter requirement relating to the conditions and criteria for sustainable procurement. Befimmo will therefore have to act more cautiously on these categories.

Objective

Continue this analysis process begun in 2015 and complete it by the end of 2016.

The next major steps to be taken in cooperation with the teams involved in 2016 are: (i) to hold meetings with selected key suppliers; (ii) to devise a new sustainable procurement policy and charter; (iii) to devise, select and implement new sustainable purchasing criteria; and (iv) to communicate internally (with buyers) and externally (with suppliers) to ensure that the new policy is implemented properly.

Preliminary results of this initial analysis including all products and services (“core” and “corporate”) related to Befimmo’s business



	Environmental Impact	Social Impact	% of spending of the segment
High	🔴	🔴	
Medium	🟡	🟡	
Low	🟢	🟢	

ETHICS ⚖️

G4-56 G4-57

Prevention of the risks of corruption, anti-competitive behaviour, conflicts of interests, risk to reputation and raising awareness of ethics and compliance with the law.

ISSUES

- raised by stakeholders:
- corporate culture;
 - values;
 - code of ethics.

COMMITMENTS

- Befimmo undertakes to:
- establish procedures and take measures to guarantee ethical standards at all levels of Befimmo;
 - prevent the risks of corruption, anti-competitive behaviour, conflicts of interest, etc.

Main achievements and objectives

Code of ethics, dealing code and governance charter G4-SO4

An updated dealing code (which aims to prevent the risk of illegal insider trading and market abuse) for the whole team has been posted on the Company’s intranet. This update was followed by a briefing session organised by the General Counsel to inform the team about the content of this document and remember the contents of the code of ethics. The new version of the dealing code must then be approved and signed by each employee. Moreover, each new employee receives and signs the dealing code for acceptance when he begins his career at Befimmo, on the occasion of an individual training organized by the General Counsel.

Objective

The dealing code and the code of ethics, published on the Company’s website, are also being reviewed on an ongoing basis to determine whether it should be updated.

Raising awareness in maintenance companies G4-EN27

G4-EN27

Befimmo is aware that improving the environmental and energy quality and performance of its buildings also calls for continuous dialogue with the maintenance teams working on the maintenance and operation of the technical installations of its buildings.

Objective

Train and educate all maintenance companies in CSR. Add a “Sustainable development and energy performance” addendum to existing contracts and devise new environmental performance terms for new contracts.

COMPLIANCE

Compliance with legislation in force and a proactive attitude towards the authorities.

ISSUES

raised by stakeholders:

- go further;
- anticipate;
- be proactive and engage in dialogue with the authorities.

COMMITMENTS

Befimmo undertakes to:

- ensure compliance with regulations in force;
- anticipate and be proactive in dialogue with the Belgian and European public authorities, and trade associations, notably regarding future regulations.

Main achievements and objectives

Energy Performance Certificates (EPB) and EPB certification for heating and air conditioning

G4-EN29

Befimmo has “Offices and services” energy performance certificates for all its buildings in Brussels. “Public building” certificates, which are mandatory for occupying some administrative buildings in Brussels, are applied for by the relevant administrations and displayed in most of the buildings concerned. In Flanders, “Public building” certificates are available and displayed in most of the buildings concerned, while in Wallonia the obligation to display is foreseen as of 2019. The Axento building in Luxembourg also has a certificate.

The buildings located in Brussels were also audited in 2014-2015 to check compliance with the EPB heating and air-conditioning regulations, notably by analysing compliance with the requirements of the environmental permits. Special measures were taken immediately to bring the installations into compliance, with the exception of a few buildings on leasehold, where the agreement makes the lessee responsible for compliance.

Objective for 2016

When major works are carried out, Befimmo ensures that the certificates are updated, as was previously the case following renovations in various buildings. In 2016, on the basis of all the measures for improving energy performance implemented since 2011 (when the certificates were issued) in the operational portfolio in Brussels, Befimmo will also consider whether to update the energy performance certificates of certain strategic buildings.

Although theoretical, the data on the certificates are also compared with the actual specific consumption figures.

Internal audits and analysis of compliance with the operating conditions of environmental permits

Since 2013, at its own initiative Befimmo has begun, for its operational buildings, to conduct audits of compliance with the requirements of the operational environmental permits it holds. The objective of this approach is to ensure proper compliance with its obligations and also to anticipate the action it needs to take in response to new requirements (applicable in the most recent permits) in the context of the renewal and/or extension of certain expiring permits.

At the end of 2015, the audits conducted covered 65% of the environmental permits for Befimmo’s portfolio (excluding Fedimmo).

Objectives for 2016-2017

Continue and finish bringing audited permits into compliance. Audit the remaining environmental permits held by Befimmo.

GENERAL INFORMATION G4-32

Contact person & Further information

G4-31

Emilie Delacroix - CSR Manager
e.delacroix@befimmo.be - +32 2 679 38 63

Social Responsibility FAQs

Many external stakeholders are interested in our Social Responsibility 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 Social Responsibility. This document is available on the Befimmo website at www.befimmo.be, together with important new data and the main issues raised by stakeholders.

Reference to external standards

For some years now, Befimmo has been following the trend towards standardisation of financial reporting and also reporting on Social Responsibility, by adopting the indicators published by **EPRA**, the **GRI-G4** guidelines ("Compliance" – Essential criteria) and those for the real-estate sector, **GRI-CRESS**.

The summary table of all the EPRA indicators can be found on page 91 of this Report, while the index of GRI content is published on the Company's website www.befimmo.be/sites/default/files/imce/publications/2015/gri_uk_2015.pdf

Reporting period

G4-28 G4-29 G4-30

This Report covers activities over the 2015 fiscal year. It follows the Annual Financial Report 2015. The perimeter is set at 31 December 2015.

Reporting perimeter and changes since 1 January 2015

G4-13 G4-22 G4-23

The floor area of the Company's portfolio was changed during fiscal year 2015 by the following events:

- disposals of the buildings at Avenue de Stassart in Namur, Kasteelstraat 19 in Izegem and Digue des Peupliers in Mons;
- the incorporation into the portfolio, as work progresses, of the Gateway building

The reporting perimeter for sustainable development activities covers the activities of Befimmo SA and its subsidiaries, Fedimmo SA, Meirfree SA, Vitalfree SA, Axento SA and Beway SA. Befimmo's commitments to sustainable development apply to its whole portfolio. We would point out, however, that the policy implemented by Befimmo at operational level cannot be applied in the same way to the Fedimmo portfolio.

The Environmental Management System (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

G4-33

Befimmo commissioned Deloitte to carry out a limited assurance review. Data marked with the **V** symbol have been audited by Deloitte as part of this limited assurance review. The Deloitte Report can be found in this chapter on page 119.

Content Index Service

GRI-G4

As part of its reporting GRI-G4, Befimmo has made use of the GRI Content Index Service to help improve accuracy in the GRI content index and ensure that it is aligned with GRI G4-32. This service is designed to improve transparency in GRI reporting.

Methodology

The reporting Methodology is described on pages 101 to 102 of this Report.

FURTHER INFORMATION

Befimmo's website (www.befimmo.be) provides additional information that may be a helpful supplement to the Social Responsibility chapter of this Annual Financial Report. This includes:

- index table of GRI content;
- interaction with stakeholders;
- analysis of stakeholder expectations;
- Social Responsibility policy (March 2016);
- the Social Responsibility chapter from previous Annual Financial Reports, as well as this one;
- previous Annual Financial Reports;
- ISO 14001 certificate;
- BREEAM certificates;
- environmental passports;
- Social Responsibility Action Plan;
- external stakeholders' answers to questionnaires;
- questionnaire for external stakeholders.

? To facilitate the reading of this chapter, a glossary is provided on page 210 of this report.

LIMITED ASSURANCE REPORT

Statutory auditor's report on the limited review performed on selected environmental performance indicators published in the Annual Financial Report of Befimmo SA of 31 December 2015

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 2015 (“the Annual Financial Report”). The environmental performance indicators have been defined following the guidelines of the “Global Reporting Initiative” GRI-G4, EPRA Best Practice Recommendations (BPR) (2nd version September 2014) and GHG protocol guidelines scope I, II, III. The Data have been selected by Befimmo SA and are identified with the symbol **V** in the tables as mentioned on pages 91 to 100 and 237 to 243 of the Annual Financial Report.

The scope of our work has been limited to the Data covering the year 2015 and including the selected environmental performance indicators of the buildings of Befimmo SA, Fedimmo SA, Axento SA and Beway 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-G4, the EPRA Best Practice Recommendations (BPR) (2nd version, September 2014) and GHG protocol guidelines scope I, II, III, as described in chapter “Social Responsibility” of the Annual Financial Report.

This responsibility includes the selection and application of appropriate methods for the preparation of the Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the Board of Directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the Data.

The choices made by the Board of Directors, the scope of the chapter “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 101 to 102 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 2015 environmental performance indicators identified with the symbol **V** in the tables as mentioned on pages 91 to 100 and 237 to 243 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 **V** in the tables as mentioned on pages 91 to 100 and 237 to 243 of the Annual Financial Report have not been prepared, in all material respects, in accordance with GRI-G4 guidelines, the EPRA Best Practice Recommendations (BPR) (2nd version, September 2014) and GHG protocol guidelines scope I, II, III.

Diegem, 14 March 2016

The Statutory Auditor

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

Rik Neckebroeck

Emilie Delacroix - CSR Manager,
has been working at Befimmo since 2003,
CSR mum

"The main things I like about the Goemaere building are the location and the "environment".

I love the contrast between the view of the viaduct on one side, representing business, reality, life rushing by, the bustle, traffic jams, etc. and, on the other side, green, nature, dreams, fullness, calm... In short, two great facets of life!

I also like its location... close to home. I come to work by bike on a green track: a relaxing and healthy time, and also a huge benefit to my work-life balance.

Its environment is excellent for running enthusiasts (like me) and nature lovers... next to one of Brussels' most beautiful parks, Rouge Cloître, and the Forêt de Soignes. Finally, on a fun note, every time we pass by this building, my daughters tell me I'm really lucky to work in a pink building..."



Ludovic Wendel - Chief Accountant,
has been working at Befimmo since 2004, humanist

"To my mind, the Goemaere building is a very tranquil work place, bordered by the Forêt de Soignes and located close to the E411 motorway. As a man from the Brabant countryside, for me it's an excellent compromise for working in the "city".

At lunch time I sometimes take a walk around Rouge Cloître: it's an ideal place for shaking off a stressful day.

To enjoy the beauty of the site, I just look out of the window and watch the trees dancing in time to the wind. Sometimes I think of our office as an observatory in the middle of the vegetation, when through the tinted windows I can watch small animals a few metres away without scaring them.

I hope I'll be able to enjoy this exceptional environment for a long time to come... "

GOEMAERE





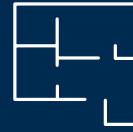
11 years

Befimmo
headquarters



SWOW

The Smart Ways Of Working
will be implemented in 2016



7,000 m²

Surface



Belgium — Brussels decentralised — Chaussée de Wavre 1945 — 7,000 m²
Architect: Assar



CORPORATE GOVERNANCE STATEMENT



G4-38 G4-39

MEIR, ANTWERP



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

PRINCIPLES G4-15

Befimmo applies the Belgian Corporate Governance Code, which entered into force on 1 January 2005 and was revised for the first time on 12 March 2009 (hereinafter, the "2009 Code"), which is the reference Code within the meaning of article 96(2)(1) of the Code of Company Law. It is available on the website of the Belgian Official Gazette and on the website: www.corporategovernancecommittee.be. The Board of Directors declares that to its knowledge, the corporate governance practised by Befimmo complies with the 2009 Code.

The following documents, which give a detailed overview of the Company's governance, are all published on the Befimmo website: the corporate governance charter, code of ethics, dealing code 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 Appointments and Remunerations Committee;
- the terms of reference of the Executive Officers;
- the terms of reference of the internal audit;
- the remuneration policy.

The governance charter was last amended on 15 December 2015 to reflect the share ownership structure at that date. The terms of reference were most recently amended on 13 November 2014, when Befimmo adopted the status of BE-REIT (SIR/GVV)¹. Meanwhile, the dealing code was last updated on 11 May 2015.

@ www.befimmo.be

MANAGEMENT STRUCTURE G4-34

Board of Directors

Composition of the Board of Directors

Principles

In accordance with the articles of association of Befimmo, the Board of Directors is composed of at least three Directors, appointed for no more than four years by the General Meeting, and must include at least three independent Directors who meet the criteria of article 526 ter of the Code of Company Law. Directors may be re-elected.

The composition of the Board of Directors of Befimmo reflects a triple degree of independence in that, in accordance with the charter of corporate governance, it must be composed of:

- a majority of non-executive Directors;
- at least three Directors who are independent within the meaning of the Code of Company Law and the Belgian Corporate Governance Code, and
- a majority of Directors not linked to the Company's shareholders.

As regards the composition of the Board, the Company values complementary skills, experience and know-how and intends to comply with the provisions of article 518 bis of the Code of Company Law regarding gender diversity on the Board in 2017. As at 31 December 2015 the Board of Directors was composed of 11 members including 3 women. Three directorships expire at the General Meeting of 26 April 2016 and it will be proposed to renew two of them. From 26 April 2016 Befimmo will therefore satisfy the provisions on gender diversity (3 women out of 10 members).

Each Director should also have personal qualities that enable him to carry out his duties in a flexible and collective manner, but with a fully independent mind. He must have an impeccable reputation for integrity (notably in terms of confidentiality, and prevention of conflicts of interest and insider trading) and have a critical mind, a business sense and the ability to develop a strategic vision. He must also have the time to prepare and attend meetings of the Board and meetings of any specialist Committee(s) of which he is a member.

1. Until that date it had the status of a Fixed-Capital Real-Estate Investment Company (SICAFI).

In accordance with article 14(1)(2) of the law of 12 May 2014 on BE-REITs, members of the Board of Directors, or their permanent representatives, must at all times have the necessary professional integrity and expertise appropriate to the exercise of their duties and may not be subject to the prohibitions referred to in article 20 of the law of 25 April 2014 on the status and control of credit institutions. The members of the Board of Directors must be natural persons. The legal persons exercising a directorship or Management Committee membership of the Company at the date of the entry into force of the BE-REIT law, are however authorised to pursue their ongoing mandate until it expires.

Composition of the Board of Directors as at 31 December 2015

At 31 December 2015, the Board consisted of 11 Directors, specifically:

- 1 Executive Director;
- 10 non-executive Directors, including 5 independent Directors meeting the criteria of article 526 ter of the Code of Company Law and 3 Directors linked to a shareholder.

The reader is reminded that, until 20 December 2012, the Company had the form of a Partnership Limited by Shares and was managed by its managing agent, which was a legal person. The Directors who were appointed for the first time by the Company's Extraordinary General Meeting of 20 December 2012, after it was transformed into a Limited Liability Company, therefore began a directorship in a separate legal entity. However, the Company considered it appropriate to take account of the mandates of the Directors who previously sat on the Board of Directors of the former managing agent of the BE-REIT (whether as individuals or as representatives of a corporate Director), before it was transformed into a Limited-Liability Company.

Accordingly, the Directors of the first Board of the Company, after the transformation, were appointed for a term up to the end of the mandate they were serving with the former managing agent of the Company, at the time the Company was transformed into a Limited-Liability Company.

Similarly, when considering the criterion of a maximum of three consecutive terms lasting no more than 12 years, in the same Board of Directors (article 526 ter of the Code of Company Law), the Company takes account of number of terms served and the years elapsed as an independent non-executive Director of the former managing agent.

Changes in the composition of the Board of Directors during fiscal year 2015

The mandates of the following Directors expired at the end of the Ordinary General Meeting of 28 April 2015:

- Alain Devos SPRL, represented by its permanent representative, Mr Alain Devos;
- BDB Management SPRLu, represented by its permanent representative, Mr Benoît De Blicq;
- Etienne Dewulf SPRL, represented by its permanent representative, Mr Etienne Dewulf;
- Mr Hugues Delpire;
- Mr Benoît Godts;
- Roude BVBA, represented by its permanent representative, Mr Jacques Rousseaux;
- MarcVH-Consult BVBA, represented by its permanent representative, Mr Marcus Van Heddeghem.

A new Director was appointed at the Ordinary General Meeting of 28 April 2015: Sophie Malarme-Lecloux was appointed an independent Director for a term of two years, expiring after the Ordinary General Meeting of 2017.



FROM LEFT TO RIGHT:
 JACQUES ROUSSEAUX,
 ETIENNE DEWULF,
 SOPHIE MALARME-LECLOUX,
 HUGUES DELPIRE,
 ALAIN DEVOS,
 BENOÎT DE BLIECK,
 SOPHIE GOBLET,
 ANNICK VAN OVERSTRAETEN,
 BENOÎT GODTS,
 GUY VAN WYMERSCH-MOONS,
 KURT DE SCHEPPER

The Ordinary General Meeting also:

- renewed:
 - the mandate of Mr Hugues Delpire, as an independent Director for a term of 4 years, expiring after the Ordinary General Meeting of 2019;
 - the mandate of Mr Benoît Godts, as a Director for a term of 2 years, expiring after the Ordinary General Meeting of 2017.
- appointed¹:
 - Mr Alain Devos, as a Director for a term of three years, expiring at the end of the Ordinary General Meeting of 2018;
 - Mr Benoît De Blicck, as a Director for a term of four years, expiring at the end of the Ordinary General Meeting of 2019;
 - Mr Etienne Dewulf, as an independent Director for a term of three years, expiring at the end of the Ordinary General Meeting of 2018;

- Mr Jacques Rousseaux, as a Director for a one year term, expiring at the end of the Ordinary General Meeting of 2016.

The Board of Directors of Befimmo then appointed:

- Mr Alain Devos as Chairman of the Board of Directors of Befimmo, for the same term as his directorship;
- Benoît De Blicck as Managing Director for the same term as his directorship.

A brief description of the career of each of the Directors or, in the case of companies acting as Director, of their permanent representatives, and a list of posts held – other than in the BE-REIT – by the Directors over the previous five calendar years, is set out hereafter.

The Board of Directors met 20 times during the fiscal year.

Composition of the Board of Directors as at 31 December 2015

NAME AND POSITION ON THE BOARD OF DIRECTORS	FIRST APPOINTED	EXPIRY OF CURRENT MANDATE	BOARD MEETINGS ATTENDED OVER THE 2015 FISCAL YEAR
Alain Devos Chairman, non-executive Director	December 2012 ²	April 2018	20
Benoît De Blicck Executive Director	December 2012 ³	April 2019	19
A.V.O. Management SPRL represented by its permanent representative, Annick Van Overstraeten, independent non-executive Director	April 2014	April 2016	18
Sophie Malarme-Lecloux independent non-executive Director	April 2015	April 2017	12 of 14 meetings (from 28 April 2015)
Sophie Goblet independent non-executive Director	April 2013	April 2017	18
Hugues Delpire independent non-executive Director	December 2012 ⁴	April 2019	20
Etienne Dewulf independent non-executive Director	December 2012 ⁵	April 2018	20
Benoît Godts non-executive Director, linked to a shareholder	December 2012 ⁶	April 2017	17 ⁷
Kadees BVBA represented by its permanent representative, Kurt De Schepper, non-executive Director, linked to a shareholder	April 2014	April 2016	16
Jacques Rousseaux non-executive Director	December 2012 ⁸	April 2016	20
Guy Van Wymersch-Moons non-executive Director, linked to a shareholder	September 2013	September 2017	17 ⁹

1. Pursuant to the law of 12 May 2014 on BE-REITs (SIF/GVV), the duties of directors of BE-REITs must be performed by natural persons. The BE-REIT law incorporates a transitional provision, however, under which the mandates of corporate Directors that were ongoing at the time of its entry into force, may continue until their statutory expiry date. Accordingly, to replace the corporate Directors whose mandates expired on that date, the Befimmo Ordinary General Meeting of 28 April 2015 appointed the former permanent representatives of those corporate Directors.

2. Mr Alain Devos was first appointed Director of the former managing agent of Befimmo in October 2002.

3. Mr Benoît De Blicck was first appointed Director of the former managing agent of Befimmo in August 1999.

4. Mr Hugues Delpire was first appointed Director of the former managing agent of Befimmo in March 2011.

5. Etienne Dewulf SPRL, represented by its permanent representative Mr Etienne Dewulf, was first appointed an independent Director of the former managing agent of Befimmo in March 2011.

6. Mr Benoît Godts was first appointed Director of the former managing agent of Befimmo in November 1995.

7. Under the rules to prevent conflicts of interest, contained in the Company's corporate governance charter, Mr Benoît Godts did not attend three Board meetings, during which certain investment projects were discussed.

8. Roudé BVBA, represented by its permanent representative, Mr Jacques Rousseaux, was first appointed an independent Director of the former managing agent of Befimmo in March 2006.

9. Under the rules to prevent conflicts of interest, contained in the Company's corporate governance charter, Mr Guy Van Wymersch-Moons did not attend two Board meetings, during which certain investment projects were discussed.

MR ALAIN DEVOS (1953)

resident at Camille Lemonnierlaan 17,
8300 Knokke

Mr Alain Devos chairs the Board of Directors of Befimmo. He is also a member of the Appointments and Remunerations Committee. After studying as a Solvay sales engineer at ULB (1975), Mr Devos began his business career as a budget analyst at Sperry New Holland-Clayson. From 1978 to 1989, he held the post of director of the real-estate development department of CFE and went on to join Générale de Banque as head of real-estate finance within the corporate & investment banking department. From 1990 to 2003, he held a number of posts in AG Insurance (formerly Fortis AG), his last post as a member of the executive committee. Next, he was CEO of AG Real Estate SA (formerly Fortis Real Estate) from 2003 to April 2012, and held various directorships in companies affiliated to AG Real Estate SA, as shown in the list below.

Other positions held at 31 December 2015

Mr Alain Devos is manager of Alain Devos SPRL; Non-managing agent of A3 Management; Manager of Allfin Group; Director of Equilis SA; Director of Compagnie Het Zoute NV; Member of the Advisory Board of VK Group; Member of the Board of Trustees of Guberna; Fellow Member of the Royal Institution of Chartered Surveyors (FRICS).

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Alain Devos was permanent representative of Alain Devos SPRL, CEO of AG Real Estate SA; Director of the Professional Union of Real-Estate Sector (UPS); Permanent representative of Alain Devos SPRL on the board of directors of the following companies: Director of Ascencio SA; Managing agent of the REIT Ascencio SCA; Director of Access SA; Director of AG Finance SA; Director of AG Real Estate Asset Management SA; Director of AG Real Estate Development SA; Director of AG Real Estate Finance SA; Director of AG Real Estate Group Asset Management SA; Director of AG Real Estate Management SA; Director of AG Real Estate Property Management SA; Director of Association for Actions Countering Exclusion in Brussels; Director of Beheercentrale SA; Director of Centre 58 SA; Chairman of Citymo SA; Director of Crystal-Cortenbergh SA; Director of DBFM Scholen van Morgen SA; Director of FScholen SA; Director and vice-chairman of Interparking Group; Director of North Light SA; Director of North Star SA; Director of Nouvelles Galeries du Boulevard Anspach SA; Director of Parc de l'Alliance SA; Director of Parc des Louvresses I SA; Director of Parc des Louvresses II SA; Director of Parc des Louvresses III SA; Director of Parc des Louvresses IV SA; Director of Pole Star SA; Director of Shopimmo SA; Director of Société de Développement Commercial d'Anderlecht pour 2000 SA; Chairman of Société de Développement Immobilier Conseil SA; Chairman of Société Hôtelière du Wilcher's SA; Chairman of Toleda Invest SA; Chairman of Warehouse and Industrial Properties SA.

MR BENOÎT DE BLIECK (1957)

with business address at Chaussée de Wavre 1945,
1160 Auderghem

Mr Benoît De Blieck is Managing Director of Befimmo. He is a civil engineer (ULB, École Polytechnique, 1980), and a postgraduate (Cepac) of the Solvay Business School (ULB, 1986). He began his career in 1980 at Entreprises Ed. François & Fils, later to become CFE, in charge of a number of building sites in Saudi Arabia (1980-1985) and project studies in China, Zaire and Egypt (1985-1988). He was then responsible for real-estate project development, first at Codic (1988-1990) and later at Galliford (1990-1992). From 1992 to 1999 he was a member of the management committee of Bernheim-Comofi SA (then a subsidiary of Groupe Bruxelles Lambert), responsible for international development. He was then appointed Managing Director of Befimmo in August 1999 and of its subsidiary Fedimmo in December 2006.

Other positions held at 31 December 2015

Mr Benoît De Blieck is Managing Director of Fedimmo, a subsidiary of Befimmo; Chairman of Beway, a subsidiary of Befimmo; Manager of BDB Management SPRLu; Director of the Professional Union of Real-Estate Sector (UPS); Fellow member of the Royal Institution of Chartered Surveyors (FRICS).

BDB Management SPRLu, represented by its permanent representative, Mr Benoît De Blieck, holds the following positions: Managing Director of Axento, a subsidiary of Befimmo; Director of Meirfree and Vitalfree, subsidiaries of Befimmo; Managing Director of Befimmo Property Services, a subsidiary of Befimmo; Managing Director of Noblieck SA; Managing agent of B.V.R. SPRL.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Benoît De Blieck was Director of the Chambre Belgo-Luxembourgeoise in France; Member of the management board of the European Public Real Estate Association (EPRA).

A.V.O. Management SPRL

represented by its permanent representative,
Mrs ANNICK VAN OVERSTRAETEN (1965),
with its registered office at Ptolemeelaan 12/2,
1180 Brussels

A.V.O. Management SPRL, represented by its permanent representative, Mrs Annick Van Overstraeten, has been an independent Director of Befimmo since 29 April 2014 and a member of the Appointments and Remunerations Committee since 13 May 2014.

Mrs Van Overstraeten has a degree in Economics (KUL – 1987) and obtained a Master's in Management-IAG (UCL – 1992). She began her career in 1987 at Philips, as project leader within the human resources direction. She continued her career in retail, specifically in the textile sector, in various companies and then moved into world of chocolate at Confiserie Leonidas, where she held the post of commercial and marketing director from 1999

to 2004. In 2004, she was appointed director-general of operations at Quick Restaurants Belux SA. She left the company in late 2009. Since 2010, Mrs Van Overstraeten has been CEO and member of the board of directors of the Lunch Garden Group

Other positions held at 31 December 2015

Mrs Van Overstraeten is permanent representative of A.V.O. Management SPRL on the board of directors of Lunch Garden VOF.

MRS SOPHIE GOBLET (1964) resident at avenue Franklin Roosevelt 108, 1050 Brussels

Mrs Sophie Goblet has been an independent Director of Befimmo since 30 April 2013 and a member of the Audit Committee since April 2015. Mrs Goblet has a degree in economics from IAG (University of Louvain-La-Neuve). She began her career in 1988 with ABN AMRO Bank in Amsterdam and London, where she held various positions in corporate finance. In 1993, she joined Income International (a company of the Deficom Group) as a senior consultant in financial and corporate communication. Mrs Goblet was appointed group treasurer of GIB Group in 1993, and went on to become financial director of GIB IMMO SA in 1997. In 1999, she moved into the real-estate sector, joining the executive committee of Codic International, where she served as CFO and corporate secretary until 2012.

Other directorships expired as at 31 December 2015, held during the period 2011-2015

In Belgium: Director of Codic Belgium SA; Director of Société Financière SA; Director of Espace Beaulieu SA; Director of Les Jardins d'Ostende SA; Director of Les Portes d'Ostende SA; Director of Boreas Development SA; Director of EOS Development SA; Director of La Hulpe Campus Management SA; Director of La Hulpe Campus Development SA; Director of Immo Charle Albert SA; Director of Vesta Invest SA; Manager of IJB SPRL; Manager of Phoenix SPRL; Director of Codic Hongrie SA; Director of Codic Roumanie SA; In Luxembourg: Director of Codic Luxembourg SA; Director of Codic Development SA; Director of Certificate Étoile SA; Director of Espace Monterey SA; Director of K2 A SA; Director of K2 B SA; Director of K2 C SA; Director of K2 D SA; Director of K2 E SA; Director of K2 F SA; Director of L2 A SA; Director of L2 B SA; Director of Tosco SA; Director of Carré d'Or Invest SA; Director of Espace Carré d'Or SA; In France: Director of Tosniop SA; In Spain: Director of Codic Promotions SL; In Romania: Director of Codic RO SPRL; Director of Espace Sighisoara SRL; Director of Espace Ploiesti SRL; In Hungary: Director of Codic Hungary KFT; Director of V84 KFT; Director of Pro Due KFT; Director of Maxima III KFT; Director of TOC KFT.

MRS SOPHIE MALARME-LECLOUX (1970) resident at rue du Plagniau 16, 1330 Rixensart

Mrs Sophie Malarme-Lecloux has been an independent Director of Befimmo since 28 April 2015. Mrs Sophie Malarme-Lecloux holds a Master's degree in Business & Administration - Solvay (Université libre de Bruxelles). She began her career in 1994 as a financial analyst at IBM Belgium before joining ING Brussels, in 1998, as an account manager in corporate banking. In 2002 she continued her career at Sofina, where she held various positions for 14 years in both the financial directorate and the investment team. In 2015, she founded the company FreeBE SPRL, working in management consulting, business coaching and personal and organisational development. She has over 10 years' management experience.

Other positions held at 31 December 2015

Director of Orpea SA (France); Founder and Manager of FreeBE SPRL.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Director of Truflux, Sofilec, Financière Callatay & Wouters and Deceuninck NV.

MR HUGUES DELPIRE (1956) resident at Allée Pré au Lait 23, 1400 Nivelles

Mr Hugues Delpire has been an independent Director of Befimmo and member of the Audit Committee since March 2011; he has been chairing this Committee since 28 April 2015. 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. From 1991 to 1997 he acted as administrative and financial director and member of the steering committee of the international group BTP, listed on the stock exchange as Besix. After taking part in the structuring of Artesia Banking Corporation (Bacob, Paribas Belgique and AP Assurances) as director and financial director of the insurance cluster, as managing director he launched the activities of AXA Real Estate Investment Manager Benelux. Since December 2000, he has been managing director and chief legal & finance officer of the Decathlon group. Since January 2015, he has worked as a financial advisor to Decathlon SA and deputy financial director of Mobilis SAS (Family Office of the Mulliez Family Association). Alongside this business career, Mr Delpire also taught finance in several Belgian universities for more than 15 years.

Other positions held at 31 December 2015

Managing director of Weddell SA; Chairman of the board of directors of Alsolia SA; Director and chairman of the audit committee of ALCOPA SA; Director of Alcodev SA; Member of the supervisory board of Decathlon International Shareholding Plan SCA; Member of the supervisory board of Decaval, a company mutual investment fund under French law.

Directorships expired as at 31 December 2015, held during the period 2011-2015

General manager and member of the executive board of Decathlon SA; Director of Ogea SAS.

MR BENOÎT GODTS (1956)

with business address at avenue des Arts 58, 1000 Brussels

Mr Benoît Godts has been a Director of Befimmo since November 1995 and is a member of its Audit Committee. He was also a Director of Fedimmo until January 2013. 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 BE-REIT Ascencio SCA, as well as chairman of the board of Immo Nation SPPICAV.

Other positions held at 31 December 2015

Mr Benoît Godts is a member of the executive committee of AG Real Estate Finance SA; Director and member of the audit committee of Ascencio SA; Manager of the BE-REIT Ascencio SCA; Director of Investissement Foncier Westland Shopping Center SA; Director of Wolf-Safco NV; Chairman of the board of directors of Immo Nation SPPICAV; Director of the SPPICAV Technical Property Fund 2; Director of Devimo-Consult SA.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Benoît Godts was director of the following companies: Fedimmo, AG Real Estate Asset Management SA, AG Real Estate Management SA, Investissement Foncier Machelen Kuurne SA, Investissement Foncier Woluwé Shopping Center SA, Investissement Foncier Cortenbergh-Le Corrége SA, Investissement Foncier Kortrijk Ring Shopping Center SA, Investissement Foncier Auderghem SA, Investissement Foncier Chaussée de la Hulpe SA, Investissement Foncier Boulevard de Waterloo SA, Investissement Foncier Woluwé Extension SA, Patrimoine Immobilier SA, and Conseil belgoluxembourgeois des Centres Commerciaux.

KADEES BVBA

represented by its permanent representative, Mr Kurt De Schepper (1956), with registered office at 16 Akkerstraat, 2540 Hove

Kadees BVBA, represented by its permanent representative, Mr Kurt De Schepper, has been a Director of Befimmo since 29 April 2014. Mr De Schepper is an actuary. He began his career over 30 years ago at AG Insurance, where he joined the management team and became head of the "employee benefits" channel in 1990. Between 1995 and 2004, he was general manager Europe at Fortis Insurance International, responsible, among other things, for the CaiFor and Fortis Insurance UK joint venture. In 2004, he was appointed chief pension officer at Fortis Holding; in mid-2005, he became business operating officer at AG Insurance,

and since September 2008 he was also responsible for financial assets management. From September 2009 to 1 July 2014, Mr De Schepper was chief risk officer of Ageas, in charge of the risk, legal and compliance departments and support functions (human resources, IT and facility).

Other positions held at 31 December 2015

Mr Kurt De Schepper is chairman and director of Millenniumbcp Ageas SGPS SA, Grupo Segurador, Ageas Portugal, Medis, Companhia Portuguesa de Seguros de Saude SA, Ocidental, Companhia Portuguesa de Seguros SA, Ocidental, Companhia Portuguesa de Seguros de Vida SA and Pensoesgere, Sociedade Gestora de Fundos de Pensões SA.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Kurt De Schepper was a member of the board of directors of AG Real Estate SA.

MR ETIENNE DEWULF (1955)

resident at rue du Ruisseau 10, 1970 Wezembeek-Oppem

Mr Etienne Dewulf has been an independent Director of Befimmo and a member of its Appointments and Remunerations Committee since March 2011; he has been chairing that Committee since 13 May 2014. Mr Dewulf is a graduate in Commercial and Financial Science (ICHEC). He began his career in sales functions at GB-INNO-BM (1981-1983) and Materne Confloux (1983-1985), before moving into corporate banking at Crédit Général (1985-1987). He then found his vocation in the building industry, where he held a number of posts from 1987 to 2010: executive assistant at Maurice Delens SA (later Valens SA) in 1987, then managing director of Soficom Development (1989) and, from 1995 to 2010, managing director of Eiffage Benelux SA. Acting on behalf of Etienne Dewulf SPRL, Mr Dewulf currently works in consulting and routine management, mainly in real estate and building.

Other positions held at 31 December 2015

Mr Etienne Dewulf is chairman of the Professional Union of the Real-Estate Sector (UPSI); Permanent representative of Etienne Dewulf SPRL; Managing director of Thomas & Piron Bâtiment SA (mandate via Etienne Dewulf SPRL); Honorary chairman of the not-for-profit Association des Entrepreneurs Belges de Grands Travaux; Director of the Confédération Paroles d'Ados; Director of Maison de la Route et du Génie Civil SCOSA; Director of Foncière Kerkedelle SA and Bavière Développement SA. SPRL Etienne Dewulf is also managing director of Foncière Invest SA and Coeur de Ville SA; Director of Bureau Cauchy SA and director of BTA Construct SA.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Etienne Dewulf was chairman and managing director of Eiffage Benelux SA and held 46 directorships in companies affiliated to Eiffage Group Benelux.

MR JACQUES ROUSSEAU (1938) resident at Leopoldlaan 21, 8420 De Haan

Mr Jacques Rousseau has been a Director of Befimmo since March 2006. He was also a President of the Audit Committee of Befimmo until 28 April 2015 and a Director of Fedimmo until January 2013.

Mr Rousseau has acquired management know-how and experience as chairman of the management committee of Crédit Agricole, managing director of the Fédération des Caisses Coopératives de 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 GIMM) and public institutions.

Other positions held at 31 December 2015

Mr Jacques Rousseau is the manager of Roude BVBA and permanent representative of Roude BVBA on the board of directors of the following companies: Private Insurer NV (independent director, chairman of the appointments and remunerations committee and member of the audit committee), The Belgian NV (director), Rogimmo NV (director), Belexim NV (director), Immo Stonehill NV (director), Bremimmo NV (director), and Domein Liedeberg NV (director). Mr Rousseau is also a member of the Guberna Board of Trustees.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Jacques Rousseau was chairman of the Guberna Alumni Association and director/treasurer of not-for-profit association Schoolcomité Sint-Jozef. Mr Rousseau was the permanent representative of Roude BVBA on the board of directors of the following companies: Fedimmo (Director) Luxafoil NV (director), Immo Foch NV (director) and NewB ECV (director).

MR GUY VAN WYMERSCH-MOONS (1958) with business address at Boulevard du Souverain 25, 1170 Brussels

Mr Guy Van Wymersch-Moons has been a Director of Befimmo since September 2013. Mr Guy Van Wymersch-Moons was general manager Real Estate of AXA Belgium SA from 2001 until 30 June 2014. He is currently managing director of AXA REIM Belgium SA. He began his career with Urbain-UAP in 1986 as a legal adviser on mortgage loans, and later in life-assurance taxation, before moving to Royale Belge as legal adviser to the department of real-estate investment (1990-2001). He holds a law degree, a notary's licence (UCL) and a master in environmental law (Facultés Universitaires Saint-Louis).

Other positions held at 31 December 2015

Mr Guy Van Wymersch-Moons is a director of Leasinvest Real Estate Management SA; Director of Leasinvest Immo Lux SA - sicavi-fis (LUX); Director of the Professional Union of the Real-Estate Sector (U PSI); Fellow member of the Royal Institution of Chartered Surveyors (FRICS); Managing director of AXA REIM Belgium SA; Director of AXA Real Estate Investment Managers Nederland NV (NL); Director of Parc de l'Alliance SA; Director of Beran SA; Director of Blauwe Toren SA; Director of Brustar One SA; Director of Cabesa SA; Director of Cornaline House SA; Director of Froissart Leopold SA; Director of Immo Foire SA; Director of Immo Rac Hasselt SA; Director of Tourmaline SA; Director of Mucc SA; Director of QB19 SA; Director of Royaner SA; Director of Royawyn SA; Director of The Bridge Logistics SA; Director of Transga SA; Director of Treves Leasehold SA; Director of Water-Leau SA; Director of Wetinvest III SA; Director of Wijnegem Ontwikkelingsmaatschappij SA; Director of Calar Cabesa Partners Sci; Director of Cordelière 4 NV (NL); Chairman of the Board of Directors of La Maison de l'Assurance SA; Director of not-for-profit association Quartier des Arts; Director of Galaxy Properties SA; Manager of Jouron SPRL; Managing director of Ligne Invest SA; Managing director of Bull's Eye property Lux II SA; Managing director of Evere Square SA; Managing director of L-Park SA; Director of Jean Jacobs NV; Manager of Aisela SPRL; Director of Poppy Caesar SA; Director of Bishop's Tower; Director of Sodimco SA.

Directorships expired as at 31 December 2015, held during the period 2011-2015

Mr Guy Van Wymersch-Moons was chairman and member of the board of directors of Home Invest SA; Director of Louise Park SA; Director of Vepar SA; Member of the consultation committee of Fonds Quartier Européen (King Baudouin Foundation); Director of Evers Freehold SA; Director of Immo Instruction SA; Director of Marina Building SA; Administrator of Trèves Freehold SA; Director of Immobilière du Park Hôtel SA; Director of Instruction SA; Manager of Leg II Meer 15 SPRL; Manager of Leg II Meer 22-23 SPRL; Manager of Leg II Meer 42-48 SPRL; Director of Lex 65 SA; Director of Messancy Realisation SA; Director of Parc Leopold SA; Director of Zaventem Properties SA.

Procedure for the appointment of Directors and renewal of their directorships G4-40

Directors are appointed and their directorships renewed by the General Meeting of shareholders of Befimmo, on proposal by the Board of Directors.

Before submitting its proposals for appointing a Director or renewing his directorship to the General Meeting, the Board of Directors considers the opinions and recommendations of the Appointments and Remunerations 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;

- 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 Appointments and Remunerations Committee.

Before deciding, the Board may opt to interview the candidates itself (if it wishes), examines their curriculum vitae and references, finds out about other directorships they hold, and assesses them.

The Board ensures that adequate plans are put in place for the succession of the Directors. It ensures that any appointment of a Director or renewal of a directorship, whether for an executive or non-executive Director, will allow the work of the Board and its specialist committees to continue, and maintain a balance of skills and experience therein.

Where one or more directorships fall vacant, the remaining Directors may fill them temporarily, subject to the opinion of the Appointments and Remunerations Committee, until the next General Meeting, where a definitive election will take place.

Election of the Chairman of the Board of Directors G4-39

Election of the Chairman of the Board of Directors

The Board elects its Chairman from among the non-executive members, on the basis of their knowledge, skills, experience and mediation abilities.

The terms of reference of the Board of Directors explicitly state that the same person may not hold the posts of both Chairman and Managing Director.

Duties of the Chairman of the Board of Directors

The Chairman steers the activities of the Board. In his absence, Board meetings are chaired by a Director designated by the other Directors.

The Chairman encourages the Directors to reach a consensus, while discussing the items on the agenda in a critical and constructive manner, and takes the measures necessary to develop a climate of trust within the Board of Directors by contributing to open discussions, constructive dissent and support for the Board's decisions.

Finally, he strives to develop effective interaction between the Board of Directors and the Managing Director.

Duties of the Board of Directors

The Board of Directors of Befimmo is empowered to perform all acts necessary or useful for the achievement of the Company's aims, except those reserved by law or the articles of association to the General Meeting. The Board of Directors makes decisions on strategy, investments, disinvestments and long-term financing.

It closes the annual accounts and prepares the quarterly and half-yearly accounts of the BE-REIT; it draws up the management report, which includes in particular the corporate governance statement; it rules on the use of the authorised capital and convenes Ordinary and Extraordinary General Meetings of Shareholders.

It ensures the relevance, accuracy and transparency of communication to the shareholders, financial analysts and the general public, such as prospectuses, Annual Financial Reports, half-yearly and quarterly statements, and press releases.

It is also the body that decides on the Company's executive management structure and determines the powers and duties of the Company's Executive Officers.

Functioning of the Board of Directors

The Board of Directors is organised so as to ensure that it exercises its powers and responsibilities in the best possible way. In accordance with its terms of reference, it meets at least four times a year and as often as necessary.

The Company's articles of association lay down the following rules concerning the decision-making process of the Board of Directors:

- except in case of force majeure, the deliberations and resolutions of the Board of Directors shall be valid only if at least half of its members are present or represented. If this condition is not met, a new meeting must be convened which, provided at least three Directors are present or represented, may make valid deliberations and resolutions on the topics on the agenda of the preceding meeting;
- every decision of the Board is taken by absolute majority of the Directors present or represented and, where one or more of them abstain, by a majority of the other Directors. In the event of a tied vote, the person chairing the meeting has the casting vote;
- in exceptional cases, duly justified by urgency and the corporate interest, the Board of Directors may pass resolutions by means of a written decision. This procedure may however not be used to close the annual accounts, and as the case may be, for any use of the authorised share capital.

The decisions must be passed unanimously by the Directors. Decisions of the Board of Directors are recorded in the minutes, approved by the Board and signed by at least two Directors, and all Directors who so wish.

Activities of the Board of Directors during fiscal year 2015 G4-35 G4-42

The Board of Directors met 20 times during the fiscal year 2015. In addition to items falling within its ordinary powers (monitoring results, approval of the budget, appraisal and remuneration of Executive Officers, preparing the management report and convening Ordinary and Extraordinary General Meetings), it made decisions on the following key dossiers:

- the strategy review;
- investment and disinvestment projects;
- acquisition of the Gateway building;
- the founding of a new institutional BE-REIT subsidiary, Beway;
- bids under tendering and public procurement procedures;
- the terms of the most important rental offerings and major lease renewals;
- construction, redevelopment and renovation projects;
- key investments in the consolidated Befimmo portfolio, notably in sustainable development;
- financial management policy;
- the interest-rate risk hedging policy;
- the private placement of treasury shares made in November 2015;
- developments in the main legal proceedings;
- Befimmo's Social Responsibility policy;
- the establishment of a new supplementary pension plan for Befimmo group employees;
- the public sale of unclaimed Befimmo dematerialised former bearer shares (in accordance with the procedure under the law of 14 December 2005 organising the abolition of bearer securities);
- the update of the dealing code.

The Board was regularly informed of the activities of the Audit Committee and the Appointments and Remunerations Committee.

It decided to distribute an interim dividend in December 2015, in the form of an optional dividend, and accordingly to increase the BE-REIT's capital, within the limits of the authorised capital.

The Board of Befimmo also decided on its position as a shareholder of Fedimmo, notably on the following dossiers:

- acquisition of the Gateway building;
- preparation of the Paradis Express project in Liège;
- Fedimmo participation in tendering and/or public procurement procedures;
- the sale of certain small buildings which it considered no longer fit its strategy.

Self-assessment G4-44

In accordance with its terms of reference, every three years at least, the Board assesses its own composition, size, effectiveness and operation, and its interaction with the Managing Director, the other Executive Officers and its specialist Committees. The Board's self-assessment exercise is carried out under the leadership of its Chairman and, where appropriate, with the support of the Appointments and Remunerations Committee. This self-assessment has four main objectives:

- to check whether the composition of the Board of Directors is in line with requirements;
- to appraise the operation of the Board of Directors;
- to check whether important issues are properly prepared and discussed;
- to assess whether each Director makes an effective contribution by attending meetings of the Board of Directors and makes a constructive commitment to the discussions and decision-making.

When the issue of the renewal of a directorship arises, the Board assesses the contribution of each Director in same way.

The Board may call upon external experts to assist in this assessment exercise.

In accordance with its terms of reference, and also the 2009 Code, the Board decided to carry out a new assessment in 2015¹ and entrusted this task to Guberna which conducted a thorough assessment of the composition and operation of the Board of Directors, its specialist Committees and the interaction between the Board of Directors and the Executive Officers.

On the basis of individual interviews with each Director, Guberna conducted a thorough analysis of the various aspects of governance and drafted a comprehensive written report, which includes in particular a benchmark in relation to best governance practices. This report was presented to the Board of Directors on 19 January 2016.

1. The Board of Directors had carried out its most recent self-assessment at the end of fiscal year 2012. The main conclusions of the self-assessment report were published on page 101 of the Annual Financial Report 2012.

The key findings of the assessment are:

- the composition of the Board and of the specialist Committees, the skills of their members and the role they perform comply with the applicable corporate governance provisions (the 2009 Code and article 526quater of the Code of Company Law);
- the Board is satisfied with its operation, the information provided by management, and contacts with it and with the Board's two specialist Committees;
- the Chairman of the Board of Directors carries out his duties in a professional manner, fostering a stimulating climate of quality discussions, in which all the Directors have the opportunity to express themselves. Decisions are taken by consensus and in the interests of the Company;
- the Directors have made suggestions for the conduct of meetings, areas to which the Board could devote more attention, and the frequency of exchange of information between the Board and the Appointments and Remunerations Committee;
- in view of the development of Befimmo's business and organisation, the Board decided to start discussions on whether to broaden the powers delegated to management.

Advisory and specialist Committees

Principles

The Board of Directors may set up one or more committees, choosing members from within or outside the Board.

In accordance with the articles of association, it must establish at least an Audit Committee, an Appointments Committee and a Remunerations Committee (the Appointments Committee and the Remunerations Committee may be combined), lay down their tasks, powers and composition in accordance the provisions of the law and recommendations of the Belgian Corporate Governance Code on the composition and functioning of these Committees.

The Board lays down the terms of reference of these Committees, and designates the members and Chairmen of the Committees from among the Board members, on a proposal of the Appointments and Remunerations Committee. When making these appointments, the Board ensures that the overall composition of each Committee embodies the skills required for carrying out its duties.

Specific duties may also be assigned to one or more members designated by the Board; they report to the Board on the conduct of their duties.

Pursuant to the above, the Board of Directors has established two specialist standing Committees: the Audit Committee and the Appointments and Remunerations Committee. The composition, duties and operating methods of these committees are described in their respective terms of reference, available on the Befimmo website and summarised below.

 www.befimmo.be

Audit Committee

Composition

The Committee is composed of three members, appointed by the Board of Directors, on a proposal of the Appointments and Remunerations Committee, from among the non-executive Directors of Befimmo, at least two of whom are independent and satisfy the criteria of article 526ter of the Code of Company Law.

All members of the Audit Committee have expertise in accounting, auditing and finance.

On a proposal of the Appointments and Remunerations Committee, the Board of Directors appoints the Chairman of the Audit Committee, who may not be the Chairman of the Board of Directors.

The term of office of Audit Committee members may not exceed that of their directorship. Committee members' terms of office may be renewed at the same time as their directorships.

At 31 December 2015, the composition of the Audit Committee was as follows:

- Hugues Delpire, independent Director and Chairman of the Audit Committee;
- Sophie Goblet, independent Director;
- Benoît Godts, non-executive Director, linked to a shareholder.

Duties

Without prejudice to any other tasks assigned to it, the Audit Committee assists the Board of Directors and the Executive Officers in ensuring the accuracy and truthfulness of the accounts and financial information of Befimmo. 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. It delivers opinions and recommendations to the Board of Directors and Executive Officers on these matters.

The Audit Committee meets at least four times a year and whenever circumstances require, at the request of its Chairman, one of its members, the Chairman of the Board of Directors, the Chief Executive Officer or the Chief Financial Officer. It decides if and when the Chief Executive Officer, Chief Financial Officer, the Statutory Auditor(s) or other people should attend its meetings.

It meets the Statutory Auditor(s) of Befimmo at least twice a year to exchange views on any issue relating to its duties and any issue raised by the auditing process. At least twice a year the Committee meets the person(s) responsible for internal auditing in the Company.

After each Committee meeting, the Chairman of the Committee (or, in his absence, a specially designated member of the Committee) gives an oral report on its work to the next meeting of the Board of Directors, notably after the meetings on the preparation of the quarterly accounts and on the preparation of the financial statements for publication. When reporting to the Board of Directors, the Audit Committee identifies the issues on which it considers that action or improvement is necessary, and makes recommendations on the measures to be taken. Minutes of meetings are also forwarded to the Board of Directors.

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Operation and activities during fiscal year 2015

During fiscal year 2015, the Committee met 10 times and the members of the Committee attended all meetings, except for one meeting which Mrs Sophie Goblet was unable to attend. The following main issues were addressed:

- quarterly, half-yearly and annual accounts;
- accounting treatment for specific operations and application of IFRS (e.g. IFRIC 21);
- financing policy;
- consideration of the terms of the refinancing operations;
- interest-rate and currency risk hedging policy;
- review of internal audit mission reports and recommendations in the presence of the internal auditor;
- impact of investment projects on financing and key ratios;
- review of budgets and outlook for future years (including stress tests);
- risk management: monitoring developments in the main disputes, monitoring of internal control, follow-up of the implementation of recommendations made in the context of external audits and review of the executive management's report on internal control for the FSMA, etc.;
- Quality Fast Close project (designed to improve and accelerate the feedback process for accounting, closing and reporting data);
- distribution of an interim dividend with stock option;
- relations with the Statutory Auditor, check of the independence, assessment and reappointment of the Statutory Auditor for Befimmo and its subsidiaries;
- consideration of the report of the Statutory Auditor on the executive management's report on internal control;
- consideration of the Statutory Auditor's report on the dematerialisation of the last bearer shares.

Self-assessment

Every three years at least, the Committee assesses its own effectiveness, operation and interaction with the Board of Directors, reviews its terms of reference and recommends any necessary amendments to the Board of Directors.

The Audit Committee carried out its most recent self-assessment at the end of 2014 and commented on its self-assessment report to the Board of Directors in 2015. The key findings of the report are published on page 144 of the Annual Financial Report 2014.

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Appointments and Remunerations Committee

Composition

The Appointments and Remunerations Committee is made up of at least three Directors, appointed by the Board of Directors on a proposal of the Committee, from among the non-executive Directors, the majority of whom must be independent Directors within the meaning of article 526ter of the Code of Company Law.

The Board of Directors appoints the Chairman of the Committee, who may also be the Chairman of the Board of Directors.

The term of office of Committee members may not exceed that of their directorship. Committee members' terms of office may be renewed at the same time as their directorships.

If the Chairman of the Board of Directors of Befimmo is not a member of the Committee, he may, but is not obliged to, attend meetings of the Committee. He may not attend if the Committee is discussing or voting on the Chairman of the Board's remuneration or the renewal of his mandate (in his capacity as Chairman or Director).

He may take part in the discussion, but may not chair the Committee when it is voting on the appointment of his successor.

The Managing Director takes part in meetings of the Committee when it has to discuss the appointment or remuneration of the other Executive Officers of the Company.

As at 31 December 2015, the composition of the Committee was as follows:

- Etienne Dewulf, Chairman of the Appointments and Remunerations Committee, independent Director;
- A.V.O. Management SPRL, represented by its permanent representative, Mrs Annick Van Overstraeten, independent Director;
- Alain Devos, non-executive Director, Chairman of the Board of Directors.

Duties

Regarding appointments and renewals of mandates, the Committee assists the Board of Directors in:

- drawing up profiles for Directors, Chairmen and members of the Committees of the Board of Directors, the Chief Executive Officer (CEO) and the other Executive Officers of Befimmo;
- seeking candidates for positions to be filled on the Board of Directors and specialist Committees of Befimmo 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;
- procedures for the appointment, renewal and periodic appraisals of the Directors, the CEO and Executive Officers.

Regarding remuneration, the Committee assists the Board of Directors by making proposals on:

- the remuneration policy;
- the remuneration policy for non-executive directors, members of the Board's Committees, the CEO and the other Executive Officers, and on any periodic revisions of that policy;
- the individual remuneration of the non-executive Directors, members of the Board's Committees, the CEO and the other Executive Officers, including variable remuneration, the various benefits and length-of-service bonuses, related to shares or otherwise, severance grants, and on any resulting proposals which the Board has to submit to the General Meeting of shareholders;
- the setting of performance objectives for the Managing Director and other Executive Officers, and the appraisal of performance in relation to those objectives;
- the proposals made each year by the Managing Director on the overall budget for increasing (apart from indexing) the remuneration laid down for the Company's staff, and on the overall budget for the variable remuneration of the staff.

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

The Committee meets at least twice a year, and in any case:

- prior to the approval of the agenda for any General Meeting of Befimmo that has draft decisions concerning directorships on the agenda;
- to draft the annual remuneration report.

After each meeting of the Committee, the Chairman (or, in his absence, a Committee member designated to that end) gives an oral report to the Board of Directors on the exercise of its duties and, in particular, submits the Committee's opinions and recommendations to the Board for decision.

Operation and activities during fiscal year 2015

During fiscal year 2015, the Committee met 13 times and all members of the Committee attended all meetings. Its meetings covered the following main topics:

- drafting of the remuneration report published in the Annual Financial Report 2015;
- changes in the Company payroll from 1 January 2016 and award of variable remuneration for fiscal year 2015;
- proposals for the composition of the Board of Directors, taking account of the need to ensure that Directors' profiles are complementary in terms of knowledge and experience, and of the gender diversity targets;
- proposals for appointments to the Board of Directors and renewals of directorships;
- benchmark analysis of the remuneration of the Executive Officers, conducted with the support of an external consultant;
- appraisal and determination of the objectives and performance criteria of the Managing Director and other Executive Officers;
- monitoring developments in the regulatory framework relevant to the mandates of the Directors and Executive Officers of Befimmo in its capacity as a BE-REIT;
- assessment of the remuneration policy (including a benchmark analysis) and formulation of proposals to stagger the payment of variable remuneration to Executive Officers;
- the establishment of a new supplementary pension plan for Befimmo group employees.

Self-assessment

Every three years at least, the Committee assesses its own effectiveness, operation and interaction with the Board of Directors, reviews its terms of reference and recommends any necessary amendments to the Board of Directors.

In accordance with its terms of reference and the 2009 Code, in 2015 the Appointments and Remunerations Committee conducted a new assessment and decided to entrust this task to Guberna, alongside the assessment exercise conducted in the Board of Directors as a whole.

On the basis of individual interviews with each member of the Appointments and Remunerations Committee, Guberna carried out an in-depth analysis of the functioning of the Committee and its interaction with the Board, and drafted a comprehensive written report, which includes in particular a benchmark against best governance practices.

The key findings of the assessment report, commented by Guberna at the meeting of the Appointments and Remunerations Committee of 19 January 2016, 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).
- combining “appointments” and “remunerations” into a single Committee is confirmed as an ideal formula, which remains relevant to Befimmo, given its structure.
- the dossiers handled by the Committee are relevant and treated professionally and the Chairman of the Committee carries out the coordination function properly.
- in view of the expansion of its duties, and to facilitate reporting of its work to the Board of Directors, the Committee has decided to make some improvements to its operation. In particular, it decided to set out a schedule of meetings on an annual basis, to help prepare them and limit their frequency if possible.
- the Committee also decided to send the information to the Board on the evolution of key HR indicators (social balance sheet, key figures, benchmarking, etc.) on an annual basis.

These findings were presented to the Board of Directors on 16 February 2016.

FROM LEFT TO RIGHT:
MARTINE RORIF, BENOÎT DE BLIECK,
LAURENT CARLIER, AMINATA KAKÉ



Executive Officers

Appointment

Pursuant to article 14(3) of the law of 12 May 2014 on BE-REITs, the executive management of Befimmo is entrusted to at least two individuals, known as Executive Officers.

They are appointed by the Board of Directors.

At 31 December 2015, the Executive Officers were four in number:

- Befimmo’s Managing Director, Benoît De Blicq, Chief Executive Officer, with business address at Chaussée de Wavre 1945, 1160 Auderghem;
- Mrs Martine Rorif, Chief Operating Officer of Befimmo, with business address at Chaussée de Wavre 1945, 1160 Auderghem;
- Mr Laurent Carlier, Chief Financial Officer of Befimmo, with business address at Chaussée de Wavre 1945, 1160 Auderghem; and
- Mrs Aminata Kaké, General Counsel and Secretary-General of Befimmo, with business address at Chaussée de Wavre 1945, 1160 Auderghem.

Their duties and working methods are laid down in the terms of reference of the Executive Officers, published on the Company’s website.

@ www.befimmo.be

Duties

The Executive Officers take part in internal aspects of the running of the Company and its policy-making under the leadership of the Managing Director.

Within this context, they are mainly responsible for:

- in general, implementing the decisions of the Board of Directors;
- analysing the Company’s overall policy and strategy and making appropriate proposals in that regard to the Board of Directors;
- implementing the Company’s overall policy and strategy, as decided by the Board of Directors;
- identifying possibilities and needs in terms of investments, disinvestments and financing, and making any appropriate proposals in that regard to the Board of Directors;
- running and leading the Company management team in accordance with the decisions of the Board of Directors and the Managing Director;
- supervising the complete, timely, truthful and accurate preparation of the financial statements in accordance with accounting standards and the Company’s assessment rules; presenting the financial statements to the Board of Directors;
- making a balanced and clear assessment of the Company’s financial situation, budget and business plan; submitting this assessment to the Board of Directors;

- implementing internal controls (systems to identify, assess, manage and monitor financial and other risks), without prejudice to the monitoring role of the Board of Directors and the Managing Director;
- reporting to the Board of Directors, the FSMA and Statutory Auditor(s);
- preparing the publication of the financial statements and other financial and non-financial information.

The Executive Officers of the Company perform their duties without prejudice to the powers of the Board of Directors.

Operation

The Executive Officers meet at least twice a month and as often as necessary. The meetings are chaired by the Managing Director.

They act in the interest of the Company and organise their personal and professional affairs in such a way as to avoid any direct or indirect conflict with the interests of the Company. They undertake to comply with the provisions of the Belgian corporate governance code and the company's corporate governance charter, in particular regarding the rules to prevent conflicts of interest and the rules to prevent market abuse.

They must take the necessary steps to develop a climate of trust and close cooperation between themselves, contributing to open discussions and the constructive expression of differing viewpoints. They perform their duties as a collective body, together forming the "Executive Officers Committee" of Befimmo.

In 2015, the Executive Officers Committee met once a week on average.

The Executive Officers lead a team of 72 staff and endeavour to keep operating costs at an optimum level.

The **heads of the operational departments** are Mr Cédric Biquet (Chief Investment Officer), Mr Marc Geens (Chief Commercial Officer) Mrs Martine Rorif (COO), Mrs Caroline Kerremans (Investor Relations and External Communication Manager), Mrs Emilie Delacroix (Corporate Social Responsibility Manager) and Mrs Sylvie De Mûelenaere (Legal Manager).

Befimmo's Social Responsibility is fully integrated into its day-to-day management. At the strategic level, the **Corporate Social Responsibility team** (CSRT) consists of five people including three Executive Officers: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Environmental Management (HEM) and the Social Responsibility Manager (CSR Manager).

This team is responsible for developing and monitoring the Social Responsibility programme, releasing sufficient human resources, and organising the annual management review.

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Remuneration report

Remuneration policy

During fiscal year 2009/2010, the Appointments and Remunerations Committee drafted a document describing the remuneration policy for the Company's Directors and Executive Officers. This document was prepared for the first time by the Board of Directors on 15 October 2010 and most recently approved by the Ordinary General Meeting of 28 April 2015. It is an integral part of the corporate governance charter and is published on the Befimmo website.

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Befimmo's remuneration policy was established in accordance with the provisions of the law of 6 April 2010 to strengthen corporate governance in listed companies, and with the recommendations of the Belgian Corporate Governance Code (the "2009 Code").

In strict compliance with this framework, the policy is designed to reward those involved in running the Company in a way that allows it to attract, retain and motivate selected staff, taking account of the Company's characteristics and challenges, while properly and effectively managing 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, it contributes to benchmarks organised by specialist consultants and social administration agencies. It also occasionally consults these specialists for reasons not related to benchmark operations.

The Appointments and Remunerations Committee makes proposals on any periodic reviews of the remuneration policy, which are submitted to the Board of Directors for approval.

The remuneration report is included in each year's Annual Financial Report. It sets out the main principles of the remuneration policy and how they were applied during the year in question, and includes detailed information on the remuneration of the Directors and Executive Officers. Any significant deviation from the remuneration policy during the fiscal year, and any significant changes to the policy are also mentioned in the remuneration report.

The Company's General Meeting of shareholders holds a separate vote each year on the remuneration report.

Changes in the remuneration policy for subsequent years

Staggering the payment of the variable remuneration of the CEO and Executive Officers

In order to align the interests of executive management with those of the Company and its shareholders, Befimmo's current remuneration policy provides for an appropriate proportion of the remuneration of the CEO and other Executive Officers to be linked to their individual performance and that of the Company: the criteria for allocating the variable remuneration of the CEO and other Executive Officers consist of a combination of personal qualitative targets and financial and qualitative targets of Befimmo SA, to which a weighting is applied. The Board avoids setting performance criteria that could encourage the CEO and other Executive Officers to give preference to short-term goals that influence their variable remuneration and would have an adverse impact on the Company in the medium and long term.

In 2014, the Board decided to further align the remuneration of the CEO and other Executive Officers with the interests of the shareholders of the Company, by implementing staggered payment of their variable remuneration. The final allocation of the variable portion of the remuneration, which is a time-deferred payment, is subject to predetermined and objectively measurable medium- and long-term performance criteria. Payment of the variable remuneration will now be spread over three years. The variable portion of the remuneration earned during year "N" (fiscal year of the appraisal) to be paid the first year (N+1) may not exceed 50% of the total amount of variable remuneration awarded. Payment of 25% of the variable remuneration is deferred for one year and will be payable in year N+2 provided that the performance indicators for the Company's results are sustained throughout years N and N+1. The remaining 25% of the variable remuneration will be deferred for two years and will be payable in year N+3, again provided that performance is sustained over years N to N+2 (inclusive).

The Company's remuneration policy has been adapted to allow the variable remuneration of the Executive Officers to be spread in this way. This scheme was applied for the first time to the variable remuneration for fiscal year 2014, with the first instalment being paid in 2015, and will continue to apply in subsequent years.

Implementation of article 14 of the BE-REIT (SIR/GVV) law on the exercise of the functions of Directors and Executive Officers
Befimmo has adopted the status of BE-REIT (SIR/GVV). The law on Regulated Real-Estate Investment Trusts (the BE-REIT law¹) provides that the functions of Directors, Executive Officers and those in charge of independent control functions must be carried out by natural persons. Pursuant to the transitional provisions of the BE-REIT law, the mandate of Managing Director and Executive Officer held by BDB Management SPRLu (of which Mr De Blicck is the permanent representative), which was ongoing at the time of entry into force of the BE-REIT law, continued until its statutory expiry date of 28 April 2015. Mr De Blicck was then appointed

Director by the Ordinary General Meeting of Befimmo SA on 28 April 2015, and then Managing Director and Effective Officer by the Board of Directors.

In accordance with the same provisions of the BE-REIT law, Mr De Blicck was also appointed Managing Director of Fedimmo SA² and Director of Beway SA, both institutional BE-REITs and 100% subsidiaries of Befimmo SA. Mr De Blicck receives no remuneration for these directorships.

BDB Management SPRLu continues to hold the executive positions that it already had in the other subsidiaries of Befimmo SA, also 100% owned and which do not have BE-REIT administrative status, namely Befimmo Property Services SA (paid position) Axento SA (paid position) Meirfree SA (unpaid position) and Vitalfree SA (unpaid position).

Following this change in the law, the new management contract with the Managing Director ensures financial equivalence from a consolidated standpoint for Befimmo between the previous situation and the new situation as from 28 April 2015.

The equivalence of the fixed remuneration and various benefits (such as pension plan, hospitalisation insurance, representation expenses, etc.) is achieved by the payment of a gross annual total of €549,991.64 (total consolidated company cost). In addition to this fixed amount, where appropriate, he receives a total target variable remuneration set by the Board of Directors on 27 February 2015³, the range of which is unchanged: €200,000, with a ceiling of €250,000 if the defined targets are exceeded. These amounts are divided between Befimmo SA and the subsidiaries in which BDB Management SPRLu continues to hold a paid executive position (Befimmo Property Services and Axento SA).

The remuneration policy has been updated to reflect this change in the law.

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 Appointments and Remunerations Committee. The relevant proposals of the Appointments and Remunerations Committee are based on benchmark analyses of companies comparable to Befimmo in terms of size and business, and studies conducted by external consultants on the remuneration of directors of Belgian listed companies.

The non-executive Directors of Befimmo SA receive, in that capacity, a fixed annual remuneration and attendance tokens for meetings of Befimmo's Board of Directors and its specialist Committees that they attend as members or Chairman.

They do not receive any performance-related pay, such as bonuses or long-term incentives, nor do they receive any benefits in kind or benefits from pension schemes.

1 Law of 12 May 2014 on BE-REITs (SIR/GVV).

2 Replacing BDB Management SPRLu, Managing Director of Fedimmo SA until that date.

3 Page 151 of the Annual Financial Report 2014.

In accordance with the law, directors may be dismissed summarily, without compensation.

The **Managing Director** of Befimmo SA is the only **Executive Director** of Befimmo SA and is not remunerated in that capacity.

He is also an Executive Officer of Befimmo SA and holds the position of **Chief Executive Officer** (CEO); in that capacity he receives remuneration under a management agreement.

The CEO's remuneration is set by the Board of Directors of Befimmo SA, on a proposal of the Appointments and Remunerations Committee. It consists of a fixed portion and a variable portion.

- **Fixed portion:** the amount of the fixed annual remuneration is determined on the basis of comparisons with the fixed remunerations on the market for a comparable post in a comparable company. The fixed annual remuneration is paid monthly, in twelfths, at the end of the month. To this amount are added the various benefits such as pension plan, hospitalisation insurance and representation expenses.

On a proposal of the Appointments and Remunerations Committee, the Board of Directors considers the amount of the fixed remuneration at regular intervals, at the end of each calendar year, in order to decide whether this amount should be changed and, if so, by how much.

- **Variable portion:** the target amount of the annual variable remuneration, corresponding to a quality service that meets expectations in terms of results, professionalism and motivation, is predetermined by the Board of Directors when setting the objectives. It is a combination of personal qualitative objectives and financial and qualitative targets for Befimmo SA, to which a weighting is applied. The Board avoids setting performance criteria that could encourage the CEO to give preference to short-term goals that influence his variable remuneration and would have an adverse impact on the Company in the medium and long term.

The Board also determines the maximum amount of variable remuneration, which may be awarded only if the performance targets are exceeded. In determining how much variable remuneration to award, at the end of each calendar year the Board of Directors, on a proposal of the Appointments and Remunerations Committee, assesses the CEO's performance during the fiscal year in question against the targets set for that year. The payment of any variable remuneration awarded is staggered over time: the deferred portion of the remuneration is subject to the achievement of predetermined performance criteria that are objectively measurable over three years.

Befimmo reimburses expenses incurred by the CEO in the course of his routine management, on presentation of supporting documents to the Chairman of the Board of Directors or any other person he designates for that purpose.

The Managing Director does not receive any benefits in kind.

The Board of Directors of Befimmo SA decides on the recruitment, promotion and fixed and variable remuneration of each of the **other Executive Officers** of Befimmo SA, on a proposal of the Appointments and Remunerations Committee, after it has first consulted the CEO. They are paid under a contract of employment with Befimmo SA. Their remuneration consists of a fixed portion and a variable portion, and supplementary benefits, as described hereafter.

- **Fixed portion:** the amount of the fixed remuneration of the other Executive Officers is determined on the basis of information on levels of remuneration offered for comparable posts, and for profiles comparable to those of the other Executive Officers of the Company, in comparable companies, notably in finance and real estate. This information is gathered by the Appointments and Remunerations Committee. The fixed remuneration is paid monthly at the end of the month and is indexed in January. Any change in the fixed remuneration of the Executive Officers is decided by the Board of Directors on a reasoned recommendation of the CEO and the Appointments and Remunerations Committee.

- **Variable portion:** the target amount of the variable annual remuneration corresponding to a quality performance meeting expectations, in terms of results, professionalism and motivation. This amount, which is in principle a maximum unless otherwise justified, is predetermined by the Board of Directors when the objectives are set. These are a combination of personal qualitative objectives (performance of special duties, performance of their team or department) and financial and qualitative objectives for Befimmo SA, to which a weighting is applied. The Board avoids setting criteria that could encourage the Executive Officers to give preference to short-term goals that influence their variable remuneration and would have an adverse impact on the Company in the medium and long term. In determining how much variable remuneration to award, at the end of each calendar year the Board of Directors – on a proposal of the Appointments and Remunerations Committee, which will itself previously have heard the CEO – assesses the performance of the other Executive Officers during the fiscal year in question against the targets set for them for that year. The payment of any variable remuneration awarded is staggered over time: the deferred portion of the remuneration is subject to the achievement of predetermined performance criteria that are objectively measurable over three years.

- **Miscellaneous benefits:** the other Executive Officers have a pension plan, an hospitalisation insurance, a flat-rate monthly representation 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.

Positions held in subsidiaries

The Directors and Executive Officers may hold a directorship in the subsidiaries of Befimmo SA. Any remuneration received for holding such positions is set out in the Befimmo SA remuneration report. Unless otherwise agreed between the parties, the termination of the agreement between Befimmo SA and the CEO or an Executive Officer will also terminate any positions held¹ by the CEO or that Executive Officer in the subsidiaries of Befimmo SA.

Remuneration and benefits in 2015 and 2016

The remuneration and benefits listed hereafter are in accordance with the provisions of the above-mentioned law of 6 April 2010, the 2009 Code and the Company’s remuneration policy described above. There is no share option plan or share benefit plan for the non-executive Directors, CEO or other Executive Officers.

The Company’s General Meeting of 30 April 2013 set the following remuneration for the non-executive Directors:

- each non-executive Director, apart from the Chairman of the Board of Directors, receives a fixed annual remuneration of €20,000 and attendance tokens worth €2,500 per Board meeting attended;
- the Chairman of the Board of Directors receives a fixed annual remuneration of €50,000 and attendance tokens worth €3,750 per Board meeting attended;
- the members of the Audit Committee receive an attendance token worth €2,000 per meeting, apart from the Chairman of the Committee who receives attendance tokens worth €2,500 per meeting;
- the members of the Appointments and Remunerations Committee receive an attendance token worth €1,500 per meeting, apart from the Chairman of the Committee who receives attendance tokens worth €2,000 per meeting.

These amounts, applicable from fiscal year 2013, are based on a benchmark analysis of comparable companies and two external studies on the remuneration of directors of listed Belgian companies. In particular, they reflect the increased workload and technical complexity of the matters that the Board and its specialist Committees have had to handle in recent years, and the role of the Chairman in preparing and coordinating the work of the Board of Directors.

Directors – Remuneration for fiscal year 2015

(IN €)	BEFIMMO				TOTAL
	ANNUAL FIXED REMUNERATION	ATTENDANCE TOKENS			
		BOARD OF DIRECTORS	BOARD OF DIRECTORS	AUDIT COMMITTEE	
Alain Devos SPRL / Alain Devos ²	50 000	75 000		18 000	143 000
A.V.O. Management SPRL, represented by A. Van Overstraeten	20 000	45 000		18 000	83 000
Sophie Goblet	20 000	45 000	10 000		75 000
Sophie Malarme-Lecloux ³	15 000	30 000			45 000
Etienne Dewulf SPRL / Etienne Dewulf ⁴	20 000	50 000		24 000	94 000
Hugues Delpire	20 000	50 000	23 000		93 000
Benoît Godts	20 000	42 500	20 000		82 500
Kadees BVBA, represented by K. De Schepper	20 000	40 000			60 000
MarcVH-Consult BVBA, represented by M. Van Heddeghem ⁵	5 000	7 500			12 500
Roude BVBA / Jacques Rousseaux ⁶	20 000	50 000	10 000		80 000
Guy Van Wymersch-Moons	20 000	42 500			62 500
Total Directors	230 000	477 500	63 000	60 000	830 500

1. Whether as an individual or as permanent representative of a legal person Director.

2. Alain Devos SPRL, represented by Alain Devos, was a Director of Befimmo SA until 28 April 2015. Alain Devos is a Director of Befimmo SA since 28 April 2015.

3. Appointed on 28 April 2015.

4. Etienne Dewulf SPRL, represented by Etienne Dewulf, was a Director of Befimmo SA until 28 April 2015. Etienne Dewulf is a Director of Befimmo SA since 28 April 2015.

5. Directorship expired on 28 April 2015.

6. BVBA Roude, represented by Jacques Rousseaux, was a Director of Befimmo SA until 28 April 2015. Jacques Rousseaux is a Director of Befimmo SA since 28 April 2015.

Objectives and performance criteria for the CEO and Executive Officers for fiscal years 2015 and 2016

On a proposal of the Appointments and Remunerations Committee, on 27 February 2015 the Board of Directors laid down the following recurring criteria – related to the performance of the Company – for assessing the performance of the CEO, and the applicable weighting:

- net current result per share (30%);
- operating margin (15%);
- occupancy rate of properties (15%);
- financing cost (20%);
- human-resources management (20%).

Supplementary objectives, in relation to the above key objectives and specifically related to fiscal year 2015, were set for the CEO. The target amount for his variable annual remuneration for fiscal year 2015 was set at €200,000, with a ceiling of €250,000.

The Board of Directors set the same recurring criteria for assessing the collective performance of the other Executive Officers. Additional personal targets were set for each of them, in line with their specific operational responsibilities. The maximum overall target variable pay was set at €167,500 (overall total for the three Executive Officers) with a ceiling of €192,625 if the targets are exceeded. These amounts do not include social charges or any other charges borne by the Company.

At its meeting on 17 February 2016, the Board of Directors, on a proposal of the Appointments and Remunerations Committee, decided to award the CEO and the other Executive Officers variable remuneration for fiscal year 2015 on the basis of the above-mentioned assessment criteria, of the amounts set out in the table hereafter.

In accordance with Befimmo's remuneration policy, the payment of the variable remuneration awarded was

staggered over time and the portion of the time-deferred remuneration is subject to the achievement of predetermined performance criteria that are objectively measurable over three years, as follows:

- 50% of the variable remuneration earned in 2015 is paid in 2016;
- 25% of the variable remuneration was deferred for one year and will be payable in 2017 provided that the performance indicators for the Company's results are sustained throughout 2015 and 2016;
- the remaining 25% of the variable remuneration will be payable in 2018, again provided that performance is sustained throughout 2015 to 2017.

For fiscal year 2016, the award of variable remuneration to the CEO and other Executive Officers will depend on achieving the same recurring criteria as those set for 2015, with the same weighting. Additional personal objectives, in relation to the above-mentioned targets, were also set in line with the specific operational responsibilities of the CEO and each of the other Executive Officers.

The target amounts of the variable annual remuneration for fiscal year 2016 were set as follows:

- for the CEO: a target variable remuneration of €200,000 with a ceiling of €250,000; this amount includes any variable remuneration awarded to him by Befimmo SA and/or any of its subsidiaries;
- for the other three Executive Officers: a target variable remuneration of €185,000 with a ceiling of €225,000; these amounts exclude social charges and any other charges borne by the Company.

After appraisal, the payment of any variable remuneration awarded will be staggered over time and the portion of the time-deferred remuneration is subject to the achievement of predetermined and objectively measurable performance criteria over three years.

Executive Officers - Remuneration for fiscal year 2015

(IN €)	FIXED REMUNERATION	VARIABLE REMUNERATION ¹	POST-EMPLOYMENT BENEFITS	OTHER COMPONENTS OF REMUNERATION AND MISCELLANEOUS BENEFITS	TOTAL	CONTRACTUAL SEVERANCE GRANT
Managing Director						
SPRLu BDB Management ²	325 723	75 000			400 723	228 446
Benoît De Blicq ³	172 884	150 000	48 933	2 452	374 268	421 554
Other Executive Officers ⁴	878 359	283 308	215 157	66 211	1 443 035	
Total for Executive Officers	1 376 966	508 308	264 090	68 663	2 218 027	650 000

1. The payment of the variable remuneration is staggered over a period of 3 years, pursuant to the rules set up in the remuneration policy.

2. These sums include the remuneration gained by BDB Management SPRLu for the directorships it exercises, as Managing Director of Befimmo SA for the period from 1 January 2015 to 28 April 2015, as Managing Director of Befimmo Property Services SA and Chairman of the Board of Directors of Axento SA, both subsidiaries of Befimmo SA.

3. These sums include the remuneration gained by M. Benoît De Blicq as Managing Director of Befimmo SA for the period from 28 April 2015 to 31 December 2015.

4. Social charges and all other charges included. These amounts include the remuneration received by Mrs Martine Rorif, Mr Laurent Carlier and Mrs Aminata Kake between 1 January and 31 December 2015 as well as the fixed remuneration, the post-employment benefits and the various benefits received by Mrs. Diane Zygas for the exercise of her duties between 5 January and 31 August 2015, when Mrs Zygas left Befimmo SA.

Terms of severance grants

Should Befimmo SA terminate the contract between the CEO and Befimmo SA before expiry, and not in any of the cases provided for in the contract where no compensation is due, the CEO is entitled to a severance grant under that contract. Unless otherwise agreed between the parties, the termination of the agreement between Befimmo SA and the CEO will also terminate any positions held by the CEO in the subsidiaries of Befimmo SA.

Pursuant to article 554(4) of the Code of Company Law and the recommendations of the Belgian Corporate Governance Code, Befimmo's remuneration policy provides that this severance grant may not in principle exceed 12 months' remuneration (fixed and variable, calculated based on the 12 months preceding termination) or 18 months (on a reasoned opinion of the Appointments and Remunerations Committee). Furthermore, if in future the Company were to make an agreement providing for severance grants exceeding these limits, the exemption clause regarding severance grants would require prior approval at the first Ordinary General Meeting following that agreement.

For the 2015 fiscal year, the management agreements between Befimmo SA and Mr De Blicq and between Befimmo Property Services SA and BDB Management SPRLu set a consolidated contractual severance grant of €650,000.

From the 2016 fiscal year, the grant is set at €750,000 (consolidated total amount), broken down as follows: €486,408.08 in the agreement between Mr Benoît De Blicq and Befimmo SA and €263,591.92 in the agreement between BDB Management SPRLu and Befimmo Property Services SA. The grant is equivalent to 12 months' total remuneration (fixed and variable target). Befimmo therefore did not avail itself of the above exemptions.

The indefinite contracts of employment of the Executive Officers (except for the Managing Director) do not contain any specific severance provisions.

Right of recovery

The Company has not provided for a right to recover all or part of any variable remuneration awarded to the CEO or other Executive Officers on the basis of incorrect information.

Report on internal control and risk-management systems

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Befimmo has organised the management of internal control and corporate risks by defining its control environment (general framework), identifying and classifying the main risks to which it is exposed, analysing its level of control of those risks and organising "control of control". It also pays particular attention to the reliability of the financial reporting and communication processes.

Control environment

Company organisation

The Board of Directors has set up two internal Committees (the Audit Committee and the Appointments and Remunerations Committee).

The Company is organised into a number of departments as set out in an establishment plan.

The operational functions are carried out in the technical (project management, property management and environmental support), commercial, rental management and investment departments. The support functions are provided by the accounts department, controlling team, treasury/financing and legal departments, general secretariat, IR and communication, corporate social responsibility, human resources & facilities management and ICT departments. Each person has a job description.

There is a power of attorney procedure for both internal matters (decision-making powers) and external matters (powers of signature and representation). The Board has delegated a number of powers of decision-making and representation to the Executive Officers. In this context, they have a power to subdelegate which they have exercised, setting limits in terms of the acts and amounts concerned, defined by department and in line with the hierarchical position of the authorised employees. These sub-delegations include an internal procedure for approving orders and invoices. The principle of dual signatures is applied. There is also a specific procedure for authorising payments.

All these powers are delegated through internal procedures.

Among the control functions, the compliance function is exercised by the General Counsel & Secretary-General (Aminata Kaké). Management control is the responsibility of the controlling team. The CFO (Laurent Carlier) is responsible for the risk-management function. The Internal Auditor (Kathleen Stevens) is responsible for internal auditing.

For the annual closure, the Company's Directors and Executive Officers fill in an individual questionnaire so that any transactions they have carried out with the Company as "related parties" can be identified.

The human resources department ensures that the skills required for each post are defined and that the procedures are observed, notably for annual performance appraisal and pay review.

External players

Some external stakeholders also play a role in the control environment. The main ones are the FSMA, the Statutory Auditor and the independent real-estate experts.

Organisation of internal control

The Audit Committee, composed of a majority of independent Directors, has a specific duty in terms of internal control and corporate risk management.

In carrying it out, the Audit Committee makes use in particular of the work of the internal auditor, who reports directly to it. The role, composition and activities of the Audit Committee are described in this chapter and in the terms of reference of the Audit Committee, which can be accessed on the Company website

Ethics G4-56

The Board of Directors has drafted and approved a corporate governance charter and a code of ethics. These documents can also be consulted on the Company's website.

www.befimmo.be

Risk analysis and control activities

This analysis is based on an update of a study to classify the Company's major risks, (in order of potential impact and estimated probability of occurrence), and to determine the extent to which it controls these risks. During fiscal year 2013, a new version of the matrix of risks and the extent to which they are controlled was produced. This matrix provides the framework for the work of the internal audit service, reviewed annually as part of a three-year plan by the Audit Committee. The risk analysis is reviewed annually by the Audit Committee. The risk factors are also described in this Report, together with the measures taken to control and limit the potential impact of each of the risks identified.

► "Risk factors, on page 2"

Financial information and communication

The process of establishing financial information is organised as follows: a retro planning chart sets out the tasks to be completed for the quarterly, half-yearly and annual closures of the Company and its subsidiaries, with deadlines. Befimmo has a check-list of actions to be followed up by the finance department. The accounts team produces the accounting figures using Lisa accounting software, under the supervision of the Chief Accountant. Integrated software (Property V4) was installed for the administrative and accounting management of the property management business.

The controlling team checks the validity of the figures provided by accounts and produces the quarterly reports. The figures are checked using the following techniques:

- coherence tests by comparison with historical or budget figures;
- sample checks of transactions according to their materiality.

The quarterly reporting and the corresponding press release/report are submitted to the Executive Officers and then presented to the Audit Committee and finally validated by the Board of Directors before publication.

Data are protected, depending on their type, by redundant architecture (disk mirroring), daily backups online (external service provider) and weekly backups onto tape.

The Statutory Auditor conducts a limited review of the consolidated half-yearly financial statements, as at 30 June and, as the case may be, the statements to 30 September in the framework of the interim dividend. At annual close, on 31 December of each year, it audits the statutory and consolidated accounts.

Players involved in the supervision and evaluation of internal control

The quality of internal control is assessed throughout the fiscal year by:

- internal audit: during fiscal year 2015, four internal audits were conducted, three of which by the Internal Auditor, on the "project management risk", the "accounts payable risk" and "risks related to corporate taxation"; an audit of the business continuity risk was commissioned to an external consultant;
- the Audit Committee: over fiscal year 2015, the Audit Committee in particular reviewed the quarterly closures and the specific accounting methods. It reviewed the disputes and main risks facing the Company and considered the recommendations of internal auditing;
- the Statutory Auditor in the context of its review of the half-yearly and annual accounts: over fiscal year 2015, the Statutory Auditor made recommendations concerning the keeping of the financial statements.

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

The internal audit regulations were updated during fiscal 2015.

Other stakeholders

Statutory Auditor

The Statutory Auditor is appointed with the prior approval of the FSMA. It exercises two kinds of control. Firstly, in accordance with the Code of Company Law, it checks and certifies the financial information in the annual accounts.

Secondly, in accordance with the law, it cooperates with the FSMA's controls. The FSMA may also ask it to confirm the accuracy of other information sent to the FSMA.

The General Meeting of Befimmo held on 29 April 2014 renewed the mandate of the 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, business auditor, for three fiscal years.

The Statutory Auditor's fees for fiscal year 2015 amount to €72,450 excluding VAT. In fiscal year 2015 it also provided additional services as part of its statutory duties for a fee of €36,950 excluding VAT. In addition to its statutory role, during fiscal year 2015 Deloitte and its affiliated companies also provided services related to other non-auditing duties for a fee of €49,913.20 excluding VAT.

Deloitte, represented by the same auditor, has also been appointed as Statutory Auditor of most Befimmo subsidiaries. The fees of the Statutory Auditor for auditing the financial statements for fiscal year 2015 of Fedimmo, Befimmo Property Services, Meirfree and Vitalfree totalled €45,200 excluding VAT.

Auditing for the Luxembourg subsidiary, Axento, 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 Mr Luc Brucher, Partner. The fees for auditing the accounts of Axento SA for fiscal year 2015 amount to €11,100 excluding VAT.

The mandate of Statutory Auditor of the subsidiary Beway SA was entrusted to Ernst & Young Réviseurs d'Entreprises scrl, represented by Mrs Christel Weymeersch, Partner. The fees for auditing the company accounts for fiscal year 2015 amount to €8,000 excluding VAT.

The method of calculating the remuneration of the Statutory Auditor depends on the type of work performed:

- for auditing the accounts of companies in the group, a lump sum is established;
- for other work, the fees are determined on the basis of the number of hours worked multiplied by an hourly rate depending on the seniority of the employee carrying out the work.

The "one-to-one" rule regarding the work of the Statutory Auditor was respected.

Real-estate experts

For fiscal year 2015, Befimmo used two real-estate experts: Jones Lang LaSalle (represented by Mr Rod P. Scrivener - avenue Marnix 23, 1000 Brussels) and CBRE (represented by Mr Pierre van der Vaeren - avenue Lloyd George 7, 1000 Brussels). Jones Lang LaSalle also has the task of coordinating these valuations.

These mandates were granted in accordance with the provisions of the Royal Decree of 13 July 2014. The three-year mission runs from 1 January 2015 to 31 December 2017.

These are companies of real-estate experts with specialist knowledge of the market and which enjoy a first-class international reputation.

Befimmo also has two reserve experts: DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans - chaussée de la Hulpe 166, 1170 Brussels) and PricewaterhouseCoopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme - Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe).

For fiscal year 2015, the fees paid to these experts for their quarterly valuations amounted to:

- CBRE Valuation Services: €90,762.50 excluding VAT.
- Jones Lang LaSalle: €142,000 excluding VAT.

Additional fees paid to these experts in 2015 for occasional valuations amounted to:

- CBRE Valuation Services: N.A.
- Jones Lang LaSalle: N.A.

The fees of the independent real-estate experts are calculated on the basis of the number of properties assessed, their size (in m²) or their rental situation (single or multiple tenants). The fees are not related to the fair value of the properties.

Financial service

The Company's financial service is provided by ING Belgium, which received remuneration of €75,625 (including VAT) on that account in 2015. This remuneration consists of a fixed portion plus a variable portion based on the amount of the dividend paid.

Research and development

During the fiscal year, Befimmo has undertaken R&D activities related to potential of different markets and the evolution of the work environment and new services to offer to its tenants. The resources that have been devoted are estimated at €95,000.

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Rules for preventing conflicts of interest

Principles

For the prevention of conflicts of interest, Befimmo is governed simultaneously by:

- the applicable legal provisions, common to listed companies, as per Articles 523 and 524 of the Code of Company Law;
- a specific regime provided for by article 37 of the law of 12 May 2014 on BE-REITs (SIR/GVV), which provides in particular for the obligation to notify the FSMA prior to certain transactions planned with persons covered by that provision, to carry out such operations at normal market conditions and to make them public;
- and also by the additional rules specified in Befimmo's corporate governance charter.

These rules and their application in fiscal year 2015 are described below.

Article 523 of the Code of Company Law

Pursuant to Article 523 of the Code of Company Law, if a Director has a direct or indirect interest that conflicts with a decision or transaction that falls to the Board of Directors, he must notify the other members before it is discussed by the Board. His statement, and the reasons for the conflicting interest affecting him, must be included in the minutes of the meeting of the Board of Directors in which the decision is to be taken. The Company's Statutory Auditor must be informed and the Director concerned may not participate in the discussions of the Board of Directors relating to the transactions or decisions concerned, or take part in the vote. The relevant minutes are then reproduced in the management report.

However, this Article provides for some exceptions to its application, in particular with regard to routine transactions concluded subject to normal market guarantees for transactions of the same type.

Article 524 of the Code of Company Law

If a listed company is considering a transaction with an affiliated company (subject to certain exceptions), Article 524 of the Code of Company Law requires the establishment of an ad hoc committee consisting of three independent Directors; this committee, assisted by an independent expert, must provide a reasoned assessment of the proposed transaction to the Board of Directors, which may

take its decision only after reading the report. The Statutory Auditor must deliver an opinion as to the accuracy of the information contained in the opinion of the committee and the minutes of the Board of Directors. The Board of Directors then states in the minutes whether the procedure has been followed and, if appropriate, the reasons why the committee's opinion was overruled. The Committee's decision, the extract from the minutes of the Board meeting and the Statutory Auditor's opinion are to be included in the management report.

Article 37 of the law of 12 May 2014 on BE-REITs and Article 8 of the Royal Decree of 13 July 2014 concerning BE-REITs (SIR/GVV)

This article requires in particular, subject to certain exceptions, public BE-REITs to inform the FSMA in advance of any transaction that they propose to carry out with an affiliated company, a company in which the BE-REIT has a shareholding¹, other shareholders of a subsidiary of the BE-REIT, or the Directors, managers or Executive Officers of the public BE-REIT. The Company must establish that the proposed transaction is in its interest and is in line with its strategy, and the transaction must be carried out under normal market conditions. If the transaction involves a property, the independent real-estate expert must determine its fair value, which is the minimum price at which the asset may be sold or the maximum at which it may be bought. The BE-REIT must inform the public at the time the transaction is entered into and comment on this information in its Annual Financial Report.

Additional rules provided for in Befimmo's Corporate Governance Charter G4-41

Confidentiality rules

Wherever it would be contrary to the interests of the shareholders of Befimmo for the Director concerned to be informed of the terms on which Befimmo 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 has completed the transaction or decided not to pursue it).

Policy concerning transactions with Directors not covered by article 523 of the Code of Company Law

If Befimmo intends to carry out a transaction that is not covered by article 523 of the Code of Company Law with a Director or a company controlled by that Director or in which he has a shareholding other than a minority one (for example, because it is a routine transaction subject to normal market conditions and guarantees), Befimmo nevertheless imposes the following requirements:

- that Director must declare his interest to the other Directors before the discussion by the Board of Directors;
- his declaration and the reasons why Article 523 of the Code of Company Law does not apply must be set down in the minutes of the Board meeting at which the decision is to be taken;

1. Note that, under the Code of Company Law, such a link is presumed to exist, unless proven to the contrary, in particular when the possession of rights to equity represents at least one tenth of the Company's capital.

- the director concerned must refrain from being present at the Board's debate on the transaction or taking part in the relevant vote;
- whenever it would be contrary to the interests of Befimmo shareholders for the Director concerned to be informed of the conditions under which Befimmo would be prepared to carry out the transaction concerned, he must not be sent the preparatory notes and the item must be reported in an appendix to the minutes not sent to him.

In any case, the transaction must be carried out at arm's length. However, the minutes reporting the transaction concerned need not be reproduced in the Annual Financial Report.

This policy also applies mutatis mutandis to transactions between a Director of Befimmo and one of its subsidiaries.

Policy regarding transactions with an Executive Officer

This policy also applies mutatis mutandis to transactions between the Company and its subsidiaries and the Executive Officers. The Executive Officer concerned must declare the conflict of interests to the Board of Directors, his declaration must be set down in the minutes of the Board meeting at which the decision is to be taken, and the transaction must be concluded at normal market conditions.

Directors and corporate opportunities

Since Befimmo's Directors are appointed in particular for their skill and experience in real estate, it often happens that they hold directorships in other real-estate companies or companies controlling real-estate companies. Therefore, it may happen that a transaction proposed to the Board of Directors (such as the purchase of a property at auction) could interest another company in which a Befimmo Director holds a position. In that case, which may in certain circumstances give rise to a conflict of interests, Befimmo has decided to apply a procedure modelled closely on article 523 of the Code of Company Law relating to conflicts of interest. In particular, the Director concerned must immediately notify the Chairman of the Board of Directors and the Managing Director of any such situation.

Once the risk has been identified, the Director concerned and the Managing Director consider together whether the "Chinese walls" procedures adopted within the organisation that the Director belongs to are sufficient to allow him to attend, unchallenged and at his sole responsibility, the meetings of the Board of Directors. Where no such procedures have been put in place or where the Director concerned or the Board of Directors takes the view that it would be wiser for that Director not to attend, then he must withdraw from the discussion and decision-making process. The preparatory notes will not be sent to him, he must withdraw from the Board meeting when the topic is discussed and the topic will be recorded in an appendix to the minutes, which will not be sent to him.

The minutes of the Board of Directors must record that this procedure has been complied with or state the reason why it has not.

This procedure ceases to apply as soon as the risk no longer exists (for example, because either the Company or the competing company has decided not to make an offer).

If necessary, this procedure should be combined with article 523 of the Code of Company Law where applicable (for example, because the Director has a financial interest conflicting with that of the Company for the transaction to be entered into by a company other than Befimmo). In the latter case, all of the relevant extracts from the minutes of the Board of Directors must also be reproduced in the management report.

Befimmo has not detected any other potential conflict of interest.

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

Over fiscal year 2015, no decision or transaction gave rise to the application of article 523 of the Code of Company Law.

At its meeting of 27 February 2015, the Board of Directors discussed (i) the determination of variable remuneration of the Managing Director of the Company, BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blicq, and of the other Executive Officers for fiscal year 2014, and (ii) the determination of the fixed remuneration and performance criteria for the award of the remuneration of the Managing Director and other Executive Officers for fiscal year 2015. In accordance with article 523 of the Code of Company Law, Mr De Blicq did not take part in the discussions or decision of the Board of Directors on the remuneration and determination of the performance criteria of BDB Management SPRLu. The relevant extract from the minutes is reproduced below.

Extract from the minutes of the meeting of the Board of Directors of Befimmo of 27 February 2015.

"6.1 Notification of a conflict of interests and application of article 523 of the Code of Company Law

Before the discussion on this agenda item opened, BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blicq, announced that, in the context of that decision, there was a potential conflict of interests of a financial nature within the meaning of Article 523 of the Code of Company Law. The Director said that the conflict of interests arose from the fact that the decision related to the setting of his variable remuneration as CEO and Executive Officer of Befimmo SA for fiscal years 2014 and 2015. The Board of Directors took note of this statement and noted that he left the meeting during the discussions and decisions concerning the CEO's remuneration.

(The Managing Director, BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blicq, left the meeting).

6.2 Appraisal and determination of the variable remuneration of the CEO for fiscal year 2014 - Performance criteria and target variable remuneration for fiscal year 2015

The Chairman of the Appointments and Remunerations Committee presented the proposals of the Appointments and Remunerations Committee for the variable remuneration of the Managing Director for fiscal year 2014 and the performance criteria and amounts of variable remuneration for fiscal year 2015.

Decisions: After discussion, the Board of Directors, excluding BDB Management SPRLu, represented by its permanent representative Mr Benoît De Blicq, who did not take part in the discussions or decision on these items:

- approved the proposal of the Appointments and Remunerations Committee to award BDB Management SPRLu, for its work as Managing Director in 2014, variable remuneration of €200,000;
- set the key objectives and performance criteria for the award of the Managing Director's variable remuneration for fiscal year 2015: net current result per share (30%), operating margin (15%), property occupancy rate (15%), financing cost (20%) and human resources management (20%);
- set additional personal targets, in relation to the above-mentioned targets, in keeping with the specific operational responsibilities of the Managing Director;
- set the target amount of the Managing Director's variable annual remuneration for fiscal year 2015 as follows: a target variable remuneration of €200,000 with a ceiling of €250,000 if the targets are exceeded; this amount includes any variable remuneration awarded by Befimmo SA and/or one of its subsidiaries.

In line with the remuneration policy, the variable portion of the remuneration earned by the Managing Director during year "N" (fiscal year of the appraisal) to be paid the first year (N+1) may not exceed 50% of the total amount of variable remuneration awarded. Payment of 25% of the variable remuneration is deferred for one year and will be made in year N+2 provided that the performance indicators for the Company's results are sustained throughout years N and N+1. The remaining 25% of the variable remuneration will be deferred for two years and will be payable in year N+3, again provided that performance is sustained over years N to N+2 (inclusive)."

Over fiscal year 2015, no decision or transaction gave rise to the application of Article 524 of the Code of Company Law.

Application of article 37 of the law of 12 May 2014 on BE-REITs (SIR/GVV)

Over the fiscal year, that article was applied in respect of two cases, which were notified to the FSMA:

- to the extent necessary in the context of an optional dividend, the Company declared that certain Directors of Befimmo and Executive Officers of Befimmo, as well as Ageas SA and certain of its subsidiaries, and AXA Belgium SA, in their capacity as shareholders, would have the opportunity to subscribe to new shares;
- the second declaration was notified within the framework of the private placement of own shares with institutional investors, executed on 30 November 2015: the Company declared that the companies Ageas SA (and some of its subsidiaries) and AXA Belgium SA could be approached within the framework of this operation, with the understanding that these two investors would be treated as all other institutional investors regarding a possible subscription.

These operations were carried out at normal market conditions.

Transactions not covered by the statutory provisions on conflicts of interest but covered by Befimmo's corporate governance charter

Pursuant to the rules for the prevention of conflicts of interest contained in the corporate governance charter:

- Mr Benoît Godts, Director linked to AG Real Estate SA, did not take part in the discussion or decisions relating to two investment projects, one call for tenders and one redevelopment project considered by Befimmo;
- Mr Guy Van Wymersch-Moons, Director linked to AXA Belgium SA, did not take part in the discussion or decisions relating to two investment projects and two calls for tenders considered by Befimmo;
- Mrs Sophie Goblet, independent Director, did not take part in the discussion or decisions relating to one investment project;
- Mr Etienne Dewulf, independent Director, did not take part in the discussion or decisions relating to one investment project;
- Mr Alain Devos, Chairman, did not take part in the discussions or decisions relating to one redevelopment project.

Rules to prevent market abuse G4-57 G4-58

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 (the dealing code) setting out the main relevant legal obligations and the internal rules to be observed, taking account in particular of the Royal Decree of 5 March 2006 on market abuses¹, with a view to raising awareness among the persons concerned of their obligations. The dealing code is regularly updated to take account of relevant regulatory developments. All employees receive and sign a copy when taking up their post.

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, 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 has to inform the person concerned if 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. These rules are applicable to all Directors, Executive Officers and employees. Furthermore, Directors and Executive Officers must notify the FSMA of transactions carried out on their own behalf and affecting the Company stock within five working days of the transaction concerned taking place; notification may be lawfully postponed until such time as the total of transactions carried out during the current calendar year exceeds the threshold of €5,000.

During closed and prohibited periods, Directors, Executive Officers and employees may not trade in the financial instruments of Befimmo.

Application

Mrs Aminata Kaké holds the position of Compliance Officer of Befimmo.

The Befimmo dealing code was updated in 2015.

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

Stock ownership or stock options plan

To date, Befimmo has not implemented a share ownership plan or stock option plan or granted such shares or options to members of its bodies or its employees.

Shares held by Directors and Executive Officers

At 31 December 2015, the following non-executive Directors of Befimmo (or their permanent representatives) and Executive Officers held shares in Befimmo:

- Mr Laurent Carlier (180 shares);
- Mr Benoît De Blicq (1,473 shares);
- Mr Guy Van Wymersch-Moons (901 shares);
- Mr Benoît Godts (998 shares); and
- Mr Jacques Rousseaux (247 shares).

Factors liable to have an influence in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 on the obligations of writers of financial options 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’s administrative body in that respect are restricted to a large extent by the Company’s status as a BE-REIT (SIR/GVV).

- Capital structure, indicating any different categories of shares and, for each category of shares, the rights and obligations associated with it and the percentage of total share capital that it represents (Royal Decree, Article 34(1)); Holders of any securities involving special control rights and a description of those rights (Royal Decree, Article 34(3)); Rules applicable to the appointment and replacement of the members of the administrative body (Royal Decree, Article 34(7)); Powers of the administrative body (Royal Decree, article 34(8))

The Board of Directors of Befimmo has certain powers concerning the right to issue or purchase shares (authorised capital clause and authorisation for the purchase and disposal of treasury shares).

These powers were not designed specifically for the case of a takeover bid: the authorised capital clause basically allows opportunities to be taken rapidly without the time constraints associated with convening two general meetings (experience shows that the first general meeting convened is consistently inquorate) while the authorisation to buy its own shares provides for a mechanism that could be used to stabilise the share price in the event of abnormal movements. These clauses could nevertheless be used in that context. More specifically, these clauses provide as follows:

1. Implementing the law of 2 August 2002 on supervision of the financial sector and financial services.

- pursuant to article 7 of the articles of association of Befimmo, the Board of Directors is authorised to increase the company capital, in one or more stages, by contributions in cash or in kind or by incorporating reserves, on such dates, terms and conditions as it may decide, by a maximum amount of €253,194,780.59. This authorisation was granted for a period of five years from the publication in the annexes to the Belgian Official Gazette of the minutes of the General Meeting of 22 June 2011 or 5 July 2011; the use of this clause may result in a significant strengthening of the capital, higher than the above-mentioned amount in that the subscription price of the new shares set by the Board of Directors comprises an issue premium. Since the capital increase carried out in the context of the distribution of an interim dividend in cash or in new shares, recorded by notarial deed on 15 December 2015, the residual authorised capital currently amounts to €179,605,044.32;
- pursuant to the same provision and subject to the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights (this authorisation was also granted for a period of five years from 5 July 2011);
- in accordance with articles 620 and following of the Code of Company Law and Article 11 of the articles of association of Befimmo SA, the Board of Directors is authorised to acquire fully paid-up shares in Befimmo (within the statutory limits). This authorisation is valid for five years as from 5 July 2011 (the date of publication of the minutes of the General Meeting of 22 June 2011 in the annexes to the Belgian Official Gazette) and is renewable for further five-year periods;
- again pursuant to article 11 of the articles of association of Befimmo, the Board of Directors is also “authorised to dispose of the Company’s own shares that it has acquired in the following cases: 1) on the stock market or off the stock market where these shares are admitted for trading on a regulated market pursuant to Article 4 of the Code of Company Law; 2) when the disposal takes place in a stock exchange or as a result of a public sale offer addressed to all shareholders under the same conditions, in order to prevent serious and imminent damage to the Company, the authorisation being valid for a period of three years from the date of publication of the minutes of the meeting of 22 June 2011 and renewable for further three-year periods; 3) in all other cases allowed by the Code of Company Law.”

■ Restriction of voting rights by law or the articles of association (Royal Decree, article 34(5))

No provision of the articles of association restricts the voting rights of Befimmo shareholders.

Moreover, we would recall that, in accordance with the Code of Company Law and article 28(1) of the articles of association, “Any shareholder may participate in a general

meeting and exercise his right to vote: (i) if his shares are registered in his name by the fourteenth day prior to the shareholders’ meeting at midnight (Belgian time): - by registration of the shares in the company’s registered shares register; - by registration of the shares in the account of an authorised holder or settlement institution. The aforementioned day and time shall be the record date, (ii) and if the company has been informed, no later than the sixth day prior to the date of the meeting, of the shareholder’s intention to take part in the shareholders’ meeting, as the case may be, directly by the shareholder for holders of registered shares or by a financial intermediary, authorised account holder or settlement institution for holders of dematerialised shares.”

These provisions of the articles of association were not conceived with takeover bids in mind but, by laying down formalities for admission to the General Meeting, they may have an indirect influence to that effect.

■ Rules applicable to changes in the option writer’s articles of association (Royal Decree, article 34(7))

In accordance with article 12 of the law of 12 May 2014 on BE-REITs (SIR/GVV), any proposed amendment to the articles of association must first be approved by the FSMA.

This rule may have an influence in the event of a takeover bid, as the bidder may not amend the Company’s articles of association at its discretion but would have to have any draft amendment approved by the FSMA.

■ Important agreements to which the Company is a party and which can take effect, be amended or lapse in the event of a change in the control of the Company as a result of a takeover bid (Royal Decree, Article 34(9))

It is standard practice to include a “change-of-control” clause in financing agreements, entitling the bank to ask for the loan to be repaid if a change in the control of the Company were to have a material adverse effect on the Company.

The following banks have such a change-of-control clause: Bayern LB, Banque Degroof, BECM, Belfius, BNP Paribas Fortis, ING, KBC and RBS.

Moreover, in Befimmo’s bond issues in April 2011, similar clauses provided for payment of a higher coupon in the event of a change of control of the Company leading to a rating downgrade. Likewise, the agreement on the private bond placement made in the United States in May 2012 includes a similar clause entitling each investor to request early redemption of his notes at par in the event of a change of control. All these change of control clauses have been approved by the General Meeting.

Structure and organisation G4-3 G4-17

At 31 December 2015, the Company had the following subsidiaries:

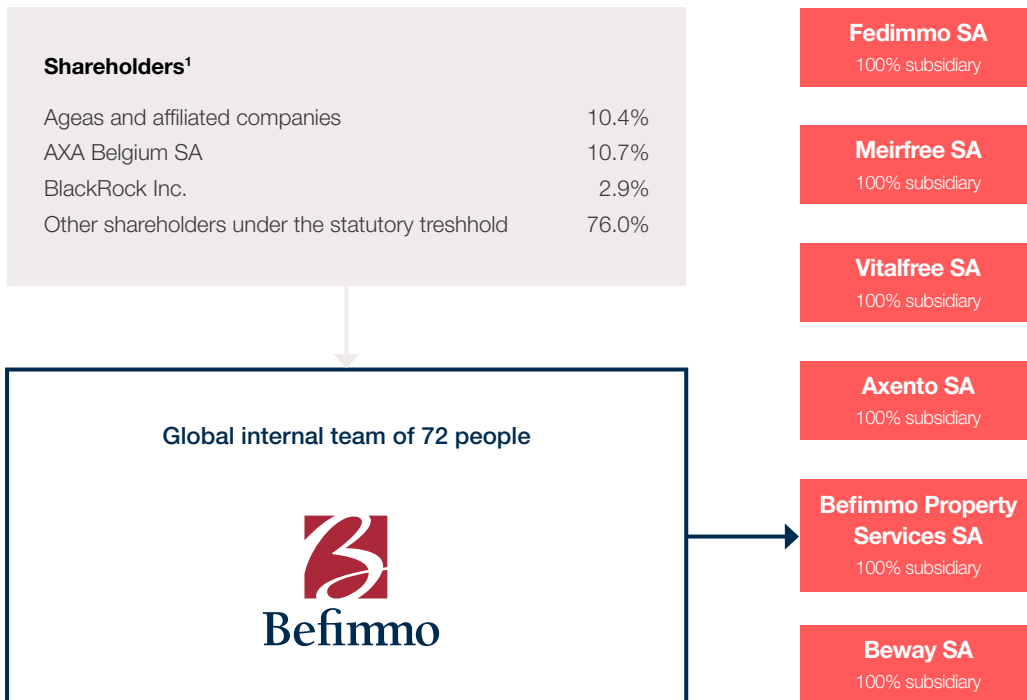
- Fedimmo SA, a BE-REIT (SIR/GW) which is 100% owned by Befimmo;
- Beway SA, a BE-REIT (SIR/GW), 10% of which is owned by Befimmo and 90% by Fedimmo;
- Vitalfree SA, a Belgian Limited-Liability Company which is 100% owned by Befimmo;
- Meifree SA, a Belgian Limited-Liability Company which is

100% owned by Befimmo;

- Axento SA, a Luxembourg Limited-Liability Company which is 100% owned by Befimmo; and
- Befimmo Property Services SA, a Belgian Limited-Liability Company which is 100% owned by Befimmo.

The following companies have a shareholding in Befimmo:

- Ageas and affiliates, which hold 10.4% of Befimmo's shares;
- AXA Belgium SA, which holds 10.7% of Befimmo's shares.



Befimmo's subsidiaries are Belgian companies with the exception of Axento SA, incorporated in Luxembourg.

1. Based on the transparency declarations or based on the information received from the shareholder.

📍 Belgium — Brussels centre — Rue Ravenstein 50-70, Cantersteen 39-55 — 29,000 m²
Architects: Alexis Dumont, Marcel van Goethem



Location

In front of the Central
Station



1,200

Employees



8

Storeys

CENTRAL GATE



H el ene Depasse - Sales Support Officer, has been working at Befimmo since 2010, an historian turned into a saleswoman

"Central Gate is a harmonious blend of history and modernity, proudly dominating the heart of the city for nearly a century. It's always a pleasure to show it to prospective tenants, especially when ending the tour on the panoramic terrace!"



Martine Rorif - Chief Operating Officer, has been working at Befimmo since 1997, with passion

"Befimmo's portfolio has a wealth of interesting buildings: Blue Tower, the Meir building in Antwerp, Brederode 13, Poelaert, the towers of the World Trade Center, Noord Building, Montesquieu, Pacheco, AMCA and many others. But I can say without hesitation that my favourite is Central Gate.

Designed by visionary architects nearly a hundred years ago, I feel it represents daring and modernity. With its sober architecture and curved facades, it is imposingly elegant in the streets of the city centre. It has all the advantages of a quality building: location, visibility, flexibility. All within walls steeped in history, with a true soul.

Its auditorium, listed cinema, patios and shopping gallery are a precursor of diversity. A fine example of a sustainable building."

FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (IN € THOUSAND)

G4-EC1

	Notes	31.12.15	31.12.14
I. (+) Rental income	5	140 063	139 690
III. (+/-) Charges linked to letting	6	- 553	- 995
NET RENTAL RESULT		139 510	138 695
IV. (+) Recovery of property charges	7	7 486	11 525
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	8	29 188	26 309
VII. (-) Rental charges and taxes normally paid by tenants on let properties	8	-28 009	-25 834
VIII. (+/-) Other revenue and charges for letting		646	224
PROPERTY RESULT		148 820	150 919
IX. (-) Technical costs	7	-9 787	-14 300
X. (-) Commercial costs	7	- 911	-1 092
XI. (-) Charges and taxes on unlet properties	7	-5 235	-3 586
XII. (-) Property management costs	7	-2 494	-2 828
XIII. (-) Other property charges	7	-3 691	-5 923
(+/-) Property charges		-22 118	-27 729
PROPERTY OPERATING RESULT		126 702	123 189
XIV. (-) Corporate overheads	9	-9 930	-11 110
XV. (+/-) Other operating income and charges	10	-1 675	1 289
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		115 098	113 369
XVI. (+/-) Gains and losses on disposals of investment properties	11	967	632
XVIII. (+/-) Changes in fair value of investment properties	12	10 984	9 278
OPERATING RESULT		127 048	123 280
XX. (+) Financial income	13	1 066	128
XXI. (-) Net interest charges	13	-25 288	-25 574
XXII. (-) Other financial charges	13	-3 415	-2 657
XXIII. (+/-) Changes in fair value of financial assets and liabilities	13	- 25	-25 194
(+/-) Financial result		-27 662	-53 298
PRE-TAX RESULT		99 386	69 982
XXV. (-) Corporation tax	14	-1 459	-1 119
(+/-) Taxes		-1 459	-1 119
NET RESULT	15	97 927	68 863
BASIC NET RESULT AND DILUTED (in €/share)		4.41	3.19
Other comprehensive income - actuarial gains and losses - non-recyclable	33	131	- 530
TOTAL COMPREHENSIVE INCOME		98 058	68 333

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN € THOUSAND)

G4-9

ASSETS	Notes	31.12.15	31.12.14
I. Non-current assets		2 459 828	2 322 040
A. Goodwill	16	14 552	14 808
C. Investment properties	17	2 387 806	2 283 268
D. Other property, plant and equipment	18	997	709
E. Non-current financial assets	19	54 809	21 461
F. Finance lease receivables	20	1 664	1 794
II. Current assets		40 406	31 891
A. Properties held for sale	17	484	1 967
B. Current financial assets	19	1 814	1 740
C. Finance lease receivables	20	131	128
D. Trade receivables	21	21 226	20 529
E. Tax receivables and other current assets	22	12 996	3 562
F. Cash and cash equivalents	23	215	82
G. Deferred charges and accrued income	24	3 540	3 883
TOTAL ASSETS		2 500 234	2 353 931
SHAREHOLDERS' EQUITY AND LIABILITIES			
	Notes	31.12.15	31.12.14
TOTAL SHAREHOLDERS' EQUITY		1 265 295	1 195 448
I. Equity attributable to shareholders of the parent company		1 265 295	1 195 448
A. Capital	25	323 661	319 066
B. Share premium account	25	702 548	688 688
C. Reserves	25	198 497	175 070
D. Net result for the fiscal year ¹		40 589	12 624
LIABILITIES		1 234 939	1 158 483
I. Non-current liabilities		674 530	557 623
B. Non-current financial debts	26	659 360	534 261
a. Credit institution		209 080	175 880
c. Other		450 280	358 381
<i>Bond issues</i>		161 910	161 842
<i>EUPP</i>		103 813	30 000
<i>USPP</i>		182 809	164 579
<i>Guarantees received</i>		1 749	1 960
C. Other non-current financial liabilities	27	15 169	23 362
II. Current liabilities		560 410	600 859
A. Provisions	28	2 239	2 854
B. Current financial debts	26	464 547	514 301
a. Credit institution		70 797	30 763
c. Other		393 750	483 538
<i>Bond issues</i>		-	110 038
<i>Commercial papers</i>		393 750	373 500
C. Other current financial liabilities	27	-	161
D. Trade debts and other current debts	29	56 483	57 277
E. Other current liabilities	30	4 920	4 607
F. Accrued charges and deferred income	31	32 221	21 659
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2 500 234	2 353 931

1. The difference between the "Net result for the fiscal year" of the Consolidated statement of financial position and the "Net result" of the Consolidated statement of total comprehensive income represents the interim dividend.

CONSOLIDATED CASH FLOW STATEMENT (IN € THOUSAND)

	31.12.15	31.12.14
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	82	1 524
Operating activities (+/-)		
Net result for the period	97 927	68 863
Result on disposal of investment properties	- 967	- 632
Financial result (excl. changes in fair value of financial assets and liabilities)	27 637	28 104
Taxes	1 459	1 119
Items with no effect on cash flow to be extracted from earnings		
Fair value adjustment for investment properties (+/-)	-10 984	-9 278
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	25	25 194
Loss of (gain in) value on trade receivables (+/-)	- 50	451
Goodwill impairment	138	-
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	374	782
Adjustments of provisions and of the pension liabilities without treasury impact (+/-)	- 484	-2 680
Taxes paid	-1 416	-1 124
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	113 660	110 798
Change in assets items	-8 233	-2 534
Change in liabilities items	9 699	-13 408
CHANGE IN WORKING CAPITAL REQUIREMENTS	1 466	-15 942
CASH FLOW FROM OPERATING ACTIVITIES	115 126	94 855
Investments (-) / Disposals (+)		
Investment properties		
Investments	-29 453	-65 806
Disposals	7 036	6 272
Acquisition investment property Rue aux Choux 35 (amount in cash)	-	-4 444
Acquisition of the Gateway project	-68 461	-
Other property, plant and equipment	- 662	- 744
CASH FLOW FROM INVESTMENT ACTIVITIES	-91 540	-64 722
Financing (+/-)		
Increase (+)/Decrease (-) in financial debts	93 142	18 702
European private bond placements	74 000	30 000
Reimbursement retail bond December 2011	-110 000	-
Interest paid	-27 397	-30 513
Hedging instruments and other financial assets	-24 986	- 493
Final dividend Befimmo of the 2013 fiscal year	-	-17 227
Optional interim dividend of the 2014 fiscal year	-	-31 528
Final dividend Befimmo of the 2014 fiscal year	-19 039	-
Optional interim dividend of the 2015 fiscal year	-38 428	-
Purchase of own shares within the framework of the BE-REIT status change ¹	-	- 413
Sale of own shares	29 711	-
Costs for capital increase (-)	- 456	- 103
CASH FLOW FROM FINANCING ACTIVITIES	-23 453	-31 575
NET CHANGE IN CASH AND CASH EQUIVALENTS	132	-1 442
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	215	82

With a view to establishing a consolidated cash flow statement in line with the income statement and with industry practice, the Company has decided to book cash flows related to interest payments under "Cash flow from financing activities". The consolidated cash flow statement as at 31 December 2014 is presented taking into account this reclassification, namely by reclassifying the sum of -€31.0 million under "Cash flow from financing activities", from "Cash flow from operating activities" (€28.1 million) and "Cash flow from investment activities" (€2.9 million). Before reclassification, these headings amounted to -€0.5 million, +€66.7 million and -€67.6 million respectively

1. Change of status in a public BE-REIT (SIR/GVV) approved by the Extraordinary General Meeting of shareholders on 21 October 2014.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN € THOUSAND)

	Capital	Share premium account	Reserves	Net result of the fiscal year	Total shareholders' equity
EQUITY AS AT 31.12.13	310 293	662 080	170 252	22 989	1 165 614
Appropriation of the result	-	-	22 989	-22 989	-
Dividend distributed	-	-	-17 227	-	-17 227
Befimmo 2013 final dividend	-	-	-17 227	-	-17 227
Purchase of own shares within the framework of the BE-REIT status change ¹	-	-	- 413	-	- 413
Capital increase linked to the contribution in kind of the Rue aux Choux 35 building	2 638	8 057	-	-	10 695
Interim dividend	6 135	18 551	-	-56 240	-31 554 ²
Befimmo 2014 interim dividend	-	-	-	-56 240	-56 240
Capital increase	6 135	18 551	-	-	24 686
Total comprehensive income	-	-	- 530	68 863	68 333
EQUITY AS AT 31.12.14	319 066	688 688	175 070	12 624	1 195 448
Appropriation of the result	-	-	12 624	-12 624	-
Dividend distributed	-	-	-19 039	-	-19 039
Befimmo 2014 final dividend	-	-	-19 039	-	-19 039
Private placement of own shares of 30 November 2015	- 403	-	29 711	-	29 308
Interim dividend	4 998	13 859	-	-57 338	-38 481 ³
Befimmo 2015 interim dividend	-	-	-	-57 338	-57 338
Capital increase	4 998	13 859	-	-	18 857
Total comprehensive income	-	-	131	97 927	98 058
EQUITY AS AT 31.12.15	323 661	702 548	198 497	40 589	1 265 295

1. Change of status in a public BE-REIT (SIR/GVV) approved by the Extraordinary General Meeting of shareholders on 21 October 2014.

2. The amount of -€31,544 thousand is the sum of the portion of the interim dividend paid in cash plus the withholding tax on the whole of the interim dividend (paid in cash or as a contribution to Befimmo's capital).

3. The amount of -€38,481 thousand is the sum of the portion of the interim dividend paid in cash plus the withholding tax on the whole of the interim dividend (paid in cash or as a contribution to Befimmo's capital).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General business information

Befimmo (“the Company”) is a public BE-REIT (Société Immobilière Réglementée/Gereguleerde Vastgoedvennootschap). It is organised as a “Société Anonyme” (Limited-Liability Company). Its registered office is at Chaussée de Wavre 1945, 1160 Brussels (Belgium).

The Company closes its fiscal year at 31 December. Befimmo has a 100% holding, directly or indirectly, in its subsidiaries Axento SA, Befimmo Property Services SA, Beway SA, Fedimmo SA, Meirfree SA and Vitalfree SA. All the subsidiaries of Befimmo close their fiscal years at 31 December.

The Company is presenting consolidated financial statements as at 31 December 2015. The Board of Directors of Befimmo SA adopted the financial statements for this fiscal year on 16 February 2016 and authorised its publication on 26 February 2016.

The Company's business is the provision of office premises and associated services.

As at 31 December 2015, the premises provided consisted of quality office buildings in Belgium, mainly in Brussels and in the main Belgian cities, and the Grand Duchy of Luxembourg, two thirds of which are let to public institutions and the remainder to multinationals and Belgian companies.

The Company is listed on Euronext Brussels.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. Except where otherwise specified, they are denominated in thousands of euros, rounded to the nearest thousand. Accounting policies have been applied consistently to the fiscal years presented.

In preparing its consolidated financial statements as at 31 December 2015, the Company has analysed and, as the case may be, has applied the following new or amended standards and interpretations which entered force during the fiscal year opening on 1 January 2015:

- IFRIC Interpretation 21 – *Levies* which relates to the timing of the recognition of such levies. The impact of this new interpretation lies in the recording of real-estate withholding taxes, and regional and local property taxes. These withholding taxes and levies must indeed be fully recognised at the start of the fiscal year, thereby significantly increasing property charges in the half-yearly report as at 30 June of the fiscal year. This impact is nevertheless neutral on the annual result.
- Annual Improvements to IFRS (2011-2013) which had no impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 January 2015.

Furthermore, the Company has anticipated the following new or amended standards or interpretations issued before the date that the consolidated financial statements were closed, but with a date of entry into force later than the fiscal period closing at 31 December 2015:

- IFRS 9 – *Financial Instruments* and related amendments that restructure the treatment of financial instruments. The impact of these new provisions is under review and could relate in particular to the evaluation model of impairment losses on trade receivables and the fair value option for financial liabilities. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018 but has not yet been adopted at European level.
- IFRS 15 – *Revenue from Contracts with Customers* which develops the principles of recognition and measurement of revenue by replacing IAS 18 and IAS 11 and related interpretations. The impact of this new standard is under review. However, since the revenue generated by the Group comes mainly from leases that are excluded from the scope of IFRS 15, the potential impacts should be limited. This new standard is applicable for annual periods beginning on or after 1 January 2018 but has not yet been adopted at European level.
- Annual Improvements to IFRS (2010-2012) which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 February 2015.
- Annual Improvements to IFRS (2012-2014) which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 January 2016.
- Amendments to IAS 19 – *Employee Benefits – Employee Contributions* which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 February 2015.
- Amendments to IFRS 11 – *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*, which should not have any impact on the financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016.
- Amendments to IAS 16 and IAS 38 – *Property, Plant and Equipment and Intangible Assets – Clarification on Acceptable Methods of Depreciation and Amortisation*, which should not have any impact on the financial statements. These improvements are applicable for annual periods beginning on or after 1 January 2016.
- Amendments to IAS 27 – *Separate Financial Statements – Equity Method*. These amendments will have no impact on the financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016.
- Amendments to IFRS 10, IFRS 12 and IAS 28 – *Investment Entities: Applying the Consolidation Exception*, which should not have any impact on the financial statements. These amendments are applicable for annual periods beginning on or after 1 January 2016 but have not yet been adopted at European level.
- Amendments to IFRS 10 and IAS 28 – *Sales or Contribution of Assets between Investor and its Associate Joint Venture*, which should not have any impact on the consolidated financial statements. The date of entry into force of these amendments was postponed so that adoption at European level was also postponed.
- Amendments to IAS 1 – *Presentation of Financial Statements – Disclosure Initiative*. The potential impact of these amendments on the information provided in the notes is under review. These amendments are applicable for annual periods beginning on or after 1 January 2016.

New standard IFRS 16 - *Leases* published on 13 January 2016 will come into force for fiscal years from 1 January 2019 onwards. This new standard should have a limited impact within the accounts of Befimmo.

Most of Befimmo's assets and liabilities are carried at fair value in the IFRS balance sheet.

The balance sheet assets consist primarily of investment properties, valued by independent experts and carried at fair value. Most other asset items are short-term, so their carrying amount is almost equivalent to their fair value.

The balance sheet liabilities consist mainly of financial borrowings. Borrowings at floating rates have a carrying amount equivalent to their fair value, while fixed-rate loans are either recognised at fair value (estimated by calculating an update of future flows. This exception (fair-value option) was chosen for the United States private placement (USPP) debt only, which has its own specific interest-rate and currency hedging also assessed at fair value) or carried in the accounts at amortised cost (this applies to the two bond issues, the European private placements and the debts related to the assignment of future rents and future usufruct fees). The other liabilities items are short-term, so their carrying amount is almost equivalent to their fair value.

2.2. General principles of consolidation

For reading the financial statements, the following definitions apply:

Subsidiary

A subsidiary controls an investee, pursuant to the IFRS 10 standard §7, i.e. when:

- it has power over the investee;
- it has the right, or is exposed to variable returns from its involvement with the investee; and
- it had the ability to use its power to affect the amount of return it acquires over the investee.

A subsidiary is consolidated by full incorporation from the date on which the Company obtains control. It is deconsolidated on the date on which that control ceases.

Jointly controlled entity

A jointly controlled entity is an entity of which the Company and one or more other shareholders have joint control under a contractual arrangement.

A jointly controlled entity is accounted using the equity method from the date the Company has joint control, and until such time as it ceases.

Business combinations

A business combination is an undertaking over which the Company has significant influence but no controlling interest. It is accounted using the equity method.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated in proportion to the Company's interest in such entities.

Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of any impairment.

2.3. Business combinations and goodwill

When the Company takes control of a business as defined in standard IFRS 3 – *Business Combinations*, the assets, liabilities and any identifiable liabilities of the business acquired are recorded separately at fair value.

The difference between the fair value of the consideration transferred to the vendor and the share of the fair value of the net asset acquired is booked under goodwill on the assets side of the balance sheet.

If that difference is negative (often termed “negative goodwill” or “badwill”), after confirmation of the values, it is booked straight to the income statement.

Costs related with acquisition, such as fees paid to consultants, are expensed directly. Goodwill is subject to an impairment test carried out at least once a year in accordance with IAS 36 – *Depreciation of Assets*.

2.4. Foreign currency

Foreign currency transactions

Foreign currency transactions are recorded initially at the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are then remeasured at closing rate when the financial statements are prepared. Any losses or profits from remeasurement are recognised in the income statement.

Profits or losses arising from foreign currency transactions are recorded in the income statement under “Financial loss or gain”.

Foreign operations

In the context of the consolidation, assets and liabilities of operations outside the euro zone are converted into euros at the closing rate when the financial statements are prepared. Income statement items are converted into euros at the average exchange rate for the period.

The resulting translation differences are booked to the equity item “Financial result”.

2.5. Intangible assets

Intangible assets are recognised only when it is probable that the expected future economic benefits associated with the asset will flow to the Company and its cost can be measured reliably. They are initially measured at cost, then evaluated by subtracting accumulated depreciation and impairment losses from that cost.

Intangible assets are amortised using the straight-line method to allocate the cost over the best possible estimate of the useful life of the asset. The useful life and amortisation method of intangible assets are reviewed at least at each financial year end.

2.6. Investment properties

2.6.1. General principles

Properties available for lease and under renovation are classed as investment properties.

Investment property is measured initially at its cost, including related transaction costs and 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 properties are carried at fair value.

Properties that are being constructed or developed for own account, in order to be leased are also valued at fair value.

An independent expert determines the investment value of the property portfolio (also known as “deed-in-hands value”). This valuation is based on the present value of the net rental income in accordance with the International Valuation Standards, established by the International Valuation Standards Committee, as set out in the expert’s report. The fair value of the investment property is obtained by subtracting from this investment value the amount of expenses and taxes (registration duties and/or value added tax, notary’s expenses, etc.) that the investor has to defray in order to acquire ownership of the property. Based on the various transfer methods in use on the market, the average rate of these transaction costs amounts to 2.5%¹ for properties valued at more than €2.5 million and 10% or 12.5% for properties below that value, depending on their location.

The independent expert establishes the investment value of the real-estate portfolio in detail at the end of each fiscal year. At the end of each quarter, the expert updates the valuation in line with market developments and the specific characteristics of the properties. Any gain or loss arising from a change in fair value is posted in the income statement, including those arising from the first valuation.

2.6.2. Commissions paid to real-estate agents and other transaction costs

The initial carrying value of the assets includes the fees for the acquisition of investment properties. The same applies to the purchase of shares in a property company, a contribution in kind of a property in consideration for new shares, or a contribution of assets through a merger with or takeover of a property company. However, when the transaction establishes a business combination, the costs associated with the transaction are expensed directly in the income statement.

Commissions relating to property rentals are recorded as costs in the income statement.

2.6.3. Works carried out on investment properties

The accounting treatment of works carried out on investment properties depends on the type of work concerned:

Improvement works

This is occasional work to improve the functionality of a building or significantly improve comfort, in order to increase the rent and hence the estimated rental value.

The cost of this work is capitalised within the asset’s carrying amount provided and to the extent that the independent expert recognises an appreciation in the value of the property as a result of the work done.

Example: installation of an air-conditioning system where one did not previously exist.

¹ Average transactions costs paid, as recorded by experts on the Belgian market. This accounting method is described at length in the BeAMA press release of 8 February 2006.

Major renovation works

This is work done at the end of a building's life cycle to carry out a thorough renovation of the building using modern techniques, generally retaining the existing structure.

These costs are capitalised within the asset's carrying amount.

In accordance with IAS 23 – *Borrowing Costs*, borrowing costs are capitalised and charged to the balance sheet under the heading "Investment properties", provided that the building in question does not generate income during this period. By the same logic, withholding taxes, levies and other property charges on fully renovated properties that are not earning income are recognised on the assets side of the balance sheet.

Maintenance and repair

Expenditure relating to maintenance and repair work which does not add any extra functionality to or increase the standard of comfort of the building is recorded as charges in the income statement.

2.6.4. Investment property occupied by owner

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If the Company occupies only a minimal part of the property it owns, the whole property is recognised as an investment property at fair value.

2.7. Other property, plant and equipment

Other tangible assets are recorded at cost, less accumulated depreciation and impairment losses. This cost includes all direct costs and appropriate allocation of indirect costs incurred to bring the asset to working condition for its intended use.

The straight-line depreciation method is applied through the estimated useful life of the assets. The useful life and depreciation method are reviewed at least at each financial year end.

Useful life is defined as follows per main type of asset:

- Computer equipment: 3 years;
Office furniture and fittings: 5 years;
- Office equipment: 10 years;
- Finance-leased equipment: duration of contract.

2.8. Financial assets

Financial assets are classified in the balance sheet as current or non-current financial assets, based on the intention or probability of realisation within twelve months at the balance sheet date.

There are four types of financial asset: (i) assets held to maturity, (ii) assets at fair value through profit or loss, (iii) assets available for sale and (iv) loans and receivables.

(i) Held-to-maturity assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost using the effective-interest method.

(ii) Assets at fair value through profit or loss

These assets include:

- assets held for trading, i.e. assets acquired principally for the purpose of selling in the short term;
- assets designated by management to be recognised based on the fair value option in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*.

These two categories of assets are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value are booked to the income statement in the period in which they arise.

(iii) Assets available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Assets available for sale are carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity. In case of sale or impairment, the accumulated fair-value adjustments already recorded in equity are transferred to the income statement.

(iv) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivable.

Loans and receivables are stated at amortised cost, i.e. their carrying amount less appropriate allowance for irrecoverable amounts, plus or minus the cumulative amortisation using the effective-interest method of any difference between the initial amount and the maturity amount. The amount of the allowance is recognised in the income statement.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to interest-rate and currency risks arising from the financing of its activities. The Company does not hold or issue derivative financial instruments for proprietary trading purposes.

However, derivatives that do not qualify for hedge accounting (IFRS) are recorded as "Permitted hedging instruments to which hedge accounting as defined in IFRS is not applied".

Derivative financial instruments are recognised initially at cost. Subsequently they are stated at fair value. Recognition of any resulting gain or loss depends on whether or not hedge accounting is applied and possibly on the nature of the item being hedged.

At inception of the hedge, the derivative is designated either as (i) a hedge of the fair value of recognised assets or liabilities or of a firm commitment, or (ii) a hedge of future cash flow. Based on these criteria, changes in fair value of derivatives are recorded as follows:

(i) Fair-value hedge

Changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash-flow hedge

The effective portion of changes in the fair value of these derivatives is recognised in equity.

Amounts accumulated in equity are transferred to the income statement of the periods during which the hedged cash flows affect the income statement.

Gains or losses that are related to the ineffective portion are booked directly to the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the commitment or hedged cash flows are ultimately recognised in the income statement.

When hedged cash flows are no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Even if they do result in an effective economic hedge, certain derivative instruments do not qualify for hedge accounting according to IAS 39 – *Financial Instruments: Recognition and Measurement*. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.9. Property held for sale

A property is classified as held for sale if it meets the criteria in IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*. Investment property held for sale is valued on the same basis as other investment property.

2.10. Trade receivables

Trade receivables are stated at amortised cost (see section 2.8 (iv) before).

2.11. Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash, have maturity dates at acquisition of three months or less, and are subject to an insignificant risk of change in value.

These items are carried in the balance sheet at their carrying amount or at cost.

2.12. Impairment of assets

The Company reviews the carrying amount of intangible and tangible assets (other than investment properties) at each balance sheet date to determine whether there is any indication of impairment, in which case an impairment test is carried out.

Such a test is carried out systematically every year on the cash-flow generating units (CGUs) or groups of CGUs to which the goodwill has been allocated in the context of a business combination.

An impairment test consists of comparing the carrying amount of an asset or CGU (group of CGUs) with its recoverable amount being the higher of its fair value less costs to sell or its value in use. The value in use is the present value of the estimated future cash flows from the use of an asset or CGU (group of CGUs).

If the carrying amount of an asset or CGU (group of CGUs) exceeds its recoverable amount, the excess is recognised as an impairment loss recorded directly in costs and charged as a priority as a reduction in the goodwill for the CGU (group of CGUs).

An impairment loss is reversed if the recoverable amount of the asset or CGU (group of CGUs) exceeds the carrying amount, with the exception of impairment of goodwill, which is never reversed.

In addition, at each balance sheet date, the Company reviews the carrying value of its other financial assets and, where appropriate, records an appropriate write-down.

2.13. Capital

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends are recognised as a liability when they are declared by the General Meeting of shareholders. Own shares held are recorded at their historical value as a debit in the "Own shares (-)" equity account.

2.14. Interest-bearing borrowings

In general, borrowings are initially recognised for the amount of the proceeds received, net of transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the net proceeds and the redemption value is recognised in the income statement using the effective interest method.

In addition, interest-bearing borrowings subject to a designated fair-value hedge are measured at fair value.

2.15. Trade and other payables

Trade and other payables are stated at amortised cost.

2.16. Employee benefits

The Company has a defined-benefit pension plan. The pension plan is funded by contributions paid by the Company into the pension fund of AG Real Estate OFP and by payment of defined contributions into a group insurance.

A defined-benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on his age, years of service and remuneration.

The amount presented in the balance sheet is based on actuarial calculations (using the projected unit credit method). It is the present value of the defined benefit obligation minus the fair value of the plan assets.

If this amount is positive, a provision will be recorded on the liability side of the balance sheet, representing at this time the complement of the amount the Company would have to pay to its employees at their retirement. Conversely, if the amount is negative, in principle an asset is recognised in the balance sheet provided that the Company can benefit in future by over-funding the plan in this way ("asset ceiling"). The current service cost during the fiscal year, together with the financial cost of the obligations, the interest income of the plan assets and the financial cost of the asset ceiling are recognised in the net result for the fiscal year. Actuarial gains and losses arising from changes in assumptions or related experience, performance of plan assets (net interest amount excluded) as well as the potential impact of the asset ceiling are recognised directly in equity.

Under the group insurance, fixed contributions are paid by the Company and employees to an insurance company. Contributions are recognised as expenses as they fall due, and as such are included in employee costs.

As from the 2016 fiscal year, the following changes were made to the Company's supplementary pension scheme:

- 1) Employees in post on 31 December 2015 were offered the choice between continuing on the existing defined-benefits pension plan or moving to a new defined-contribution type group insurance from 1 January 2016. This group insurance involves employer contributions only. Employees who opt for the new defined-contribution scheme benefit from dynamic management of the defined-benefits commitment for their past career.

- 2) New employees recruited on or after 1 January 2016 are entitled only to the new defined-contribution group insurance.
- 3) The assets covering the Company's commitments under the defined-benefit scheme were transferred from the pension fund of AG Real Estate OFP to an insurance company, which manages the assets of the new defined-contribution scheme.

The fixed contributions paid under this new group insurance 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; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18. Income

Rental income from operating leases is recognised in income on an accrual basis over the lease term.

Rental gratuities and other incentives granted to customers are recognised over the first firm period of the lease term, on a straight-line basis. This spreading is offset under the heading "Other operating income and expenses" of the income statement.

2.19. Gain or loss on sales of investment property

The result on disposals of investment property represents the difference between sales proceeds net of transaction costs and the latest reported fair value of the property sold. The result is realised at the time of the transfer of risks and rewards.

2.20. Income taxes

Income taxes for the fiscal year include both current tax and deferred tax. Taxes are recorded in the income statement except where they relate to items recorded directly in equity, in which case they too are recorded in equity. Current tax is the expected tax payable on the taxable income of the year, and any adjustment to tax payable (or receivable) in respect of previous years. It is calculated using tax rates enacted at the balance sheet date.

Deferred taxes are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This tax is measured using the tax rates expected to apply when the asset is realised or the liability settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable earnings will be available against which the temporary differences can be utilised.

3. Significant accounting judgements and main sources of uncertainty regarding estimates

3.1. Significant judgements regarding the Company's accounting policies

For buildings on a long-term let, except for limited expectations, the Company considered that hardly any of the risks and benefits inherent in the ownership of the assets have been transferred to the tenant and, therefore, that these contracts are simple lease agreements pursuant to IAS 17 – *Leases*.

3.2. Main sources of uncertainty regarding estimates

Estimate of the fair value and of the value in use of investment property

The fair value and, if appropriate, the value in use of investment property are estimated by independent experts in accordance with the principles set out in the accounting policies.

Disputes and uncertainties

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

4. Segment information

Befimmo owns a property portfolio consisting entirely of offices¹.

In terms of geographical distribution (based on the fair value of the properties, excluding asset held for sale), most of Befimmo's real-estate portfolio is located in Brussels (67.7%), the remaining 32.3% being in Flanders (20.7%), Wallonia (8.0%) and Luxembourg city (3.6%).

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 and Brussels airport.

The consolidated Befimmo portfolio is described in more detail in the "Property portfolio" chapter of the management report.

	Brussels centre (CBD)		Brussels decentralised		Brussels periphery		Brussels airport	
	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
(in € thousand)								
INCOME STATEMENT								
A. Rental income	79 819	79 401	4 953	4 975	9 242	9 326	-	-
B. Property operating result	75 216	71 616	2 203	3 146	7 709	6 980	- 189	-
C. Change in fair value of investment properties	1 100	- 2 959	- 5 865	- 1 552	- 4 191	- 14 173	- 341	-
D. Gains and losses on disposal of buildings	-	-	-	-	-	-	-	-
E. SEGMENT RESULT (= B+C+D)	76 315	68 657	- 3 662	1 594	3 518	- 7 194	- 531	-
Percentage by segment	55.0%	51.6%	-2.6%	1.2%	2.5%	-5.4%	-0.4%	-
F. Corporate overheads								
G. Other operating income and charges								
H. Financial result								
I. Income tax								
NET RESULT (= E+F+G+H+I)								
	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
BALANCE SHEET								
Assets								
Goodwill	7 391	7 391	-	-	-	-	-	-
Investment properties and assets held for sale	1 305 051	1 289 068	91 849	97 053	144 703	144 324	75 089	-
<i>of which investments and acquisitions during the year</i>	<i>14 883</i>	<i>37 277</i>	<i>662</i>	<i>5 664</i>	<i>4 570</i>	<i>6 055</i>	<i>75 430</i>	<i>-</i>
Other assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	1 312 442	1 296 459	91 849	97 053	144 703	144 324	75 089	-
Percentage by segment	52.5%	55.1%	3.7%	4.1%	5.8%	6.1%	3.0%	-
TOTAL LIABILITIES								
TOTAL SHAREHOLDERS' EQUITY								
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								

1. Some retail businesses are nevertheless operating on the ground floor of some buildings, but to a very marginal extent.

Wallonia		Flanders		Luxembourg city		Unallocated amounts		Total	
31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
10 572	10 489	30 315	30 360	5 162	5 140	-	-	140 063	139 690
8 945	9 175	28 001	27 539	4 818	4 734	-	-	126 702	123 189
8 508	10 616	9 526	15 528	2 248	1 819	-	-	10 984	9 278
446	632	521	-	-	-	-	-	967	632
17 899	20 423	38 047	43 066	7 066	6 554	-	-	138 652	133 100
12.9%	15.3%	27.4%	32.4%	5.1%	4.9%	-	-	100%	100%
						- 9 930	- 11 110	- 9 930	- 11 110
						- 1 675	1 289	- 1 675	1 289
						- 27 662	- 53 298	- 27 662	- 53 298
						- 1 459	- 1 119	- 1 459	- 1 119
								97 927	68 863
31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
1 514	1 707	5 647	5 710	-	-	-	-	14 552	14 808
191 614	184 933	493 163	485 287	86 820	84 571	-	-	2 388 290	2 285 235
2 323	47 401	152	630	1	- 191	-	-	98 022	96 837
1 769	1 897	-	-	-	-	95 624	51 991	97 392	53 888
194 896	188 537	498 810	490 997	86 820	84 571	95 624	51 991	2 500 234	2 353 931
7.8%	8.0%	20.0%	20.9%	3.5%	3.6%	3.8%	2.2%	100%	100%
						1 234 939	1 158 483	1 234 939	1 158 483
						1 265 295	1 195 448	1 265 295	1 195 448
						2 500 234	2 353 931	2 500 234	2 353 931

5. Rental income

I. Rental income (in € thousand)	31.12.15	31.12.14
Rents	140 830	142 547
Cost of rent free periods	-1 507	-2 822
Concessions granted to tenants (incentives)	- 262	- 180
Indemnities for early termination of rental contracts	1 001	146
Rental income	140 063	139 690

This table sets out the various components of rental income. Besides rent, rental income also includes:

- various items relating to the spread of rental gratuities granted and concessions to tenants, booked in accordance with IFRS standards, the effect of which is neutralised in heading XV of the income statement;
- compensation related to early termination of leases.

(in € thousand)	31.12.15	31.12.14
Less than one year	145 041	141 617
One to five years	444 860	438 324
More than five years	688 447	661 915
Rental income	1 278 348	1 241 856

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 €0.3 million and €1.2 million for the 2015 and 2014 fiscal years respectively. These amounts depend on the actual level of indexing.

The Befimmo standard lease

The vast majority of Befimmo SA's properties (not including Fedimmo SA's buildings, those let to the Buildings Agency and certain other leases) are let under a standard lease, generally lasting nine years or more and allowing, as the case may be, for early termination at the end of the third or sixth year, subject to six months' notice before expiry.

The leases may not be terminated at any other time and most often may not be tacitly renewed.

Rent is generally payable quarterly or six-monthly in advance. Rents are indexed annually at the anniversary of the contract, with a minimum of the last rent (or, for Buildings Agency leases, the base rent).

In most cases, common and individual charges and insurance premiums are payable by tenants who, in order to cover the amount concerned, pay a quarterly (or half-yearly) provision at the same time as the rent. An account of charges actually incurred is drawn up every year.

Generally speaking, all property and other taxes are also passed on to tenants.

When tenants enter the premises, a detailed inventory is drawn up by an expert. At the end of the lease, the tenants have to surrender the premises in the state described in the inventory, with allowance for normal wear and tear. The surveyor draws up a closing inventory. Tenants have to pay compensation covering the amount of any damage to or unavailability of the premises during repair work.

Tenants may not transfer the lease or sublet the premises without the explicit prior agreement of the lessor. If Befimmo agrees to the transfer of a lease, the transferor and the transferee remain jointly and severally liable to Befimmo.

Each lease is registered.

As a guarantee of performance of their obligations under the lease, most tenants provide an irrevocable rental guarantee that can be called in on first demand.

The Fedimmo standard lease

Most of Fedimmo SA's buildings are let to the Belgian State under a standard lease.

Leases may not be terminated before expiry and are generally long-term. Unless notice is given before the expiry of the term, they are tacitly renewed for a period that varies according to the lease.

The rent is payable six-monthly during the period and is subject to annual indexing, with a minimum of the initial rent.

Rental charges are charged to the tenant under the special conditions and all taxes are payable solely by the tenant.

Inventories are drawn up on entry and departure by two experts, one designated by the lessor and the other by the tenant, with a view to determining the amount of any compensation for damage payable by the tenant to the lessor.

The Belgian Government, as tenant, is not required to provide a rental guarantee. If the lease is transferred to anyone other than a Government department, a rental guarantee must be provided.

The premises may be sublet by the tenant only with the lessor's consent, unless to a State department. If the lease is sublet or transferred, the tenant and sub-tenant or transferee remain jointly and severally bound by all the obligations under the lease agreement.

Leases are registered.

As a guarantee of performance of their obligations under the lease, most tenants (except for the Belgian State and certain representations) provide an irrevocable rental guarantee that can be called in on first demand.

6. Charges linked to letting

III. Charges linked to letting (in € thousand)	31.12.15	31.12.14
Rents payable on rented premises	- 603	- 544
Write-downs on trade receivables	- 385	- 831
Write-back of write-downs on trade receivables	435	379
Charges linked to letting	- 553	- 995

This table includes the following amounts:

- rent paid for leased premises which were subsequently re-let to customers of the Company;
- write-downs and write-backs on write-downs on trade receivables, realised and unrealised.

(in € thousand)	31.12.15	31.12.14
At less than one year	606	467
One to five years	1 946	1 721
At more than five years	1 222	12 562
Rent paid	3 775	14 750

This table gives details of future payments that Befimmo is certain to make under ongoing lease agreements signed by Befimmo as lessee (rent of buildings).

The rents shown are assured. The above table takes no account of the annual indexing of the rents. By way of indication, the amounts Befimmo paid related to indexing over the past two years are valued at less than €10,000.

7. Real-estate charges and recovery of real-estate charges

31.12.15 (in € thousand)

	AT CHARGE	NET		RECOVERY
IX. Technical costs	-9 787		7 486	IV. Recovery of property charges
<u>Recurrent</u>	<u>-7 659</u>	<u>-2 860</u>	<u>4 799</u>	<u>Recurrent</u>
Repairs	-6 073	-1 656	4 418	Repairs
Total-guarantee charge	-1 010	- 778	231	Total-guarantee charge
Insurance premiums	- 576	- 426	150	Insurance premiums
<u>Non recurrent</u>	<u>-2 128</u>	<u>- 879</u>	<u>1 249</u>	<u>Non recurrent</u>
Major repairs (building companies, architects, engineering offices, etc.)	-1 908	- 847	1 061	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	- 220	- 32	55	Recovery of damage expenses
			133	Compensation of damage by insurers
XII. Property management costs	-2 494	-1 057	1 437	Property management costs
Fees paid to (external) managers	- 12	1 425	1 437	Management fees received
(Internal) management fees of properties	-2 482	-2 482		
X. Commercial costs	- 911	- 911		
Agency commissions	- 630	- 630		
Advertising	- 26	- 26		
Fees paid to lawyers and other experts	- 254	- 254		
XI. Charges and taxes on unlet properties	-5 235	-5 235		
XIII. Other property charges	-3 691	-3 691		
Property charges	-22 118	-14 633	7 486	IV. Recovery of property charges

31.12.14 (in € thousand)

	AT CHARGE	NET		RECOVERY
IX. Technical costs	-14 300		11 525	IV. Recovery of property charges
<u>Recurrent</u>	<u>-7 180</u>	<u>-2 334</u>	<u>4 846</u>	<u>Recurrent</u>
Repairs	-5 579	-1 048	4 531	Repairs
Total-guarantee charge	-1 010	- 818	192	Total-guarantee charge
Insurance premiums	- 590	- 468	123	Insurance premiums
<u>Non recurrent</u>	<u>-7 120</u>	<u>-1 915</u>	<u>5 205</u>	<u>Non recurrent</u>
Major repairs (building companies, architects, engineering offices, etc.)	-7 032	-1 875	5 157	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	- 88	- 40	47	Recovery of damage expenses
			1	Compensation of damage by insurers
XII. Property management costs	-2 828	-1 353	1 475	Property management costs
Fees paid to (external) managers	- 133	1 342	1 475	Management fees received
(Internal) management fees of properties	-2 696	-2 696		
X. Commercial costs	-1 092	-1 092		
Agency commissions	- 807	- 807		
Advertising	- 26	- 26		
Fees paid to lawyers and other experts	- 259	- 259		
XI. Charges and taxes on unlet properties	-3 586	-3 586		
XIII. Other property charges	-5 923	-5 923		
Property charges	-27 729	-16 204	11 525	IV. Recovery of property charges

These tables set out, for the 2014 and 2015 fiscal years, the origins of the net real-estate charges borne by the Company.

The "Charges and taxes on unlet properties" increased by €1,649 thousand. The increase is explained firstly by taxes on buildings under renovation (the Brederode 9 and Namur 48 buildings) and, secondly, by the registration for property tax of the old Paradis building (Liège), currently being demolished, plus the registration for the new Tower.

The decrease of €2,232 million in "Other property charges" is explained by a reduction in study costs on real-estate dossiers and also by the booking in 2014 of provisions for non-recurring events.

8. Rental charges and taxes normally paid by tenants on let properties

(in € thousand)	31.12.15	31.12.14
V. Recovery of rental charges and taxes normally paid by tenants on let properties	29 188	26 309
Rebiling of rental charges invoiced to the landlord	9 595	7 805
Rebiling of withholding taxes and other taxes on let properties	19 593	18 504
VII. Rental charges and taxes normally paid by tenants on let properties	-28 009	-25 834
Rental charges invoiced to the landlord	-7 487	-6 456
Withholding taxes and other taxes on let properties	-20 522	-19 378
Total	1 179	474

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 (in € thousand)	31.12.15	31.12.14
Staff costs	-5 276	-4 690
<i>Staff costs (persons under a contract of employment)</i>	<i>-3 851</i>	<i>-2 986</i>
<i>Remuneration of Directors</i>	<i>-1 426</i>	<i>-1 703</i>
Operating and communication costs	-2 238	-2 646
IT costs	- 866	- 671
Fees (project research, real-estate experts, legal advice, etc.)	-1 119	-1 991
FSMA and Euronext costs	- 166	- 150
Taxes and non-recoverable VAT	- 264	- 962
Corporate overheads	-9 930	-11 110

The corporate overheads comprise all costs not directly chargeable to the management, upkeep and maintenance of the properties in the portfolio.

They include the costs of Company staff from the support teams (remuneration, social contributions, etc. of the people bounded by an employment contract, working in a business support function, and the Directors' remuneration), operating costs (office rents, office supplies, etc.), communication and IT costs, and fees paid to various external consultants (legal, technical, financial, fiscal, etc.), notably in the context of specific projects unrelated to the properties in the portfolio.

This heading also includes costs related to the listing of the Company on a public stock exchange (Euronext Brussels) and the costs of the Financial Services and Markets Authority (FSMA) and the taxes specific to the status of a BE-REIT (SIR/GVV).

Company staff	31.12.15	31.12.14	
Number of persons under a contract of employment	72	70	
Average full-time equivalent during the year	69.06	67.70	
Of which:			
Real-estate team	Number of persons under a contract of employment	46.00	46.00
Real-estate team	Average full-time equivalent during the year	43.43	43.90
Support team	Number of persons under a contract of employment	26.00	24.00
Support team	Average full-time equivalent during the year	25.63	23.80

10. Other operating income and charges

XV. Other operating income and charges (in € thousand)	31.12.15	31.12.14
Spread of rent free periods	-1 547	1 178
Others	- 127	111
Other operating income and charges	-1 675	1 289

This heading includes recurring compensation for the effect of spreading rental gratuities and concessions granted. Spreading of rental gratuities and concessions, recorded in accordance with IFRS standards under rental income, is neutralised here, so that the effect is zero on the Company's net result. The other items under this heading are non-recurring.

11. Gains or losses on disposals of investment properties

XVI. Gains and losses on disposals of investment properties (in € thousand)	31.12.15	31.12.14
Net sale of properties (selling price - transaction costs)	7 036	6 272
Book value of properties sold	-6 069	-5 639
Gains and losses on disposals of investment properties	967	632

For the 2014 fiscal year, the Company sold five properties in Wallonia (the Rue Pépin 5, 22 and 31 and Rue Henri Lemaître 3 buildings in Namur and the Rue Rennequin-SuaLEM 28 building in Liège).

Over the 2015 fiscal year, the gains or losses on disposals of investment properties consisted of the sale of the Namur building located avenue de Stassart 9 in Wallonia, the Mons 2 building in Wallonia and Izegem building located Kasteelstraat 19 in Flanders.

12. Changes in fair value of investment properties

XVIII. Changes in fair value of investment properties (in € thousand)	31.12.15	31.12.14
Positive changes in fair value of investment properties	111 827	58 208
Negative changes in fair value of investment properties	-100 844	-48 930
Changes in fair value of investment properties	10 984	9 278

The changes in fair value of investment properties do not include investments. The "Property portfolio" chapter of the management report contains more information on changes in value.

13. Financial result

(in € thousand)	31.12.15	31.12.14
(+) XX. Financial income	1 066	128
(+) Interests and dividends received	980	42
(+) Fees for finance leases and similar	86	85
(+/-) XXI. Net interest charges	-25 288	-25 574
(-) Nominal interest on loans	-27 275	-25 353
(-) Reconstitution of the face value of financial debts	- 583	- 447
(-) Other interest charges	- 56	- 57
(+) Proceeds of authorised hedging instruments	10 552	10 540
<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	<i>10 552</i>	<i>10 540</i>
(-) Charges of authorised hedging instruments	-7 927	-10 259
<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	<i>-7 927</i>	<i>-10 259</i>
(-) XXII. Other financial charges	-3 415	-2 657
(-) Bank charges and other commissions	-3 273	-2 657
(-) Net losses realised on sale of financial assets	- 142	-
(+/-) XXIII. Changes in fair value of financial assets and liabilities	- 25	-25 194
(+/-) Authorised hedging instruments	18 205	-4 045
<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	<i>18 205</i>	<i>-4 045</i>
(+/-) Others	-18 230	-21 149
(+/-) Financial result	-27 662	-53 298

The financial result (excluding changes in the fair value of financial assets and liabilities) was -€27.6 million as at 31 December 2015, compared with -€28.1 million as at 31 December 2014. "Financial income" is up €0.9 million owing to the remuneration by the joint venture Codic Immo for cash advances for the construction of the Gateway building. "Net interest charges" were slightly down, despite the rise in the volume of the average debt of €75 million, or 7.37% (rising from €1,013 million to €1,087 million in 2015). This is explained by the fall in the average financing cost, from 3.16% in 2014 to 2.66% in 2015, mainly as a result of falling interest rates and the restructuring of certain hedging products. Euribor rates remained at a historic low in 2015 (Euribor 1 month and 3 month rates averaged -0.05%).

The change in fair value of the financial assets and liabilities was -€0.02 million for fiscal year 2015. The item "Authorised hedging instruments" mainly includes gains recognised on the Cross Currency Swaps (CCS) of €18.52 million (CVA/DVA included). The capital gains recorded on CCS offset the losses recorded on the USPP debt, valued at fair value and included in the sub-heading "Others".

The change in fair value of the financial assets and liabilities was -€25.2 million for fiscal year 2014. Apart from the losses suffered, mainly on the IRS (-€17.5 million), the item "Authorised hedging instruments" includes gains on the CCS of €16.5 million.

As required by IFRS 7 – *Financial Instruments: Disclosures*, the following table allows a distinction to be made between the types of financial assets and liabilities behind the financial charge or revenue reflected in the financial result of the fiscal year closed.

(in € thousand)	TOTAL		Financial assets or liabilities at fair value through profit or loss		Loans and receivables		Financial liabilities valued at amortised cost	
	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
Financial income	1 066	128	-	-	1 066	128	-	-
Net interest charges	-25 288	-25 574	-4 795	-6 524	-56	-56	-20 437	-18 994
Other financial charges	-3 415	-2 657	-142	-	-	-	-3 273	-2 657
Changes in fair value of financial assets and liabilities	-25	-25 194	-25	-25 121	-	-72	-	-
Total result on financial assets/liabilities	-27 662	-53 298	-4 962	-31 646	1 010	-1	-23 710	-21 652

14. Income taxes

The income tax burden is broken down as follows:

XXV. Corporation tax (in € thousand)	31.12.15	31.12.14
Current taxes for fiscal year	-1 335	-1 122
Adjustment of current taxes from previous periods	-124	3
Corporation tax	-1 459	-1 119

Befimmo is a Limited-Liability Company with the status of public BE-REIT (SIR/GVV). This status entitles the Company to pay Belgian corporation tax (at the standard rate of 33.99%) on a reduced tax base, i.e. mainly on its non-allowable expenses.

The subsidiaries Fedimmo SA and Beway SA have the status of institutional BE-REIT and are therefore also subject to the same tax regime as Befimmo SA.

Befimmo Property Services SA, Meirfree SA and Vitalfree SA are subject to standard Belgian corporation tax. They are subject to the standard rate of corporation tax (33.99%) on their taxable income.

Axento SA is subject to standard Luxembourg corporation tax. It is subject to the standard rate of corporation tax on its taxable income.

The estimated amount of corporation tax payable for the 2015 fiscal year, of €1.34 million, was fully provisioned. The taxable base consists mainly of regional and municipal taxes paid by the Company that are not allowable expenses.

15. Result per share

Result for the fiscal year (in € thousand)	31.12.15	31.12.14
NUMERATOR		
Net result for the fiscal year	97 927	68 863
DENOMINATOR		
Shares not held by the group at the end of the period (in units)	23 021 293	22 138 280
Weighted average of shares in circulation during the period (in units)	22 198 549	21 570 715
Net result per share (basic and diluted) (in €)	4.41	3.19
Dividend for the fiscal year		
Interim dividend (gross)	57 338	56 240
Final dividend (gross)	19 798 ¹	19 039 ²
Gross dividend for the fiscal year	77 136	75 739
Total gross dividend per share not held by the group	3.4500	3.4500

1. Amount subject for approval by the Ordinary General Meeting of shareholders of 26 April 2016.

2. The amount in the Annual Financial Report 2014 was the maximum amount.

The result per share is calculated by dividing the net result by the weighted average number of shares not held by the group during the fiscal year concerned.

Since Befimmo has no diluting instruments, the basic and diluted results are identical.

16. Goodwill

Befimmo's acquisition of Fedimmo in 2006 generated goodwill from the positive difference between the acquisition cost (including transaction costs) and Befimmo's share of the fair value of the net asset acquired. This goodwill, recorded on the assets side of the consolidated financial statements, represents the future financial advantages associated with the synergies, optimisations and development prospects of a geographically diversified property portfolio. A reduction in goodwill of €118 thousand was recorded on the sale of two buildings (the buildings Namur located at avenue de Stassart 9 and Izegem located as Kasteelstraat 19). The goodwill associated with the properties sold was reversed and incorporated into the calculation of the result of the sale. During the 2015 fiscal year, another reduction in the value of the goodwill of €138 thousand was recorded in the Wallonia segment, following the impairment test explained hereafter. The table hereafter illustrates the change in value of the goodwill over the fiscal year:

(in € thousand)	31.12.15	31.12.14
COST		
Opening balance	15 156	15 774
Reductions linked to assets sold during the period	- 118	- 618
Closing balance	15 039	15 156
DECREASE IN VALUE		
Opening balance	- 349	-
Write-downs posted during the period	- 138	- 349
Closing balance	- 487	- 349
CARRYING AMOUNT		
Opening balance	14 808	15 774
Closing balance	14 552	14 808

The goodwill has been allocated to the groups of cash-flow generating units (CGUs) that will benefit from the synergies of the acquisition. In the case of the Fedimmo portfolio, this corresponds to the groups of properties broken down according to their geographical location. This breakdown of goodwill by geographical segment is illustrated in the table hereafter.

Segment (in € thousand)	Carrying amount (including 100% goodwill)			Impairment
	Goodwill	Value in use		
Brussels centre	597	30 902	30 808	-
Brussels Leopold district	2 108	128 375	127 571	-
Brussels North area	4 685	256 247	255 168	-
Wallonia	1 514	56 723	56 861	- 138
Flanders	5 647	264 207	263 609	-
Total portfolio	14 552	736 453	734 016	- 138

Impairment test

At each balance sheet date, the goodwill is subject to an impairment test (conducted on the groups of buildings to which it was allocated on the basis of geographical segments), 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 less than the investment value of the properties for UGT Wallonia. The result of the test carried out at 31 December 2015 (shown in the table above) indicates that an impairment of €138 thousand should be booked because the value in use for this sector is less than the book value. This depreciation was booked at 31 December 2015.

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 a 1% increase in the discount rates used would result in an additional impairment of €15,308 to the value of the goodwill.

17. Investment properties and assets held for sale

As required by standard IAS 40, properties that are being constructed or developed for own account in order to be leased are included under investment properties. This category covers properties under construction or undergoing a major renovation and earning no income over that period, or those which by their nature do not generate income (land).

C. Investment properties (in € thousand)	31.12.15	31.12.14
Properties available for lease	2 230 420	2 222 603
Others - Properties that are being constructed or developed for own account in order to be leased	157 386	60 665
Investment properties	2 387 806	2 283 268

As at 31 December 2015, "Others - Properties that are being constructed or developed for own account in order to be leased" included the Brederode 9, Namur 48, Guimard, Gateway and the lands Paradis Express and WTC IV.

A. Assets held for sale (in € thousand)	31.12.15	31.12.14
Investment properties	484	1 967
Assets held for sale	484	1 967

As at 31 December 2015, this heading comprised the Chênee building located at rue Large 59.

(in € thousand)	
Carrying value as at 31.12.2013	2 184 142
<i>of which: - Investment properties</i>	<i>2 184 142</i>
<i>- Assets held for sale</i>	<i>-</i>
Acquisitions	15 025
Other investments	81 812
Disposals	- 5 021
Changes in fair value	9 278
Carrying value as at 31.12.2014	2 285 235
<i>of which: - Investment properties</i>	<i>2 283 268</i>
<i>- Assets held for sale</i>	<i>1 967</i>
Acquisitions	75 430
Other investments	22 592
Disposals	- 5 951
Changes in fair value	10 984
Carrying value as at 31.12.2015	2 388 290
<i>of which: - Investment properties</i>	<i>2 387 806</i>
<i>- Assets held for sale</i>	<i>484</i>

In the course of the 2014 fiscal year, Befimmo acquired the Rue aux Choux 35 building in Brussels, by contribution in kind. The building has a conventional value of €15.2 million, in line with the fair value determined by an independent real-estate expert.

During the first half of fiscal year 2015, Beway SA, a 100% Befimmo subsidiary, acquired the Gateway project, located in the Brussels airport area, by acquiring the leasehold on the land for a remaining term of 98 years, and the freehold of the existing building and the buildings in the process of completion. The Company will become the owner of all the new buildings as the work progresses. At 31 December 2015, the amount invested in the building amounts to €75.4 million.

During the 2014 fiscal year, Befimmo invested a total of €81.8 million in its buildings, the majority of which was spent building the new Finance Centre in Liège (Paradis Tower) (€47.0 million) and renovating the Brederode 13 building (€10.1 million).

In 2015, the amount invested in the Befimmo and Fedimmo portfolio amounted to €22.6 million; among other projects, it invested in WTC IV (€7.10 million) for which the permit has been implemented. It also continued with the renovation of the Brederode 9 and Namur 48 buildings (€4.08 million) and started the Guimard project (€0.5 million).

Finally, in 2014, Befimmo also sold five buildings in Wallonia (the Rue Pépin 5, 22 and 31 and Rue Henri Lemaître 3 buildings in Namur and the Rue Rennequin-Sualement 28 building in Liège). During the 2015 fiscal year, the Company sold two buildings in Wallonia (the buildings Mons 2 and Namur located at avenue de Stassart 9) and one building in Flanders, Izegem located at Kasteelstraat 19. From 1 January 2015 until they were sold, these three buildings contributed €0.21 million to property operating income.

18. Other property, plant and equipment

D. Other property, plant and equipment (in € thousand)	31.12.15	31.12.14
Property, plant and equipment for own use	997	709
Other property, plant and equipment	997	709

19. Non-current and current financial assets

E. Non-current financial assets (in € thousand)	31.12.15	31.12.14
Assets at fair value through profit and loss	49 979	15 284
Authorised hedging instruments - level 2	49 979	15 284
Option - CAP	542	258
Forward - IRS	13 681	10 032
Forward - CCS	35 756	4 994
Loans and receivables	2 694	4 041
Others	2 136	2 136
Non-current financial assets	54 809	21 461
B. Current financial assets (in € thousand)	31.12.15	31.12.14
Loans and receivables	1 814	1 740
Current financial assets	1 814	1 740

The heading "Assets at fair value through profit or loss" reflects the valuation at fair value of the financial derivatives in accordance with IAS 39 – *Financial instruments: recognition and measurement*, which have a positive value. Otherwise, their value is entered in the equivalent heading under liabilities (see note 27 to these financial statements). Befimmo does not practice hedge accounting for the financial hedging instruments it holds. Accordingly, these instruments are regarded as trading instruments as per IFRS and the difference in value recorded over the fiscal year is recognised in the income statement under section XXIII of the financial result – "Changes in fair value of financial assets and liabilities". The derivatives were valued as at 31 December 2015 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 32 to these financial statements. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, credit default swaps of counterparty banks and listed Befimmo bonds.

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices quoted on an active market. The IRS, CCS and CAP contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7 – *Financial instruments: disclosures*.

The fair value of these contracts is determined at the balance sheet date. Befimmo obtained this information from an independent specialist company. Befimmo also checks them for consistency through consistency checks with counterparty financial institutions (fair value excluding CVAs/DVAs).

Finally, we note that although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of changing interest and currency rates, and not for speculative purposes.

The heading "Loans and receivables" includes various amounts to be recovered from counterparties of the Company. The main one is linked to the method of payment by the Walloon Region following the sale of the Mons 1 building in 2013.

To cover commitments made in 2012 by Blue Tower Louise SA vis-à-vis Aedifica, notably the commitment to carry out certain alterations to the structure of the basement of the Blue Tower building (see paragraph 35.1.7 hereafter), a guarantee of €2.1 million was set aside in favour of Aedifica and is the principal amount under the heading "Others".

20. Finance lease receivables

This heading relates to finance lease agreements (as per standard IAS 17) and at 31 December 2015 includes mainly the asset embodied in the building in Wandre. The fair value of this asset is €1,943 thousand, compared with its value at amortised cost of €1,770 thousand.

21. Trade receivables

Trade receivables arise through rent or billing of taxes or rental charges. The quantitative description of the principal risks (see note 32.A to these financial statements) includes a section on the credit risk, which analyses the Company's exposure to such debts on account of the counterparty or of the maturity.

22. Tax receivables and other current assets

E. Tax receivables and other current assets (in € thousand)	31.12.15	31.12.14
Taxes	11 254	517
Salary and social charges	61	-
Others	1 681	3 044
Tax receivables and other current assets	12 996	3 562

The amount of the sub-heading "Taxes" consists mainly of VAT to be recovered, which is linked to the construction of the Gateway building. The amount of the sub-heading "Others" consists mainly of a receivable of €1.7 million which neutralises a provision related to ongoing litigation, existing prior to the acquisition of Ringcenter SA (Pavilion building), the outcome of which will have no impact on the Company.

23. Cash and cash equivalents

F. Cash and cash equivalents (in € thousand)	31.12.15	31.12.14
Available values	215	82

As the Company is structurally indebted, available funds are limited, consisting mainly of positive balances in the Company's various bank accounts.

24. Deferred charges and accrued income

G. Deferred charges and accrued income (in € thousand)	31.12.15	31.12.14
Prepaid property charges	78	247
Prepaid interest and other financial charges	190	522
Others	3 271	3 114
Deferred charges and accrued income	3 540	3 883

This heading covers:

- real-estate charges paid in advance;
- interest and other financial charges paid in advance, primarily related to the commercial paper programme;
- under the sub-heading "Others": mainly receivable financial products related firstly to a receiver's IRS agreed when arranging the bond loan in April 2011 (€2.1 million), and secondly to the CCS agreed when arranging the USPP (€0.6 million). The characteristics of these instruments are set out in the table in note 32 to these financial statements.

25. Capital and reserves

(in € thousand)		31.12.15	31.12.14
A. Capital		323 661	319 066
(+)	Subscribed capital	334 464	329 413
(-)	Costs of capital increase	-10 803	-10 347
B. Share premium account		702 548	688 688
C. Reserves		198 497	175 070
(+)	(a) Legal reserve	1 295	1 295
(+/-)	(b) Reserve for the balance of changes in fair value of investment properties	105 017	93 634
(-)	(c) Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-40 237	-37 889
(+/-)	(e) Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS	-11 001	-9 039
(-)	(h) Reserve for own shares	-	-29 678
(+/-)	(j) Reserve for actuarial gains and losses for the defined benefit pension plan	- 112	- 243
(+/-)	(m) Other reserves	19 818	19 818
(+/-)	(n) Result brought forward from previous years	123 716	137 173

The capital and issue premiums were increased this year on 18 December 2015, under the optional interim dividend declared by Befimmo's Board of Directors on 19 November 2015 (€18.9 million – net of fees). These headings were also affected by the activation of expenses related to the sale of some of Befimmo's own shares on 30 November 2015.

Reserves are presented before the appropriation of the result for the fiscal year. In addition to the appropriation of the result for the previous fiscal year (€12.6 million) and the payment of the final dividend for 2014 (-€19 million), reserves were also impacted in 2015 by:

- The result of the sale of own shares (impact of +€29.7 million) recognised directly in reserves;
- the result recognised directly in equity under IAS 19 R representing the actuarial gains and losses of the defined benefit pension plans (impact of €0.1 million).

26. Current and non-current financial debts

B. Non-current financial debts (in € thousand)		31.12.15	31.12.14
Credit institutions		209 080	175 880
Other		450 280	358 381
<i>Bond issues</i>		<i>161 910</i>	<i>161 842</i>
<i>EUPP</i>		<i>103 813</i>	<i>30 000</i>
<i>USPP</i>		<i>182 809</i>	<i>164 579</i>
<i>Guarantees received</i>		<i>1 749</i>	<i>1 960</i>
Non-current financial debts		659 360	534 261
B. Current financial debts (in € thousand)		31.12.15	31.12.14
Credit institutions		70 797	30 763
Other		393 750	483 538
<i>Commercial papers</i>		<i>393 750</i>	<i>373 500</i>
<i>Bond issues</i>		<i>-</i>	<i>110 038</i>
Current financial debts		464 547	514 301

At constant perimeter, taking account of the gradual financing of the Gateway building and the renegotiation of a bilateral facility for the sum of €100 million conducted in early 2016, the Company has covered its financing needs until the end of the first quarter of 2017. Indeed, although the commercial paper should be recorded as a current liability as per IAS 1, the Company has confirmed bank lines in excess of one year as a backup for the commercial paper.

The headings "Credit institutions" (non-current and current) cover all the bank financing held by the Company. Therefore, these headings also include the three financing deals involving the assignment of future usufruct credits or fees.

The heading "Other – Bond issues" includes the notional amount of the bond issue in April 2011 of €162 million.

In accordance with IFRS, the costs of issuing this bond are spread over the financing term. Similarly, the difference between the issue price and accountable par is spread over the life of the loan and booked to the financial result.

The heading "Other - EUPP" includes the debt linked to the European private placements of €104 million, €59 million of which are at a fixed rate and €45 million are at floating rates. The European private placements made in 2015 amount to €74 million. Under IFRS, the costs related to the issue of the floating-rate placement are spread over the term of the financing.

The heading "Other – USPP" covers the USPP debt, arranged in May 2012, measured at fair value.

The heading "Other – Commercial paper" covers the outstanding commercial paper issued by the Company at the balance sheet date.

The heading "Other – Guarantees received" covers the amount of rental guarantees received in cash from tenants in the Company's property portfolio. Their carrying amount is equivalent to their fair value.

As mentioned under Significant Accounting Policies, the value of the recorded assets and liabilities approximates to their fair value, except for:

- the financing relating to the assignments of receivables from future rents/future usufruct fees, structured at fixed rates, of a residual total at 31 December 2015 of €85.7 million;
- the bond issue;
- the European private placements at fixed rates.

The fixed rates and margins set for these long-term borrowings may no longer correspond to the current market rates and margins, giving rise to a difference between the carrying amount of the liabilities on the face of the balance sheet and their fair values. The table below compares, for information purposes, the carrying amount of the fixed-rate borrowings (excluding the USPP debt which is already carried at fair value) with their fair value at the end of the 2015 fiscal year.

The fair value of the assigned receivables for future rents/future usufruct fees and for the European private debt placements is estimated by updating the future expected cash flows using the 0-coupon yield curve for 31 December 2015, plus a margin to take account of the Company's credit risk (level 2). The fair value of the bond issue is, in turn, obtained from the quoted market prices (level 1).

The fair value of this financing is given in the table below as an indication.

(in € thousand)	Level in IFRS	Fair value	Book value
Retail bond	1	168 181	161 910
EUPP	2	59 842	59 000
Sales of receivables	2	94 077	85 729

27. Other non-current and current financial liabilities

C. Other non-current financial liabilities (in € thousand)	31.12.15	31.12.14
Authorised hedging instruments	15 169	23 362
Hedging instruments at fair value through profit and loss - level 2	15 169	23 362
Option - CAP and COLLAR	1 698	1 548
Forward - IRS	13 471	21 814
Forward - CCS	-	-
Other non-current financial liabilities	15 169	23 362
C. Other current financial liabilities (in € thousand)	31.12.15	31.12.14
Authorised hedging instruments	-	161
Hedging instruments at fair value through profit and loss - level 2	-	161
Forward - IRS	-	161
Other current financial liabilities	-	161

The headings "Other non-current financial liabilities" and "Other current financial liabilities" reflect solely the fair value of the financial instruments, as per IAS 39 – *Financial instruments: recognition and measurement*, which have a negative value. Otherwise, their value is recognised in the equivalent category of the assets (see note 19 to these financial statements). Befimmo does not practice hedge accounting for the financial hedging instruments it holds. Accordingly, these instruments are regarded as trading instruments as per IFRS and the difference in value recorded over the fiscal year is recognised in the income statement under section XXIII of the financial result – "Changes in fair value of financial assets and liabilities". The derivatives were valued as at 31 December 2015 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 32 to these financial statements. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, credit default swaps of counterparty banks and Befimmo bonds.

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices quoted on an active market. The IRS, CCS and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7 – *Financial instruments: disclosures*.

The fair value of these contracts is determined at the balance sheet date. Befimmo obtained this information from an independent specialist company. Befimmo also checks them through consistency checks with counterparty financial institutions (fair value excluding CVAs/DVAs).

Finally, we note that although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of changing interest and currency rates, and not for speculative purposes.

28. Provisions

A. Current provisions (in € thousand)	31.12.15	31.12.14
Pensions	-	412
Others	2 239	2 442
Current provisions	2 239	2 854

In 2015, this heading mainly includes a provision for an ongoing dispute that pre-dates the acquisition of Ringcenter SA (Pavilion building), the outcome of which will have no impact on the Company (a debt of an equivalent amount is recorded in the accounts – note 22 to these financial statements). It also contains a provision for legal compliance work.

29. Trade debts and other current debts

D. Trade debts and other current debts (in € thousand)	31.12.15	31.12.14
Other	56 483	57 277
Suppliers	21 359	20 523
Tenants	10 156	16 012
Tax, salaries and social charges	24 967	20 741
Trade debts and other current debts	56 483	57 277

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;
- taxes, remuneration and social charges: consists mainly of the amounts of debts related to taxes and withholding charges owed by the Company. As at 31 December 2015, an amount of €14.1 million alone accounts for the withholding tax payable on the interim dividend distributed in late December 2015.

30. Other current liabilities

This heading essentially covers a debt of €2.5 million as part of an agreement related to the impact of an investment project on existing contractual obligations and debts payable related to Befimmo share coupons and attendance tokens of the Company Directors.

31. Accrued charges and deferred income

F. Accrued charges and deferred income (in € thousand)	31.12.15	31.12.14
Property income received in advance	23 987	13 728
Interest and other financial charges accrued and not yet due	8 228	7 916
Others	6	15
Accrued charges and deferred income	32 221	21 659

This heading consists principally of:

- Income from properties collected in advance, in according with the terms of the leases, where the amount of the rents concerned relates to subsequent periods. Previously, pre-payments of rents were recognised as pre-payments on the liabilities side of the balance sheet under the heading "Trade payables";
- Financial interest and charges accrued but not yet due, notably interest on the bonds issued in April 2011 (€4.9 million), on other fixed-rate financing (€1.9 million) and on financial hedging instruments (€0.5 million).

32. Quantitative description of the principal risks of the financial assets and liabilities

The quantitative description of the principal risks below complements the chapter on "Risk factors" on page 2 of the management report.

A. Credit risk

Please see pages 31 and 32 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.

31.12.15 (in € thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	54 809	52 110	4	2 694	1
F. Finance lease receivables	1 664	-	-	1 638	25
Current financial assets					
B. Current financial assets	1 814	420	48	1 347	-
C. Finance lease receivables	131	-	-	131	-
D. Trade receivables	21 226	742	10 737	9 747	-
E. Other current assets	1 681	-	1 681	-	-
F. Cash and cash equivalents	215	214	-	-	1
Total financial assets	81 541	53 486	12 470	15 557	27

31.12.14 (in € thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	21 461	17 415	4	4 041	1
F. Finance lease receivables	1 794	-	-	1 769	25
Current financial assets					
B. Current financial assets	1 740	392	-	1 347	1
C. Finance lease receivables	128	-	-	128	-
D. Trade receivables	20 529	670	9 351	10 508	-
E. Other current assets	3 044	-	1 681	1 363	-
F. Cash and cash equivalents	82	82	-	-	1
Total financial assets	48 778	18 558	11 036	19 157	27

All the financial assets in the above table are in the "Loans and receivables" category, as per IAS 39, except for the heading "Financial hedging instruments" (regarded as trading instruments under IFRS) which accounts for most of the "Non-current financial assets" and which are recognised at fair value through the income statement. Note that the fair value of the financial instruments takes account of Befimmo's credit risk against its counterparty banks and that of its counterparties against Befimmo, as per IFRS 13. Except for the heading "Hedging instruments", the financial assets in the table above are classed as level 2 according to IFRS 13.

To limit the counterparty risk, in the context of its property rental business and also for investment or disinvestment transactions or works, Befimmo has received the following guarantees:

(in € thousand)		31.12.15	31.12.14
Rental guarantees for leases	Blocked accounts/bank guarantees	14 817	15 781
Rental guarantees for leases	Guarantees received in cash	1 749	1 960
Guarantees for investment work	Blocked accounts	26 263	27 219
Guarantees for acquisitions	Bank guarantees	16 000	16 000
Guarantees received at the close of the fiscal year		58 829	60 959

Befimmo regularly monitors the recovery of its receivables. The details of due dates for trade receivables at the balance sheet date are as follows:

Ageing balance of trade receivables (in € thousand)	> 3 months	1 to 3 months	< 1 months	Unexpired	Total
Non-doubtful debtors	4 210	737	420	15 838	21 204
Doubtful debtors	1 674	94	1	-	1 769
Provisions for doubtful debtors	-1 651	- 94	- 1	-	-1 746
As at 31.12.15	4 232 ¹	737	420	15 838	21 226
Non-doubtful debtors	1 902	1 390	1 101	16 090	20 483
Doubtful debtors	1 231	-	714	-	1 945
Provisions for doubtful debtors	-1 231	-	- 667	-	-1 898
As at 31.12.14	1 902 ¹	1 390	1 147	16 090	20 529

Befimmo bears the final risk of trade debts.

A debt repayment plan has been arranged for certain tenants in arrears. At the end of 2015, there were no significant repayment plans.

Furthermore, write-downs of €384,712 were recorded during the 2015 fiscal year (as against €830,584 in 2014); while €434,524 of write-downs were also written back in 2015 (as against €379,450 in 2014).

B. Risks related to financing, financial hedging instruments and their valuation

Please see:

- page 51 of the management report for a description of Befimmo's financial structure and especially its policy of refinancing and interest-rate and currency hedging; and
- See page 6 of the management report for an analysis of the sensitivity of the result to changes in interest rates.

(in € thousand)	31.12.15	31.12.14
Variable-rate borrowings	173 125	87 326
<i>Bilateral credit lines</i>	128 312	87 326
<i>EUPP</i>	44 813	-
Fixed-rate borrowings	484 486	444 975
<i>USPP</i>	182 809	164 579
<i>Bond issue</i>	161 910	161 842
<i>Assignment of future receivables</i>	80 767	88 554
<i>EUPP</i>	59 000	30 000
Guarantees received	1 749	1 960
B. Non-current financial debts	659 360	534 261
Variable-rate borrowings	459 586	399 517
<i>Bilateral credit lines</i>	65 836	26 017
<i>Commercial papers</i>	393 750	373 500
Fixed-rate borrowings	4 962	114 784
<i>Assignment of future receivables</i>	4 962	4 746
<i>Bond issue</i>	-	110 038
B. Current financial debts	464 547	514 301
Total borrowings	1 123 907	1 048 562

During 2015, Befimmo arranged a bilateral line with a banking institution for an amount of €30 million and also renegotiated the legal and financial conditions for bilateral lines with three banks for an overall amount of €415 million. During 2015 it also realised European private placements of debt totalling €74 million overall. In addition, the maximum amount of the commercial paper programme was increased to €600 million.

At constant perimeter, taking account of the gradual financing of the Gateway building and the renegotiation of a bilateral facility for the amount of €100 million conducted in early 2016, the Company has covered its financing needs until the first quarter of 2017.

As at 31 December 2015, the funding available to the Company consisted primarily² of:

- a number of bilateral credit lines totalling €838 million falling due in September/November/December 2016 (€198 million), December 2017 (€75 million), March 2018 (€50 million) and January/July/November 2019 (€250 million), September/December 2020 (€230 million) and June 2021 (€35 million);
- a bond issue in April 2011 for €162 million and a term of 6 years;

1. Most of this amount is owed by public institutions.

2. The amounts given are the notional amounts, excluding the impact of spreading the cost of issuing debt and recovery of par value.

- a United States private placement (USPP) at fixed rates in US Dollar and Pound Sterling arranged in May 2012 for an amount equivalent to €150.3 million maturing in 2019 (€82.77 million) and 2020 (€67.49 million);
- European private bond placements at fixed rates in € for a total amount of €59 million, of which €15 million maturing in 2018, €10 million maturing in 2022, €3 million maturing in 2023, €12 million maturing in 2024 and €19 million maturing in 2025;
- a European private bond placement at variable rates in € for a total amount of €45 million maturing in April 2022;
- various fixed-rate loans, with a residual total of some €85.7 million, corresponding to the assignment of future rents or future usufruct fees (unindexed) on four buildings in the Fedimmo portfolio and two in the Befimmo SA portfolio.

In order to reduce its financing costs, Befimmo has a commercial paper programme for up to €600 million. As at 31 December 2015, €393.75 million were in use under this programme for short term issues. The programme has backup facilities consisting of the various credit lines described above.

In addition, the application of the interest rate hedging policy, described on pages 52 and 53 of the management report, has led the Company to acquire the following financial hedging instruments (as at 31 December 2015) from financial institutions:

	Level in IFRS	Class in IFRS	CURRENCY		€		Period of hedge	Reference interest rate	
			Notional amount (millions)	Interest rate	Notional amount (millions)	Interest rate			
CAP bought	2	Option			25	3.50%	Jan. 2012	Jan. 2016	Euribor 1 month
CAP bought	2	Option			25	2.00%	Jan. 2013	Jan. 2019	Euribor 3 month
CAP bought	2	Option			25	1.00%	Feb. 2013	Feb. 2017	Euribor 3 month
CAP bought	2	Option			50	1.50%	Sept. 2013	Sept. 2017	Euribor 3 month
CAP bought	2	Option			50	1.50%	Jan. 2014	Jan. 2017	Euribor 3 month
CAP bought	2	Option			25	2.25%	Jan. 2014	Oct. 2018	Euribor 3 month
CAP bought	2	Option			20	1.50%	Feb. 2014	Feb. 2018	Euribor 3 month
CAP bought	2	Option			15	1.30%	May 2014	May 2018	Euribor 3 month
CAP bought	2	Option			15	0.75%	Jan. 2015	Jan. 2020	Euribor 3 month
CAP bought	2	Option			15	0.30%	Jan. 2015	Jan. 2019	Euribor 3 month
CAP bought	2	Option			30	0.50%	July 2015	July 2020	Euribor 3 month
CAP bought	2	Option			25	0.85%	July 2015	July 2020	Euribor 3 month
CAP bought	2	Option			20	3.50%	Jan. 2012	Jan. 2017	Euribor 3 month
FLOOR ³ 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 ³ sold	2	Option			30	0.82%	July 2012	Jan. 2019	Euribor 1 month
CAP bought	2	Option			20	1.15%	Jan. 2016	Jan. 2022	Euribor 3 month
FLOOR ³ sold	2	Option			20	0.55%	Jan. 2016	Jan. 2022	Euribor 3 month
Receiver's IRS	2	Forward			100	3.12%	April 2011	Apr. 2017	Euribor 3 month
Payer's IRS	2	Forward			25	1.51%	July 2012	July 2021	Euribor 1 month
Payer's IRS	2	Forward			25	1.41%	Dec. 2017	Sept. 2022	Euribor 3 month
Payer's IRS	2	Forward			25	1.57%	Dec. 2017	Sept. 2022	Euribor 3 month
Payer's IRS	2	Forward			20	1.58%	Jan. 2018	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			15	0.84%	May 2014	May 2019	Euribor 3 month
Payer's IRS	2	Forward			15	1.40%	July 2014	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			15	1.08%	Sept. 2015	Sept. 2024	Euribor 3 month
Payer's IRS	2	Forward			25	0.50%	Jan. 2016	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			25	0.49%	Jan. 2016	Apr. 2025	Euribor 3 month
Payer's IRS	2	Forward			25	0.47%	Jan. 2016	July 2024	Euribor 3 month
Payer's IRS	2	Forward			25	0.41%	Jan. 2016	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			25	0.41%	Jan. 2016	Apr. 2025	Euribor 3 month
Payer's IRS	2	Forward			25	0.42%	Jan. 2016	July 2024	Euribor 3 month
Payer's IRS	2	Forward			25	0.72%	Jan. 2016	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			20	0.84%	Oct. 2015	Oct. 2024	Euribor 3 month
Payer's IRS	2	Forward			30	0.91%	Oct. 2015	Oct. 2025	Euribor 3 month
Payer's IRS	2	Forward			20	0.81%	Oct. 2015	Oct. 2024	Euribor 3 month
Payer's IRS	2	Forward			20	0.79%	Feb. 2016	Feb. 2025	Euribor 3 month
Payer's IRS	2	Forward			30	0.85%	Feb. 2016	Feb. 2026	Euribor 3 month
Payer's IRS	2	Forward			40	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Receiver's IRS	2	Forward			40	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			20	0.11%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			30	0.12%	Jan. 2016	Jan. 2018	Euribor 3 month
Receiver's IRS	2	Forward			30	0.12%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			30	2.99%	Jan. 2018	Jan. 2022	Euribor 3 month
Receiver's IRS	2	Forward			30	2.99%	Jan. 2018	Jan. 2022	Euribor 3 month
CCS ⁴	2	Forward	75 USD	4.83%	56	2.77%	May 2012	May 2019	Fix USD for Fix EUR
CCS ⁴	2	Forward	22 GBP	4.90%	26	2.76%	May 2012	May 2019	Fix GBP for Fix EUR
CCS ⁴	2	Forward	90 USD	5.05%	67	2.92%	May 2012	May 2020	Fix USD for Fix EUR

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

4. The interest rates in € are margin inclusive for the CCS. The rates are applicable as from 1 June 2015.

The hedging policy is implemented by recurring purchases of option or IRS type hedging instruments. We would remind the reader that the CCS were concluded in March 2012 to hedge the currency risk related to the conclusion of the USPP, denominated in Pound Sterling and US Dollar.

As at 31 December 2015, the hedging ratio was 77.20%. The hedge ratio of the hedging instruments active from the first week of January 2016 is 96.9%.

The situation of the hedging instruments as at 31 December 2014 is set out below.

	Level in IFRS	Class in IFRS	CURRENCY		€		Period of hedge	Reference interest rate	
			Notional amount (millions)	Interest rate	Notional amount (millions)	Interest rate			
CAP bought	2	Option			25	3.50%	Jan. 2012	Jan. 2016	Euribor 1 month
CAP bought	2	Option			25	2.00%	Jan. 2013	Jan. 2019	Euribor 3 month
CAP bought	2	Option			25	1.00%	Febr. 2013	Febr. 2017	Euribor 3 month
CAP bought	2	Option			50	1.50%	Sept. 2013	Sept. 2017	Euribor 3 month
CAP bought	2	Option			50	1.50%	Jan. 2014	Jan. 2017	Euribor 3 month
CAP bought	2	Option			25	2.25%	Jan. 2014	Oct. 2018	Euribor 3 month
CAP bought	2	Option			20	1.50%	Febr. 2014	Febr. 2018	Euribor 3 month
CAP bought	2	Option			15	1.30%	May 2014	May 2018	Euribor 3 month
CAP bought	2	Option			15	0.75%	Jan. 2015	Jan. 2020	Euribor 3 month
CAP bought	2	Option			15	0.30%	Jan. 2015	Jan. 2019	Euribor 3 month
CAP bought	2	Option			20	3.50%	Jan. 2012	Jan. 2017	Euribor 3 month
FLOOR ¹ sold	2	Option			20	1.51%	Jan. 2012	Jan. 2017	Euribor 3 month
CAP bought	2	Option			30	2.25%	July 2012	Jan. 2019	Euribor 1 month
FLOOR ¹ sold	2	Option			30	0.82%	July 2012	Jan. 2019	Euribor 1 month
Receiver's IRS	2	Forward			100	3.12%	April 2011	April 2017	Euribor 3 month
Payer's IRS	2	Forward			35	2.04%	Sept. 2011	March 2015	Euribor 1 month
Payer's IRS	2	Forward			25	1.51%	July 2012	July 2021	Euribor 1 month
Payer's IRS	2	Forward			25	1.41%	Sept. 2013	Sept. 2022	Euribor 3 month
Payer's IRS	2	Forward			25	1.57%	Sept. 2013	Sept. 2022	Euribor 3 month
Payer's IRS	2	Forward			15	0.84%	May 2014	May 2019	Euribor 3 month
Payer's IRS	2	Forward			20	1.58%	July 2014	July 2022	Euribor 3 month
Payer's IRS	2	Forward			15	1.40%	July 2014	Jan. 2024	Euribor 3 month
Payer's IRS	2	Forward			15	1.08%	Sept. 2015	Sept. 2024	Euribor 3 month
Payer's IRS	2	Forward			40	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Receiver's IRS	2	Forward			40	3.90%	Jan. 2016	Jan. 2018	Euribor 3 month
Payer's IRS	2	Forward			40	2.84%	Jan. 2016	Jan. 2021	Euribor 3 month
Payer's IRS	2	Forward			30	2.99%	Jan. 2016	Jan. 2022	Euribor 3 month
CCS	2	Forward	75 USD	4.83%	56	4.54%	May 2012	May 2019	Fix USD for Fix EUR
CCS	2	Forward	22 GBP	4.90%	26	4.53%	May 2012	May 2019	Fix GBP for Fix EUR
CCS	2	Forward	90 USD	5.05%	67	4.77%	May 2012	May 2020	Fix USD for Fix EUR

Befimmo does not practice hedge accounting for the financial hedging instruments it holds. These instruments are therefore regarded as trading instruments under IFRS, and changes in their fair value are booked entirely to the income statement. Even if the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of rising interest rates, and not for speculative purposes.

The fair value of hedging instruments is defined using data that are indirectly observable, but which are not prices quoted on an active market. The IRS, CCS, CAP and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 7 – *Financial Instruments: Disclosures*.

The fair value of these contracts is determined at the balance sheet date. The derivatives were valued as at 31 December 2015 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, Credit Default Swaps of counterparty banks and Befimmo bonds.

Befimmo obtained this information from an independent specialist company. Befimmo also checks them through consistency checks with counterparty financial institutions (fair value excluding CVAs/DVAs).

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.

The fair values of the various classes of hedging instruments are set out below:

(in € thousand)		Balance sheet item as of 31.12.2015	
Classification by IFRS	Level in IFRS	I.E.b. Assets at fair value through the result	I.C. & II.C. Other current and non current financial liabilities
Option	2	542	-1 698
Forward	2	13 681	-13 471
CCS	2	35 756	-
		49 979	-15 169

(in € thousand)		Balance sheet item as of 31.12.2014	
Classification by IFRS	Level in IFRS	I.E.b. Assets at fair value through the result	I.C. & II.C. Other current and non current financial liabilities
Option	2	258	-1 548
Forward	2	10 032	-21 975
CCS	2	4 994	-
		15 284	-23 523

The Company does not offset the value of its financial instruments booked to the assets and liabilities in the balance sheet. The financial assets and financial liabilities shown in the financial situation are therefore gross amounts.

ISDA agreements with counterparties on financial instruments allow hedging instruments recognised as assets to be offset against those carried as liabilities in the event of default. No collateral was exchanged between the parties.

The potential effect of the offsetting contracts on the hedging instruments is set out below:

Effect of enforceable netting agreements ² (in € thousand)	I.E.b. Assets at fair value through the result		I.C. & II.C. Other current and non current financial liabilities	
	31.12.15	31.12.14	31.12.15	31.12.14
Total financial hedging instruments recognised in balance sheet	50 838	15 374	15 346	24 295
Enforceable netting	-15 346	-14 639	-15 346	-14 639
Net amount	35 492	735	-	9 657

The USPP debt included in the balance sheet item I.B.c. is recognised at fair value (level 2). The fair value option under IAS 39 was adopted, the debt being covered by specific interest-rate and exchange hedging and also measured at fair value. The fair value of the USPP debt is determined by updating future cash flows on the basis of the observed market interest rate curves (in US Dollar and Pound Sterling) at the closing date of these accounts, plus the credit margin. The notional amount determined in this way is converted at the closing exchange rate to obtain the fair value in Euro.

In accordance with the Significant Accounting Policies, changes in the value of the derivatives held by the Company (hedging instruments or otherwise) taking place during the accounting year are described in the following table:

(in € thousand)	Initial fair value	Acquisitions and disposals during the period	Changes in fair value in the profit and loss account	Net losses realised on sale of financial assets	Final fair value
31.12.15 fiscal year	-8 240	24 986	18 205	- 142	34 809
31.12.14 fiscal year	-4 688	493	-4 045	-	-8 240

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

- The acquisition of seven IRS for a total notional amount of €175 million covering the period from January 2016 to January 2024 (€75 million), to July 2024 (€50 million) and to April 2025 (€50 million); the average rate of the IRS is 0.4872%;
- The acquisition of two CAP at 0.50% (€30 million) and 0.85% (€25 million) respectively, covering a period of five years starting in July 2015;
- The acquisition of a COLLAR at (0.5475% - 1.15%) (€20 million) covering a period of six years starting in January 2016;
- The extension of two existing IRS for an additional seven and eight years (for a notional total of €50 million) originally maturing at the end of 2017.

In addition, during fiscal year 2015, Befimmo restructured several IRS (for a notional total of €140 million) and its Cross Currency Swaps (for a notional total of €150 million) by investing their hedging levels at market rates.

In early 2016, Befimmo set up two IRS for a notional amount of €55 million and maturing at the end of 2025.

2. The amounts €50,838 thousand and €15,346 thousand are excluding CVA/DVA.

C. Financial liquidity risk

Please see page 7 of the management report for a description of the financial liquidity risk.

The residual (weighted) average duration of Befimmo's financing is 3.99 years. The tables below illustrate the maturities of the financial liabilities held by the Company.

LIABILITIES (31.12.15)	Total	< 1 year	1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	659 360	-	523 839	135 521
Current financial liabilities				
B. Current financial debts	464 547	464 547	-	-
D. Trade debts and other current debts	33 126	33 126	-	-
E. Other current liabilities	4 920	4 920	-	-
Total financial liabilities	1 161 954	502 594	523 839	135 521

LIABILITIES (31.12.14)	Total	< 1 year	1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	534 261	-	389 208	145 052
Current financial liabilities				
B. Current financial debts	514 301	514 301	-	-
D. Trade debts and other current debts	37 786	37 786	-	-
E. Other current liabilities	4 607	4 607	-	-
Total financial liabilities	1 090 956	556 695	389 208	145 052

The financial liabilities in the table are classed as level 2 according to IFRS 13 and are carried at amortised cost, with the exception of the USPP debt, valued at fair value at the closing date. According to IFRS 13, debt carried at fair value belongs to level 2, with the exception of the retail bond which is level 1.

33. Employee benefits

G4-EC2

G4-EC3

As at 31 December 2015, Befimmo's staff are covered by a defined-benefit pension plan. The plan provides for payment of a retirement pension, calculated on the basis of the final salary and seniority, and a survivor's pension. At the member's request, benefits may be paid as a lump sum.

The pension plan is funded by contributions paid into the pension fund of AG Real Estate OFP and by payment of defined contributions into a group insurance. The plan provides for the payment of contributions by members above a certain salary level.

The pension plan in place is exposed to various risks including the interest rate risk, credit risk, liquidity risk, the risk associated with equity markets, currency risk, inflation risk, management risk, risk of changes in statutory pensions and the risk related to changing life expectancies.

An actuarial valuation is made every year in accordance with IAS 19 by independent actuaries.

During fiscal year 2015, the following changes were made to the Company's supplementary pension scheme:

- 1) Employees in post on 31 December 2015 were offered the choice between, on the one hand, continuing on the existing defined-benefits pension plan or, on the other hand, moving to a new defined-contribution type group insurance from 1 January 2016. This group insurance involves employer contributions only.
- 2) New employees recruited on or after 1 January 2016 are entitled only to the new defined-contribution group insurance. In accordance with Belgian law, defined-contribution pension schemes are subject to a minimum rate of return guaranteed by the employer (1.75% for 2016).
- 3) The assets covering the Company's commitments under the defined-benefit scheme were transferred from the pension fund of AG Real Estate OFP to an insurance company, which manages the assets of the new defined-contribution scheme.

The current value of the obligation and assets has evolved as follows:

(in € thousand)	Present value of the obligation	Fair value of plan assets	Total (asset)/deficit	Effect of asset ceiling ¹	Net (asset)/liability
As at 31 December 2013 (restated IAS 19R)	7 027	-7 060	- 34	34	0
Service cost in profit and loss					
Current service cost (net of employee contributions)	752	0	752		752
Past service cost (including effect of curtailments)	0	0	0		0
Settlement (gain)/loss	0	0	0		0
Net interest on the net liability/(asset) in profit and loss					
Interest cost on defined benefit obligation/income on plan assets/ interest on asset ceiling	270	- 260	11		11
Components of defined benefit cost recognised in profit and loss	1 022	- 260	762		762
Actuarial (gain)/loss arising from					
Changes in demographic assumptions			0		0
Changes in financial assumptions	1 028		1 028		1 028
Experience adjustments	- 113		- 113		- 113
Return on plan assets (excluding amounts in net interest)		- 350	- 350		- 350
Change in effect of the asset ceiling (excluding amounts in net interest)				- 34	- 34
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	914	- 350	564	- 34	530
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	1 936	- 610	1 327	- 34	1 293
Employee contributions	47	- 47	0		0
Employer contributions		- 881	- 881		- 881
Benefit payments from plan assets	- 204	204	0		0
Direct benefit payments by employer					0
Cash flows	- 156	- 725	- 881		- 881
As at 31 December 2014	8 807	-8 395	412	0	412
Service cost in profit and loss					
Current service cost (net of employee contributions)	1 081		1 081		1 081
Past service cost (including effect of curtailments)	- 398		- 398		- 398
Settlement (gain)/loss					
Net interest on the net liability/(asset) in profit and loss					
Interest cost on defined benefit obligation/income on plan assets/ interest on asset ceiling	197	- 177	21		21
Components of defined benefit cost recognised in profit and loss	880	- 177	703		703
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	- 549		- 549		- 549
Experience adjustments	- 95		- 95		- 95
Return on plan assets (excluding amounts in net interest)		129	129		129
Change in effect of the asset ceiling (excluding amounts in net interest)				384	384
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	- 644	129	- 516	384	- 131
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	235	- 48	187	384	572
Employee contributions	60	- 60	0		0
Employer contributions		- 984	- 984		- 984
Benefit payments from plan assets	- 150	150	0		0
Direct benefit payments by employer					0
Cash flows	- 90	- 894	- 984		- 984
As at 31 December 2015	8 953	-9 337	- 384	384	0

1. If a net asset exists, it will not be recognised.

The cost of services provided, calculated in accordance with IAS 19 R, is included under "Corporate overheads" of the IFRS income statement.

The effective rate of return of the assets for the 2015 fiscal year is 3.41%, calculated by weighting the rates of return on the pension fund and the group insurance. The plan assets are broken down as follows:

- a) Group insurance (class 21): €2,718 thousand;
- b) Pension fund: €6,619 thousand, of which 31% is invested in shares, 56% in bonds and 13% in cash and other investments.

The duration of the pension obligations for active plan members is 23 years. The pension obligations are funded based on the projected credit units method. The actual yield of the assets over the fiscal year was positive at €677 thousand. For the 2014 fiscal year, it was positive at €610 thousand.

The main actuarial assumptions are summarised below:

	31.12.15	31.12.14
Discount rate	2.25%	2.00%
Expected rate of salary increase	3.00%	3.00%
Expected yield rate of plan assets	2.25%	2.00%
Expected rate of pension increase	1.70%	1.70%
Mortality table	MR-5/FR-5	MR-5/FR-5

Befimmo expects to contribute an estimated €1,491 thousand for the 2016 fiscal year.

We also analysed the sensitivity of the pension obligation to changes in the various assumptions:

Parameters	Assumption	Impact on the present value of the obligation
Discount rate	0.50%	Decrease of 10.85%
Discount rate	-0.50%	Increase of 12.25%
Inflation rate	0.50%	Increase of 12.00%
Inflation rate	-0.50%	Decrease of 10.75%
Growth rate of wages	0.50%	Increase of 9.90%
Growth rate of wages	-0.50%	Decrease of 10.15%
Life expectancy	+ 1 year	Increase of 3.95%

34. Changes in fair value of investment properties: information in accordance with IFRS 13

In line with IFRS, Befimmo values its property portfolio at fair value determined by experts. The fair value of a building is its investment value, including registration fees and other transaction costs (also known as "deed-in-hands value") as calculated by an independent expert, minus a standard allowance of 2.5%² for property with an investment value exceeding €2.5 million and 10% or 12.5% depending on the Region, for property with an investment value of less than €2.5 million. This 2.5% allowance is derived from an analysis by independent experts of a large number of transactions observed on the market, and represents the average transaction costs actually paid in these transactions.

A. Valuation at fair value as at 31 December 2015

Investment properties (in € thousand)	Total	Level 3
Properties available for lease	2 230 420	2 230 420
Brussels centre (CBD)	1 226 002	1 226 002
Brussels decentralised	91 849	91 849
Brussels periphery	144 703	144 703
Flanders	493 163	493 163
Wallonia	187 882	187 882
Luxembourg city	86 820	86 820
Others - Properties that are being constructed or developed for own account in order to be leased	157 386	157 386
TOTAL INVESTMENT PROPERTIES	2 387 806	2 387 806

2. Average transactions costs paid, as recorded by experts on the Belgian market. This accounting method is described in detail in the BeAMA press release of 8 February 2006.

B. Valuation techniques used for level 3

All properties in the portfolio were classified from the first application of IFRS 13 in category level 3 ("fair value based primarily on unobservable inputs") as defined by the standard.

The public BE-REIT's independent experts use several valuation techniques to determine the fair value of the properties in the portfolio:

- The method of updating the future cash flows generated by the building: this technique requires the net rental income generated by the building to be valued on an annual basis for a given period. At the end of this period, a residual value is calculated taking into account the expected condition of the property. In Befimmo's panel of experts, this technique is applied in two variants:
 - A "conventional" method which estimates future income based on current leases and any assumptions about renegotiation, indexed annually according to an assumption based on market outlook and updated at a rate reflecting both the state of the property and financial markets and quality of the tenant. The residual value is calculated by capitalising an estimated income from reletting the building, minus an amount for works, rental vacancy and marketing costs estimated for reletting on the basis of the defined assumptions.
 - A method known as "Term & Reversion", involving the calculation of the present value of contractually secure income at the valuation date, and the residual value at the end of current contracts. The present value of the income is calculated on the basis of non-indexed income updated at a rate that excludes inflation, while the residual value is calculated for each individual area, similarly to the conventional method, also updated at a rate that excludes inflation.
- The income capitalisation method: this method involves capitalising the estimated rental value of the building using a capitalisation rate in line with the property market. The capitalisation rate is chosen on the basis of an analysis of comparable market data, including publicly available information for the sector concerned. The rate is the expected rate of return for potential investors on the valuation date. The resulting value is then adjusted for the (positive or negative) differential between the hypothetical rent used and the rent from current leases, as well as assumptions about works and/or anticipated rental vacancies in the building on the expiry of the current leases.

These valuation methods are applied to buildings in the portfolio, assuming that they are used optimally ("highest and best use") at appropriation level (e.g. an office building with more potential value in retail use is valued taking account of the potential value created by that use).

In general, the results obtained using these various valuation methods are then compared with market benchmarks, particularly in terms of unit price per square metre or initial yields on ongoing leases.

For projects under development, their value is generally calculated using the income capitalisation method, namely the capitalisation of an estimated rental value of the project after its renovation/construction is complete, possibly corrected by a rental gain or loss if the project is already pre-let, minus from the amount of work still to be done before the building can be handed over.

C. Change in value of the portfolio over the fiscal year (level 3)

(in € thousand)	
Opening balance as of 31 December 2014	2 285 235
Gains/losses recognised in profit and loss	
- realised :	967
- non-realised :	10 984
Investments	22 592
Acquisitions	75 430
Disposals	- 6 918
Transfer between levels	-
Opening balance as of 31 December 2015	2 388 290

No transfers between levels (1, 2 and 3) were made during the year.

D. Quantitative information regarding fair value measurement on the basis of "unobservable inputs"

Quantitative information on the valuation of the fair value based on unobservable data (Level 3)

OFFICES	Fair value as at 31.12.15 (in € thousand)	Valuation techniques	Unobservable data	Interval	(weighted average)
Brussels centre (CBD)	1 226 002	Cashflow discount	Annual rent	138 €/m ² - 317 €/m ²	(184 €/m ²)
			Discount rate	1.00% - 7.00%	(1.53%)
			Capitalisation rate of the residual value	5.00% - 7.95%	(5.65%)
		Capitalisation method	Annual rent/ rental value	155 €/m ² - 275 €/m ²	(195 €/m ²)
			Capitalisation rate	4.90% - 6.09%	(5.04%)
Brussels decentralised	91 849	Cashflow discount	Annual rent	-	-
			Discount rate	-	-
			Capitalisation rate of the residual value	-	-
		Capitalisation method	Annual rent/ rental value	70 €/m ² - 150 €/m ²	(133 €/m ²)
			Capitalisation rate	6.05% - 12.20%	(6.55%)
Brussels periphery	144 703	Cashflow discount	Annual rent	-	-
			Discount rate	-	-
			Capitalisation rate of the residual value	-	-
		Capitalisation method	Annual rent/ rental value	70 €/m ² - 125 €/m ²	(105 €/m ²)
			Capitalisation rate	6.60% - 9.00%	(7.56%)
Flanders	493 163	Cashflow discount	Annual rent	61 €/m ² - 139 €/m ²	(110 €/m ²)
			Discount rate	1.00% - 3.29%	(1.61%)
			Capitalisation rate of the residual value	5.24% - 7.00%	(6.47%)
		Capitalisation method	Annual rent/ rental value	70 €/m ² - 115 €/m ²	(108 €/m ²)
			Capitalisation rate	5.10% - 10.00%	(5.29%)
Wallonia	187 882	Cashflow discount	Annual rent	109 €/m ² - 148 €/m ²	(137 €/m ²)
			Discount rate	1.00% - 1.80%	(1.58%)
			Capitalisation rate of the residual value	7.00% - 8.00%	(7.20%)
		Capitalisation method	Annual rent/ rental value	60 €/m ² - 75 €/m ²	(68 €/m ²)
			Capitalisation rate	8.50% - 9.50%	(8.90%)
Luxembourg city	86 820	Cashflow discount	Annual rent	-	-
			Discount rate	-	-
			Capitalisation rate of the residual value	-	-
		Capitalisation method	Annual rent/ rental value	-	(396 €/m ²)
			Capitalisation rate	-	(5.75%)
Others - Properties being constructed or developed for own account in order to be leased	157 386	Capitalised net revenue less cost of the remaining work	Capitalised net income	3 667 €/m ² - 4 732 €/m ²	(3 942 €/m ²)
			Annual rent	165 €/m ² - 265 €/m ²	(194 €/m ²)
			Capitalisation rate	4.05% - 5.60%	(4.85%)
			Costs of the remaining work	1 238 €/m ² - 2 210 €/m ²	(1 858 €/m ²)
TOTAL fair value as at 31.12.15	2 387 806				

E. Sensitivity of the valuation to changes in key "unobservable inputs"

A change of + or -5% in the estimated rental values of properties in the portfolio would result in a change in the fair value of the portfolio of the order of +€94.8 million and -€95.7 million respectively.

A change of + or -50 basis points in the updating and capitalisation rates (used for both the income capitalisation method and the discounted future cash flows) generate a change in fair value of the portfolio of the order of -€190.4 million and +€224.2 million respectively.

It is important to note that the levels of estimated rental value and yield of buildings can influence one another. This correlation has not been taken into account in the above sensitivity test, however, which assumes that these two parameters rise and fall independently.

F. Valuation process

To meet the requirements for preparing the Company's quarterly financial statements, the property portfolio is also valued on a quarterly basis as follows:

- At the end of the quarter, the Company sends the experts detailed information on the transactions carried out during the quarter, mainly in terms of rentals (area let, rents agreed, duration of leases, investments to be made, etc.) but also of any acquisitions or disposals of properties.
- The Company then meets each expert to discuss the information provided and their perceptions of the property market, and answer any questions that the experts might have about properties in the portfolio.
- The experts then incorporate this information into their valuation models. Based on their experience of the market and any transactions (leases, acquisitions, etc.) taking place on the market, they retain or adjust the valuation parameters used in their models, mainly in terms of estimated rental values, rates of return (discount and/or capitalisation rates), assumptions about rental vacancies or investments to be made in the buildings.
- The experts then give their individual valuations of the property portfolio based on these calculations. These are then subject to various checks in Befimmo's investment department, to help the Company understand the assumptions used by the experts in their calculations. These assumptions are also shared with the Befimmo management team.
- The summary table of the individual property valuations is passed on to the accounts department to enter the quarterly revaluation of the portfolio in the accounts.
- The values recorded are subject to checks by the Audit Committee and the Auditor before Befimmo's Board of Directors closes the financial statements.

35. Commitments

35.1. Commitments to third parties

35.1.1. Commitments to tenants

Befimmo has a commitment under the lease with the Buildings Agency for the Poelaert building, to make available to the lessee, from the date of the ninth anniversary of the lease taking effect, the sum of €1 million to cover light refurbishment work.

Befimmo is also committed under the lease with the Buildings Agency for the AMCA building, to provide the lessee with €110,000 excluding VAT each year to cover refurbishment work.

35.1.2. Commitments to purchasers of properties to be sold

The Belgian Government also has an option to purchase the new Finance Centre, Paradis Tower in Liège, at the end of the 27.5-year lease.

35.1.3. Purchase undertaking

Beway SA has given an undertaking to the joint venture Codic Immo, to acquire the buildings of the Gateway building in Zaventem, gradually as the development proceeds, and to pay the balance upon provisional handover of the building, expected in the fourth quarter of 2016. The acquisition represents a total investment of some €140 million, €75.4 million of which have already been booked.

35.1.4. 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 €11.8 million including VAT. These commitments mainly concern the Brederode 9/Namur 48, the Blue Tower, the Guimard and the Media buildings.

Commitments entered into by Fedimmo with approved building contractors:

Fedimmo's main contractual commitments with approved building contractors and design teams amount to some €1.2 million including VAT. These commitments relate mainly to the Paradis Tower (the new Finance Centre) and the WTC Tower IV project.

Commitments entered into by Befimmo Property Services:

The main commitments entered into by Befimmo Property Services relate to the various contracts for maintenance, upkeep and total guarantee, cleaning and guarding of the buildings it manages on behalf of Befimmo. These commitments vary in length depending on the contracts and account for some €5 million including VAT annually. These services are mostly billed to tenants under the heading of common charges.

35.1.5. Marketing agreements

Befimmo, Fedimmo and Axento have commitments with a number of agents, under rental and/or sale agreements, to pay fees in line with usual market rates.

35.1.6 Commitments to third parties

Befimmo, Fedimmo and Axento might decide to make binding rental or investment offers that are still valid at the closing date of the fiscal year.

35.1.7. Other commitments

Under the agreements reached in 2012 between Aedifica and Blue Tower Louise SA, Befimmo gave a number of commitments to Aedifica, notably to carry out some work to alter the structure of the basements of the Blue Tower building to enable Aedifica to carry out its plan to build a residential building. To cover its commitments, Befimmo lodged a guarantee of €2,131 million including VAT (as an escrow account) in favour of Aedifica.

Befimmo and Fedimmo also have commitments for periods of one to three years under specific contracts such as the surveying of the buildings (for the quarterly valuation of the property portfolio), property management services for the Axento building, contracts for the provision of services in certain buildings, agreements for renting parking spaces to third parties, and insurance policies.

As part of a private international competitive call for projects for the development of a plot of land in Liège (Paradis Express), Fedimmo has undertaken to compensate some contest participants up to a maximum of €75,000, if the project is not executed.

35.2. Restrictions on assignment

None of the buildings in the Company's portfolio is mortgaged or subject to any other restriction on realisation or assignment, save only the standard provisions contained in several loan agreements (property intended for letting may not be sold to or bought by a company in the group). These restrictions have no impact on the value of the properties concerned.

Similarly, none of the Company's property assets is subject to any restriction on the recovery of income.

However, to enable Befimmo and Fedimmo to take advantage of attractive financing terms, future rents of five buildings have been assigned to a financial institution and the future usufruct fees for one building have been assigned to a financial institution. Ownership of these buildings may not therefore be transferred without the prior consent of the assignee of the rent or the early repayment of the financial liability. These arrangements concern the Poelaert building and Pavilion complex in the Befimmo portfolio and four buildings in the Fedimmo portfolio: avenue des Arts, rue du Gouvernement Provisoire and rue Lambermont in Brussels, and Majoor Vandammestraat in Knokke.

35.3. Guarantees given

(in € thousand)		31.12.15	31.12.14
Guarantees for investment work	Bank guarantee	102 052	10 562
Guarantees issued at the close of the fiscal year		102 052	10 562

Fedimmo issued two guarantees in the context of the project to build the new Finance Centre, Paradis Tower in Liège. The first, amounting to €5.4 million in favour of the Buildings Agency, to guarantee the performance of the development contract concluded on 31 March 2009 for the provision of a building to house the Federal Public Finance Service in Liège. This guarantee was paid-up to 50% in early January 2015. The second, amounting to €5.1 million in favour of the City of Liège, to guarantee the performance of all the work and planning charges applicable to the single permit issued for the construction of the new building.

In the context of the acquisition of the Gateway building, which has yet to be completed, the Company has issued a bank guarantee in favour of the joint venture Codic Immobilier to cover the payment (including VAT) for the remaining constructions. The amount of the guarantee is reduced by the amount of the payments made, and stood at €94.2 million at 31 December 2015.

36. Related-party transactions

The table below shows the remuneration of the Directors and Executive Officers of Befimmo SA.

FISCAL YEAR 31.12.15 (in €)		
Name	Short-term benefits (salaries, bonuses) ¹	Post-employment benefits (pension, etc.)
SPRL Alain Devos (until 28 April 2015) / Alain Devos (as from 28 April 2015)	143 000	
SPRL A.V.O. Management, represented by Annick Van Overstraeten	83 000	
Sophie Goblet	75 000	
Sophie Malarme-Lecloux (nominated on 28 April 2015)	45 000	
Benoît Godts	82 500	
Roude BVBA (until 28 April 2015) / Jacques Rousseaux (as from 28 April 2015)	80 000	
Marc VH-Consult BVBA, represented by Marcus Van Heddeghem (end of mandate on 28 April 2015)	12 500	
SPRL Etienne Dewulf (until 28 April 2015) / Etienne Dewulf (as from 28 April 2015)	94 000	
Guy Van Wymersch-Moons	62 500	
Kadees BVBA, represented by Kurt de Schepper	60 000	
Hugues Delpire	93 000	
Managing Director, represented by SPRLu BDB Management (until 28 April 2015) / Benoît De Blicck (as from 28 April 2015)	726 059	48 933
<i>variable portion</i>	225 000	
Other Executive Officers	1 227 878	215 157
<i>variable portion</i>	283 308	
Total	2 784 437	264 090

FISCAL YEAR 31.12.14 (in €)		
Name	Short-term benefits (salaries, bonuses) ¹	Post-employment benefits (pension, etc.)
Arcade Consult BVBA, represented by André Sougné (end mandate 29 April 2014)	15 000	
Hugues Delpire	69 500	
SPRL Alain Devos, represented by Alain Devos	121 250	
Benoît Godts	64 500	
Roude BVBA, represented by Jacques Rousseaux	72 500	
Marc VH-Consult BVBA, represented by Marcus Van Heddeghem	63 500	
SPRL Etienne Dewulf, represented by Etienne Dewulf	76 000	
Sophie Goblet	55 000	
Guy Van Wymersch-Moons	52 500	
Kadees BVBA, represented by Kurt de Schepper (nominated on 29 April 2014)	40 000	
SPRL A.V.O. Management, represented by Annick Van Overstraeten (nominated on 29 April 2014)	50 500	
Managing Director, represented by SPRLu BDB Management - Benoît De Blicck	715 000	
<i>variable portion</i>	200 000	
Other Executive Officers	989 012	154 077
<i>variable portion</i>	248 852	
Total	2 384 262	154 077

Post-employment benefits are described in the note on employee benefits.

Relationships with entities of AG Insurance are described in the chapter "Corporate governance statement".

The Company did not grant any other long-term benefits during the 2014 or 2015 fiscal years.

1. Short-term benefits are fixed and variable remuneration, and any other miscellaneous components and benefits (including social charges).

STATUTORY AUDITOR'S REPORT

Befimmo NV/SA

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2015

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of total comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Befimmo NV/SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 2,500,234 (000) EUR and the consolidated income statement shows a consolidated net profit (group share) for the year then ended of 97,927 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Befimmo NV/SA give a true and fair view of the group's net equity and financial position as of 31 December 2015, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 25 March 2016

The statutory auditor

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

STATUTORY STATEMENT OF TOTAL COMPREHENSIVE INCOME (IN € THOUSAND)

	31.12.15	31.12.14
I. (+) Rental income	87 856	88 698
III. (+/-) Charges linked to letting	- 536	- 945
NET RENTAL INCOME	87 319	87 753
IV. (+) Recovery of property charges	6 328	6 686
V. (+) Recovery of rental charges and taxes normally payable by tenants on let properties	20 689	18 067
VII. (-) Charges and taxes normally paid by tenants on let properties	-19 510	-17 641
VIII. (+/-) Other revenue and charges for letting	607	212
PROPERTY RESULT	95 433	95 078
IX. (-) Technical costs	-7 560	-8 371
X. (-) Commercial costs	- 786	- 975
XI. (-) Charges and taxes on unlet properties	-5 005	-3 814
XII. (-) Property management costs	-1 645	-1 485
XIII. (-) Other property charges	-1 382	-2 820
(+/-) Property charges	-16 378	-17 463
PROPERTY OPERATING RESULT	79 054	77 614
XIV. (-) Corporate management costs	-6 179	-8 492
XV. (+/-) Other operating income and charges	- 286	1 472
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	72 589	70 594
XVI. (+/-) Gains or losses on disposals of investment properties	- 4	-
XVIII. (+/-) Changes in fair value of investment properties	-26 720	-11 507
OPERATING RESULT	45 864	59 088
XX. (+) Financial income	40 804	33 579
XXI. (-) Interest charges	-23 212	-25 334
XXII. (-) Other financial charges	-3 124	-2 604
XXIII. (+/-) Changes in fair value of financial assets and liabilities	38 581	4 998
(+/-) Financial result	53 049	10 638
PRE-TAX RESULT	98 913	69 726
XXIV. (-) Corporation tax	-1 018	- 858
(+/-) Taxes	-1 018	- 858
NET RESULT	97 895	68 868
TOTAL BASIC NET RESULT AND DILUTED PER SHARE	4.41	3.19
Other comprehensive income - actuarial gains and losses - non-recyclable	131	- 530
TOTAL COMPREHENSIVE INCOME	98 026	68 338

The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

STATUTORY STATEMENT OF FINANCIAL POSITION

(IN € THOUSAND)

ASSETS	31.12.15	31.12.14
I. Non-current assets	2 301 571	2 241 487
C. Investment properties	1 360 170	1 375 860
D. Other property, plant and equipment	696	543
E. Non-current financial assets	940 705	865 084
II. Current assets	140 746	51 240
B. Current financial assets	114 625	32 288
D. Trade receivables	18 833	12 157
E. Tax receivables and other current assets	1 681	3 050
F. Cash and cash equivalents	117	38
G. Deferred charges and accrued income	5 489	3 706
TOTAL ASSETS	2 442 317	2 292 727
SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.15	31.12.14
SHAREHOLDERS' EQUITY	1 265 263	1 195 448
A. Capital	323 661	319 066
B. Share premium account	702 548	688 688
C. Reserves	198 497	175 066
D. Net result for the fiscal year	40 557	12 628
LIABILITIES	1 177 054	1 097 278
I. Non-current liabilities	633 965	514 644
B. Non-current financial debts	618 796	491 282
a. Credit institution	168 903	132 969
c. Other	449 893	358 313
<i>Bond issues</i>	<i>161 910</i>	<i>161 842</i>
<i>USPP</i>	<i>182 809</i>	<i>164 579</i>
<i>EUPP</i>	<i>103 813</i>	<i>30 000</i>
<i>Guarantees received</i>	<i>1 362</i>	<i>1 892</i>
C. Other non-current financial liabilities	15 169	23 362
II. Current liabilities	543 089	582 634
A. Provisions	2 160	2 600
B. Current financial debts	470 663	513 006
a. Credit institution	68 063	28 147
c. Other	402 600	484 860
<i>Commercial papers</i>	<i>393 750</i>	<i>373 500</i>
<i>Bond issues</i>	<i>-</i>	<i>110 038</i>
<i>Other</i>	<i>8 850</i>	<i>1 321</i>
C. Other current financial liabilities	-	161
D. Trade debts and other current debts	38 575	43 810
b. Other	38 575	43 810
E. Other current liabilities	2 000	1 842
F. Accrued charges and deferred income	29 690	21 214
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 442 317	2 292 727

The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

NOTE ON STATUTORY SHAREHOLDERS' EQUITY

The reader is invited to go to page 56 of the management report to consult the chapter "Appropriation of result".

The changes in equity before and after the proposed appropriation of the result for the 2015 fiscal year are as follows:

(in € thousand)	A. Capital	a. Subscribed capital (+)	b. Costs of capital increase (-)	B. Share premium account	C. Reserves	a. Legal reserve (+)
31.12.2014 SHAREHOLDERS' EQUITY (Before appropriation of result)	319 066	329 413	- 10 347	688 688	175 066	1 295
Appropriation of result 2014 in the reserves					12 628	
Payment of the final dividend of the 2014 fiscal year					- 19 039	
31.12.2014 SHAREHOLDERS' EQUITY (After appropriation of result)	319 066	329 413	- 10 347	688 688	168 655	1 295
Private placement of own shares of 30 November 2015	- 403		- 403		29 711	
Interim dividend of the 2015 fiscal year						
Capital increase following the interim optional dividend	4 998	5 051	- 54	13 859		
Other comprehensive income					131	
31.12.2015 SHAREHOLDERS' EQUITY (Before appropriation of result)	323 661	334 464	- 10 803	702 548	198 497	1 295
Appropriation of result 2015 in the reserves ¹					40 557	
Payment of the final dividend of the 2015 fiscal year ¹					- 19 798	
31.12.2015 SHAREHOLDERS' EQUITY (After appropriation of result)	323 661	334 464	- 10 803	702 548	219 255	1 295

1. Subject for approval by the Ordinary General Meeting of shareholders of 26 April 2016.

b. Reserve for the balance of changes in fair value of investment properties (+/-)	c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS (+/-)	h. Reserve for own shares (-)	j. Reserve for actuarial gains and losses for the defined benefit pension plan (+/-)	m. Other reserves (+/-)	n. Result brought forward from previous years (+/-)	D. Result for the fiscal year	TOTAL SHAREHOLDERS' EQUITY
106 710	- 33 609	- 9 039	- 27 447	- 243	19 818	117 580	12 628	1 195 448
- 11 507	- 995	- 1 962				27 092		
						- 19 039		
95 203	- 34 604	- 11 001	- 27 447	- 243	19 818	125 633	-	
			27 447			2 264		
							- 57 338	
				131				
95 203	- 34 604	- 11 001	-	- 112	19 818	127 897	40 557	1 265 263
- 23 153	599	9 127				7 677		
						- 19 798		
118 356	- 34 004	- 1 873	-	- 112	19 818	115 776	-	

The table below is presented after appropriation of the result to reserves.

Shareholders' equity that cannot be distributed according to article 617 of the Code of Company Law (in € thousand)		31.12.15
NET ASSETS		1 265 263
(+)	Paid-up capital or, if greater, subscribed capital	334 464
(+)	Share premium account unavailable for distribution according to the articles of association	643 790 ¹
(+)	Reserve of the positive balance of the changes in fair value of the investment properties	118 356 ²
(-)	Reserves for estimated transaction costs resulting from hypothetical disposal of investment properties	- 34 004
(+/-)	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	- 1 873 ³
(+/-)	Reserve for actuarial gains and losses of the defined benefit pension plan	- 112
(+)	Other reserves declared non-distributable by the General Meeting of Shareholders	3 633
(+)	Legal reserve	1 295
TOTAL NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY		1 065 549
BALANCE		199 713
<hr/>		
Obligation to distribute dividends according to the Royal Decree of 13.07.2014 concerning BE-REIT (SIR/GVV) (in € thousand)		31.12.15
NET RESULT		97 895
(+)	Depreciation	275
(+)	Writedowns	366
(-)	Writeback of writedowns	- 435
(+/-)	Other non-cash elements	-17 316
(+/-)	Result on the disposal of property assets	4
(+/-)	Changes in fair value of investment properties	6 345 ³
CORRECTED RESULT (A)		87 135
(+/-)	Realised gains and losses ⁴ on property assets during the year	- 4
(-)	Realised gains and losses ⁴ on property assets during the year, exonerated from the obligation to distribute if reinvested within 4 years	
(+)	Realised gains on property assets previously exonerated from the obligation to distribute and that were not reinvested within 4 years	
NET GAINS ON REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)		- 4
TOTAL (A+B) X 80%		69 704
DECREASE IN BORROWINGS (-)		-
OBLIGATION TO DISTRIBUTE		69 704

1. The amount of €643,790 thousand included in the calculation under article 617 represents the non-distributable issue premiums. The difference of €58,758 thousand in relation to the total amount of issue premiums was made distributable by the approval of the Meeting.

2. Calculated on the basis of the fair value of the properties, including the changes in fair value of the investment properties of the subsidiaries.

3. Including change in fair value of the USPP debt, which is compensated by changes in fair value of the associated Cross Currency Swaps.

4. In relation to the acquisition value, increased by the capitalised renovation costs.

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GENERAL INFORMATION

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IDENTIFICATION

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Name

Befimmo SA, a public BE-REIT (SIR/GVV) incorporated under Belgian law.

Registered office

Chaussée de Wavre 1945 in 1160 Auderghem.

Tel.: +32 (0)2 679 38 60

The registered office may be transferred by decision of the Board of Directors to any place in Belgium.

Legal form

Société Anonyme (Limited-Liability Company).

Founding

Befimmo SA was founded on 30 August 1995 as a Limited-Liability Company under the name "Woluwe Garden 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 shareholders of Befimmo met to approve the transformation of the Partnership structure into a Limited-Liability Company. On that date, the Company was converted back into a Limited-Liability Company under the same name of "Befimmo" by a deed executed before notary Damien Hissette. For further information, please see the Annual Financial Report 2012.

The last articles of association have been amended several times, most recently on 15 December 2015. The coordinated articles of association are available on the Befimmo SA website: www.befimmo.be/en/befimmo/group-structure.

 www.befimmo.be

Duration

Befimmo SA has been established for an unlimited duration.

Register of Corporate Bodies

Befimmo SA is entered in the Register of Corporate Bodies under number 0 455 835 167.

Recording place

Brussels.

Company object (article 4 of the articles of association)

The Company has as exclusive purpose:

- (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the BE-REIT regulation, and;
- (b) within the limits set out by the BE-REIT regulation, hold real estate assets listed in article 2, 5°, vi) to x) of the BE-REIT law.

By real estate is meant:

- real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;
- shares with voting rights issued by real estate companies under the exclusive or joint control of the Company;
- option rights on real estate;
- shares of public regulated real-estate companies or institutional regulated real estate companies, provided in the latter case, joint or exclusive control over these companies is exercised by the Company;
- the rights arising from contracts giving one or more goods in finance-lease to the Company or providing other similar rights of use;
- shares in public real-estate investment companies;

- shares in foreign real-estate funds included in the list referred to in article 260 of the law of 19 April 2014 on alternative investment funds and their managers;
- shares in real-estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real-estate investment companies;
- shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar corporate purpose; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or “REITs”);
- real-estate certificates referred to in article 5, § 4, of the law of 16 June 2006.

In the context of the making available of real estate, the Company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.

On an ancillary or temporary basis, the Company may make investments in securities which are not real estate within the meaning of the BE-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the Company and will be diversified in a way to ensure an adequate risk diversification. The Company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.

It may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of real estate of the Company and with the exclusion of any transaction of a speculative nature.

The Company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).

The Company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related purpose and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its corporate purpose as well as all acts that are useful or necessary for the realisation of its corporate purpose.

Fiscal year

The financial year begins on 1 January and ends on 31 December of each year.

Places where publicly accessible documents can be consulted

- The articles of association of Befimmo SA can be consulted at the Clerk’s Office of the Brussels Commercial Court, at the registered office and on the website: www.befimmo.be/en/befimmo/group-structure.
- 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/investors/publications.
- Decisions concerning the appointment and termination of the mandates of the members of the Board of Directors of Befimmo SA are published in the Annexes to the Belgian Official Gazette.
- Invitations to General Meetings are published in the Annexes to the Belgian Official Gazette and in two daily financial newspapers with nationwide distribution. These notices and all documents relating to General Meetings may be consulted on the Befimmo website: <http://www.befimmo.be/en/investors/general-meetings>.
- 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/investors/publications.

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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 2015, the registered capital totalled €334,464,491.53.

It is represented by 23,021,293 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 bonds 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 2015, the authorised capital amounts €179,605,044.32.

At its next Extraordinary General Meeting, the Company has the intention to submit the renewal of the authorised capital (article 7 of the articles of association) as well as the permission for the buyback, pledge and disposal of own shares (articles 11.1 and 11.2 of the articles of association) for a new period of 5 years.

Changes to the capital since 31.12.2011

The following table shows the changes in capital since 31 December 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 December 2011	264 061 592.80	18 175 440
As at 3 October 2012	272 690 074.09	18 769 341
As at 19 December 2012	277 794 918.53	19 120 709
As at 31 December 2012	277 794 918.53	19 120 709
As at 10 July 2013	307 389 978.39	21 157 746
As at 6 September 2013	315 069 953.06	21 686 361
As at 18 December 2013	320 537 602.80	22 062 701
As at 31 December 2013	320 537 602.80	22 062 701
As at 25 November 2014	323 252 293.66	22 249 554
As at 16 December 2014	329 413 170.03	22 673 609
As at 31 December 2014	329 413 170.03	22 673 609
As at 15 December 2015	334 464 491.53	23 021 293
As at 31 December 2015	334 464 491.53	23 021 293

Shareholder structure

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

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

Declarants	Number of Shares (declared)	Date of the statement	(in %)
Ageas and affiliated companies	2 393 476	10.02.2015	10.4%
AXA Belgium SA	2 467 295	15.12.2015	10.7%
BlackRock Inc.	664 130	06.02.2014	2.9%
Other shareholders under the statutory threshold	17 496 392	15.12.2015	76.0%
Total	23 021 293		100%

This data is based on the transparency declarations or based on the information received from the shareholder. Befimmo SA is not aware of the existence of shareholder agreements.

IDENTITY OF THE FOUNDER OF BEFIMMO SA

Befimmo SA was founded at the initiative of Bernheim-Comofi SA (now known as AG Real Estate SA) with registered office at avenue des Arts 58, 1000 Brussels.

ARTICLES OF ASSOCIATION OF BEFIMMO SA

The complete coordinated articles of association¹ of Befimmo SA can be consulted at the Clerk's Office of the Brussels Commercial Court, at Befimmo's registered office and on the website: www.befimmo.be/en/befimmo/group-structure.

@ www.befimmo.be

SOCIÉTÉ ANONYME (LIMITED-LIABILITY COMPANY)

The Extraordinary General Meeting of 20 December 2012 approved the conversion of Befimmo SCA into a Société Anonyme (Limited-Liability Company).

Befimmo SA owns 100% of the shares of Fedimmo SA, 100% of the shares of Meirfree SA, 100% of the shares of Vitalfree SA, 100% of the shares of Axento SA, 100% of the shares of Befimmo Property Services SA and 100% of the shares of Beway SA.

NAME AND QUALIFICATIONS OF THE REAL-ESTATE EXPERTS

For the 2015 fiscal year, Befimmo SA uses two real-estate experts, namely: Jones Lang LaSalle (represented by Mr Rod P. Scrivener - avenue Marnix 23, 1000 Brussels) and CBRE (represented by Mr Pierre Van der Vaeren - avenue Lloyd George 7, 1000 Brussels). Moreover, Jones Lang LaSalle is coordinating this expertise.

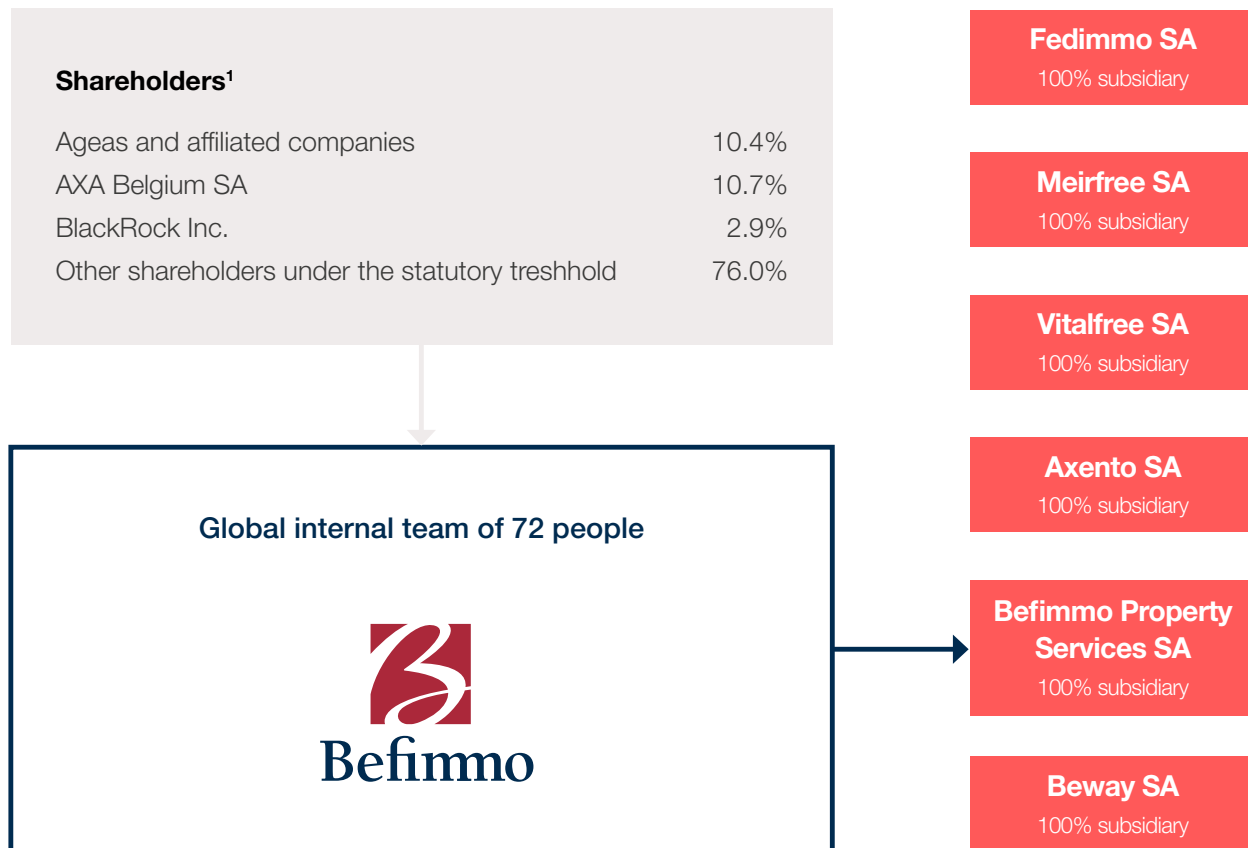
The allocation of these mandates was done pursuant to the provisions of the Royal Decree of 13 July 2014. This mission goes from 1 January 2015 for three years until 31 December 2017.

These are expert real-estate companies with specialist knowledge of the market and which enjoy a first-class international reputation.

Befimmo has also appointed two back-up experts: DTZ-Winssinger & Associés (represented by Mr Christophe Ackermans - chaussée de la Hulpe 166, 1170 Brussels) and PricewaterhouseCoopers (represented by Mrs Anne Smolders and Mr Jean-Paul Ducarme - Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe).

1. Appendix II of this Report contains the extracts of articles of association.

GROUP STRUCTURE



Befimmo's subsidiaries are Belgian companies, except for Axento SA, which is a Luxembourg company.

PUBLIC BE-REIT

Since 2014, Befimmo is a BE-REIT (SIR/GVV). The BE-REIT pursues the same goals as a Real Estate Investment Trusts (REIT) put in place in several countries (REIT (USA), SIIC (France) and FBI (Netherlands)).

The legislator intended the BE-REIT to ensure a high degree of transparency for real-estate investments and distribute a large part of its cash flow as possible while enjoying certain advantages.

The BE-REIT is monitored by the Financial Services and Markets Authority (FSMA) and subject to specific regulations. The main rules are as follows:

- it must have the status of "Societe Anonyme" or "Societe en Commandite par Actions";
- it must be listed on the stock exchange;
- borrowings may not exceed 65% of total assets at market value;
- there are strict rules relating to conflicts of interest;
- it must keep accounting according to IFRS standards, with notably the assignment at market value of the property portfolio;
- 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 only one property complex;
- a reduced base for corporation tax provided that at least 80% of "cash flows" are distributed (calculated on the basis of article 13 of the Royal Decree of 13 July 2014);
- a withholding tax of 27% is deducted when paying out dividends.

1. Based on the transparency declarations or based on the information received from the shareholder.

This set of rules is designed to minimise the risk incurred.

Companies merging with a BE-REIT are subject to tax of 16.995% on unrealised capital gains and untaxed reserves (16.5% plus 3% additional crisis levy).

INSTITUTIONAL BE-REIT

Fedimmo SA and Beway SA (100% subsidiaries of Befimmo SA) are institutional BE-REITs.

The main features of the institutional BE-REIT are:

- a company controlled by a public BE-REIT;
- registered shares held by institutional investors;
- no requirement for diversification or debt ratio (consolidated at the level of the public BE-REIT);
- compulsory distribution of a dividend at a minimum of 80% of the “cash flows” (calculated on the basis of article 13 of the Royal Decree of 13 July 2014);
- jointly or solely controlled by a public BE-REIT;
- no obligation to appoint a real-estate expert, the real-estate assets being valued by the expert of the public BE-REIT;
- statutory accounts prepared in accordance with IFRS standards (same accounting scheme as the public BE-REIT);
- strict rules regarding conflicts of interest;
- subject to FSMA control.

TYPICAL INVESTOR PROFILE

The profile of a typical Befimmo investor is a private or institutional investor wishing to make an investment in office property, mainly in Belgium.

The share ownership structure is set out before.

STATEMENTS

Persons responsible

Mr Benoît De Blicq, Managing Director, and Mr Laurent Carlier, Chief Financial Officer of the Company, declare for and on behalf of Befimmo SA, that to the best of their knowledge:

- (a) the financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and the results of the Company and the businesses included in the consolidation;
- (b) the Annual Financial Report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation.

Mr De Blicq and Mr Carlier declare that, to the best of their knowledge, there is no omission likely to affect the import of information in this Report.

Declaration regarding the Directors

The Board of Directors of Befimmo SA hereby declares that to its knowledge:

- none of the Directors has ever been convicted of fraud, no official and/or public accusation has been made and no penalty has ever been imposed by a judicial or supervisory authority;
- no Director has been disqualified by a court from acting as a member of a Board;
- no Director has ever been involved in that capacity in a bankruptcy or liquidation;
- no contract of employment or management has been concluded with the Directors that provides for the payment of compensation upon termination of the contract with the exception of what is mentioned in the chapter “Corporate governance statement” on page 141 of this Report;
- the Directors do not hold shares in Befimmo SA except for Mr Benoît Godts (998 shares), Mr Guy Van Wymersch-Moons (155 shares), Mr Jacques Rousseaux (247 shares), and Mr Benoît De Blicq (1,473 shares);

- so far no Befimmo SA share option has been awarded;
- there is no family relationship between the Directors.

Information from third parties

The real-estate experts Jones Lang LaSalle and CBRE have agreed that their assessment methods and the conclusions of the real-estate expert reports may be included in this Annual Financial Report.

The Statutory Auditor has agreed to the inclusion of its report of 25 March 2016 in this Annual Financial Report on the consolidated accounts closed as at 31 December 2015, of its report on forecasts of 25 March 2016 and of its limited review on selected environmental performance indicators of 14 March 2016.

The Company confirms that the information taken from the reports of the real-estate experts Jones Lang LaSalle and CBRE, and of the Statutory Auditor have been faithfully reproduced and that, to the best of the Company's knowledge and as far as it can ascertain in the light of the data published by these third parties, nothing has been omitted that would make the information reproduced inaccurate or misleading.

Historical financial information referred to by reference

The Annual Financial Reports of the past five years, which includes the annual statutory and consolidated accounts and the Statutory Auditor's reports, as well as the Half-Yearly Financial Reports can be consulted on the website of the Company: www.befimmo.be.

The Annual Financial Reports related to the two previous fiscal years are incorporated by reference.

Registration document

The Annual Financial Report 2015 is a registration document under article 28 of the law of 16 June 2006. This Report was approved on 22 March 2016 by the FSMA pursuant to article 23 of the law of 16 June 2006.

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APPENDICES

APPENDIX I: GLOSSARY

BeAMA

Belgian Asset Managers Association/Association Belge des Asset Managers.

Break

The first option to terminate a lease agreement by giving due notice.

BREEAM (BRE Environmental Assessment Method)

BREEAM is the first environmental assessment method for buildings. It is a benchmark for best practice in sustainable design. It has become the most widely used benchmark of a building's environmental performance (www.breeam.com).

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.

BE-REIT (SIR/GVV)

The concept of BE-REIT was created in 2014 and pursues the same goals as a Real-Estate Investment Trusts (REIT) put in place in several countries (REIT (USA), SIIC (France) and FBI (Netherlands)).

The legislator intended the BE-REIT to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying certain advantages. It is controlled by the FSMA and submitted to specific regulations.

CAP

A CAP is a financial derivative instrument belonging to the options family. Purchasing a CAP provides protection against rising interest rates, to a preset maximum level (strike price). It therefore enables us to take advantage of declining rates. Purchasing a CAP involves the payment of a premium.

CBD (Central Business District)

The business areas in central Brussels, comprising the Centre, Leopold, Louise, South and North districts.

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\$ 95 trillion in assets.

Code 2009

Belgian Code of Corporate Governance issued on 12 March 2009 by the Corporate Governance Commission. The Code includes practices and provisions to be followed by Belgian listed companies. The 2009 Code replaces the previous version of 2004, and can be accessed on the GUBERNA website (www.guberna.be/fr).

COLLAR

A COLLAR is a combination of financial derivatives comprising the purchase of a CAP and sale of a FLOOR. This combination offers protection against rising interest rates (through the purchase of the CAP) with a premium fully or partially subsidised by the sale of a FLOOR (which involves a commitment to pay a minimum interest rate).

Current rent

Annual current annual rent at the closing date plus rent on leases signed, as reviewed by the real-estate experts.

DCF (Discounted Cash Flow)

Method for evaluating cash flows.

Debt ratio

$$\frac{[\text{Liabilities} - \text{provisions} - \text{other financial liabilities (permitted hedging liability instruments)} - \text{deferred tax liabilities} - \text{accruals}]}{[\text{total balance sheet assets} - \text{permitted hedging instruments, booked to the assets side of the balance sheet}]}$$
 This ratio is calculated in accordance with the Royal Decree of 13 July 2014.

Economic Hinterland

Periphery of Brussels.

EIRIS

EIRIS is a world leading provider of research into corporate environmental, social and governance performance.

E Level

A building's maximum primary energy consumption level.

EMS (Environmental Management System)

An EMS is a framework for managing environmental performance. It describes the policies and objectives to be implemented and monitored, challenges to be managed, and how the operation of various systems and strategies should be analysed and assessed.

EPB (Energy Performance of Buildings)

This index, based on EU Directive 2002/91/EC, expresses the amount of energy needed to meet the various needs of a building in normal use. It is calculated on the basis of the various factors influencing energy demand (insulation, ventilation, solar and internal gains, heating system, etc.).

EPRA

With over 200 active members, EPRA (European Public Real-Estate Association – www.epra.com) is the voice of European listed real-estate companies and represents €250 billion in real-estate assets.

EPRA Earnings

EPRA earnings is defined by EPRA as “Recurring earnings from core operational activities”. It generally corresponds to the Company’s recurring cash flow.

EPRA NAREIT/Europe

EPRA, in collaboration with FTSE and NAREIT, provides a benchmark of global listed real estate. The FTSE EPRA/NAREIT index is divided into eight areas covering the major global investment markets. The EPRA NAREIT/Europe index covers listed real estate in Europe.

Estimated Rental Value (ERV)

The estimated rental value of vacant premises as reviewed by the real-estate expert.

Ex-date

The date a coupon is detached.

Fair value

Fair value is obtained by deducting the average costs for transactions established by independent real-estate experts from the “investment value”. These costs amount to (i) 2.5%¹ for property worth more than €2.5 million and (ii) 10% (Flanders) or 12.5% (Wallonia and Brussels) for property worth less than €2.5 million. These values are established in application of standard IAS 40 which requires investment property to be booked at “fair value”.

FLOOR

A FLOOR is a financial derivative instrument belonging to the options family. The sale of a floor earns a premium, though it means that the borrower foregoes the benefit of a fall in interest rates below a preset level (the strike price). See also the definition of the COLLAR.

Free float

The percentage of shares held by the public. These are the shares for which Befimmo has received no transparency declaration from a third party or which are not held by Befimmo or its subsidiaries.

FSMA (Financial Services and Markets Authority)

The independent regulator of the financial and insurance markets in Belgium.

GRESB (Global Real Estate Sustainability Benchmark)

GRESB is an initiative to assess the environmental and social performance of public and private real-estate investments. The benchmark serves as a starting point for engagement and forms the basis for a collective effort towards a more resource efficient real estate industry (www.gresb.com).

GRI (Global Reporting Initiative)

GRI is the organisation behind the establishment of a globally recognised reporting standard on Social Responsibility. It is committed to its continuous improvement and application worldwide.

Gross yield

The gross yield is equal to the gross dividend divided by the share price at the end of the fiscal year.

Hedging ratio

Hedging ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAP)/total borrowings.

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.

IAS (International Accounting Standards)

International accounting standards developed by the International Accounting Standards Board.

IBGE (Leefmilieu Brussel/Bruxelles Environnement)

The Brussels-Capital Region authority responsible for environmental protection.

IFRS (International Financial Reporting Standards)

International financial reporting standards developed by the International Accounting Standards Board.

Investment value

The investment value is defined by the expert as the most likely value under normal conditions of sale between the fully informed and consenting parties, on the date of valuation, before deducting conveyancing costs.

IRR (Internal Rate of Return)

The IRR is the annualised internal rate of return.

IRS (Interest Rate Swap)

An interest rate swap contract (most commonly fixed against floating or vice versa) is a commitment between two parties to exchange financial flows based on a particular notional amount, frequency and duration.

IRS “payer”

An IRS (fixed rate) payer is an IRS for which a fixed rate is paid to the counterparty in exchange for a floating rate.

IRS “receiver”

An IRS (fixed rate) receiver is an IRS for which a floating rate is paid to the counterparty in exchange for a fixed rate.

ISO 14001

The international environmental management standard ISO 14001 defines internationally accepted requirements for environmental management systems. It focuses on a process of continuous improvement in the implementation of environmental objectives within companies and other institutions. These may have their environmental management systems certified according to ISO 14001 by independent auditors.

K level

A building's overall primary thermal insulation level.

KPI (Key Performance Indicator)

Key performance indicators are figures that are used to measure the progress that an organisation has made in implementing its main objectives.

Law of 6 April 2010

Law on market practices and consumer protection.

Law of 20 December 2012

Law on the exercise of certain rights of shareholders in listed companies.

Law of 12 May 2014

Law on B-REITs.

LTV (Loan-to-value)

LTV = [(nominal 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, known as the “ground rent”, in consideration of its right of ownership. Throughout the duration of the leasehold, the leaseholder exercises all the rights deriving from the ownership of the property, but may not do anything that reduces its value.

Market capitalisation

Closing stock price multiplied by the total number of shares outstanding at that date.

NAV (Net Asset Value)

Net asset value of the shareholder's equity.

Net current result

EPRA earnings + result of sale of properties.

Net result

Result established in accordance with IFRS accounting standards. It is the profit or loss for the period.

Occupancy rate

Current rent/(current rent + estimated rental value for vacant space).

Operating margin

Operating result before result on portfolio divided by the rental income (excluding spreading of gratuities).

Pay-out ratio

The pay-out ratio is calculated by dividing the gross dividend by EPRA earnings.

Property management

Property management is the supervision of the activities of technical maintenance, accounting for rents and accounting for property-related charges, to be passed on to tenants.

Pure Player

An investor specialising in a single geographical or business segment.

Rating

Befimmo's credit rating assigned by the Standard & Poor's rating agency.

Record date

The record date is the date on which a shareholder must hold securities in order to be entitled to payment of the dividend for the securities held at that date.

REIT (Real-Estate Investment Trust)

Fixed-capital investment company in the United States.

Reversion rate of the rent

Reversion rate = $1 - \frac{\text{current rent} + \text{estimated rental value for vacant premises}}{\text{estimated rental value for total space}}$.

RICS

Royal Institution of Chartered Surveyors (www.rics.org).

Royal Decree of 14 November 2007

Royal Decree on the obligations of financial option writers admitted to trading on a regulated market.

Royal Decree of 7 December 2010

Royal Decree on Sicafis.

Royal Decree of 13 July 2014

Royal Decree on BE-REITs.

RPM

Register of corporate bodies.

Sicafi

Fixed-capital real-estate investment trust.

The Sicafi regime was created in 1995 to promote collective investment in real estate.

Take-up

Take-up of office space.

UPSI

Professional Union of the Real-Estate Sector (www.upsi.be).

Velocity

Velocity is an indicator of the speed of movement of shares on the regulated market and is calculated by dividing the total number of shares traded during the fiscal year by the average number of shares outstanding during the period.

Vigeo

Vigeo was founded in 2002 and has established itself as the leading European expert in the rating and counselling audit of organisations with regard to their approaches, practices and performances on environmental, social and governance (“ESG”) issues. For more information, go to the website www.vigeo.com.

Weighted average duration (of leases)

The weighted average duration of leases is the sum of the (annual current rent for each lease multiplied by the term remaining up to the first break in the lease) divided by the total current rent of the portfolio.

Withholding tax

Dividends are income taxable in Belgium. In most cases, the withholding tax deducted from such income is in most cases the final tax payable.

APPENDIX II: EXTRACTS OF ARTICLES OF ASSOCIATION (COORDINATED AT 15 DECEMBER 2015)

Title one: character of the company – corporate name – partners – registered office – term – object

Article 1: character – corporate name

The company took the legal form of a limited liability company (société anonyme/naamloze vennootschap), under the company name "BEFIMMO".

The company is a BE-REIT, as set forth in articles 2, 2° of the law of 12 May 2014 concerning BE-REITs (hereafter, the "BE-REIT law"), whose shares are admitted to trading on a regulated market and who raises its financial means, in Belgium or abroad, by means of a public offering of shares.

The company name is preceded or followed by the words "public regulated real estate company under Belgian law" or "public BE-REIT under Belgian law" and all the documents produced by the company contain the same words.

It is governed by the BE-REIT law and the royal decree of 13 July 2014 relating to BE-REITs (hereafter called the "BE-REIT RD") (this act and this royal decree being referred to together as the "BE-REIT regulation").

The company is a public company that initiates a public offering as defined in article 438 of the Code of Company Law.

Article 2: registered office

The registered office of the company is located in 1160 Brussels, Chaussée de Wavre, 1945.

The registered office of the company may be transferred to any other location in Belgium by simple decision of the board of directors who has full powers to have the amendment of the articles of association resulting from such a change recorded in a notarial deed.

In case of extraordinary events of political, military, economic or social nature that could compromise the normal operation of the registered office or smooth communication between the registered office and a foreign country, the registered office of the company may temporarily be transferred in Belgium or abroad by simple decision of the board of directors until complete disappearance of such abnormal circumstances. This provisional measure shall, however, have no consequence whatsoever on the nationality of the company, which will remain Belgian despite such provisional transfer of the company's registered office.

The company may, by simple decision of the board of directors, establish branches or agencies in Belgium as well as abroad.

Article 3: term

- 3.1. The company was incorporated by means of a deed dated 30 August 1995 for an unlimited term.
- 3.2. Without prejudice to the causes of winding-up defined by the law, the company may be wound-up by the shareholders' meeting resolving in the same manner as for amending the articles of association and in compliance with the provisions of article 44 of the articles of association.

Article 4: purpose

- 4.1. The company has as exclusive purpose:
 - (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the BE-REIT regulation, and;
 - (b) within the limits set out by the BE-REIT regulation, hold real estate assets listed in article 2, 5°, vi) to x) of the BE-REIT law.

By real estate is meant:

- i. real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;
- ii. shares with voting rights issued by real estate companies under the exclusive or joint control of the company;
- iii. option rights on real estate;
- iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case, joint or exclusive control over these companies is exercised by the company;
- v. the rights arising from contracts giving one or more goods in finance-lease to the company or providing other similar rights of use;
- vi. shares in public real estate investment companies;
- vii. shares in foreign real estate funds included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers;
- viii. shares in real estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real estate investment companies;
- ix. shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar corporate purpose; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or "REITs");

- x. real estate certificates referred to in article 5, § 4, of the Act of 16 June 2006.
In the context of the making available of real estate, the company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.
- 4.2. On an ancillary or temporary basis, the company may make investments in securities which are not real estate within the meaning of the BE-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in a way to ensure an adequate risk diversification. The company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.
It may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of real estate of the company and with the exclusion of any transaction of a speculative nature.
- 4.3. The company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).
- 4.4. The company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related purpose and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its corporate purpose as well as all acts that are useful or necessary for the realisation of its corporate purpose.

Article 5: prohibitions

- 5.1. The company may not act as real estate developer in the meaning of the BE-REIT regulation.
- 5.2. Without prejudice to article 4.3 of the articles of association and with exception (a) of the provision by the company of credits and pledge or guarantees in favour of a subsidiary and (b) of the provision by a subsidiary of the company of credits and pledge or guarantees in favour of the company or another of its subsidiaries, the company and its subsidiaries may not (a) provide credits nor (b) provide security interests or guarantees on behalf of third parties.
Regarding the application of the previous subparagraph, the proceeds owed to the company as a result of the disposal of immovable goods shall not be taken into account provided that such proceeds are paid within usual periods.
- 5.3. The company may not:
- participate in a firm underwriting group or a guarantee syndicate;
 - lend financial instruments, with the exception of loans compliant to the provisions and conditions pursuant to the royal decree of 7 March 2006 on security loans granted by some investment companies;
 - acquire financial instruments issued by a private law company or association declared bankrupt that has concluded an amicable agreement with its creditors, that is the object of a judicial reorganisation procedure, that has obtained a suspension of payments, or with respect to which has been the object of a similar measure was taken abroad.
- 5.4. The company may not grant mortgages nor create pledges nor issue guarantees other than in the framework of the financing of its real estate activities or those of its group.
The total amount covered by these mortgages, pledges or guarantees may not exceed 50% of the total fair value of the immovable goods held by the company and its subsidiaries. No mortgage, pledge or guarantee on a given immovable good, granted by the company or by one of its subsidiaries may exceed 75% of the value of the encumbered property in question.

Title two: share capital

Article 6: capital

The capital is set at three hundred thirty four million four hundred sixty four thousand four hundred ninety one euros and fifty three cents (334,464,491.53 EUR). It is represented by 23,021,293 shares without nominal value, numbered from one to 23,021,293, each representing an equal part of the capital, all fully paid-up.

Article 7: authorised capital

The board of directors is authorised to increase the share capital, in one or several stages, on the dates and pursuant to the terms and conditions resolved by him, by an amount of maximum two hundred fifty-three million one hundred ninety-four thousand seven hundred and eighty euros and fifty-nine cents (€253,194,780.59). Shareholders' right of preference can be restricted or withdrawn in accordance with article 9 of the articles of association.

The board of directors is authorised to issue convertible bonds or subscription rights under the same conditions.

This authorisation is granted for a period of five years from the date of publication in the Annexes of the Belgian Official Gazette of the minutes of the shareholders' meeting of 22 June 2011.

The authorisation is renewable.

Such capital increase(s) may be achieved by way of subscription in cash, by contributions in kind or by incorporation of reserves provided the rules set forth in the Code of Company Law and these articles of association pursuant to the BE-REIT regulation. They can also occur by means of conversion of convertible bonds or the exercise of subscription rights – whether or not attached to another security – which may give rise to the creation of shares with voting right.

Whenever the share capital increases resolved pursuant to this authorisation involve an issue premium, the amount of such premium shall be allocated after possible deduction of costs by the board of directors to a blocked account which constitutes, like the share capital, the guarantee of third parties, and this issue premium shall, subject to its incorporation in the share capital by the board of directors as set forth above, only be reduced or suppressed by resolution of the shareholders' meeting taken in compliance with the quorum and majority requirements set forth in the Code of Company Law for a share capital reduction, by reimbursement to the shareholders or by the shareholders' release of the paying-up of their contribution.

Article 8: capital increase

- 8.1. The capital of the company may be increased by resolution of the shareholders' meeting, resolving in accordance with articles 558 and, as the case may be, 560 of the Code of Company Law or by decision of the manager within the

framework of the authorised share capital. However the company may not directly or indirectly subscribe to its own share capital increase.

- 8.2. Upon any capital increase, the manager determines the rate and conditions of issuance of new shares, unless the shareholders' meeting decides on it itself.
- 8.3. In case of issuance of shares without mention of nominal value under the accounting par value of the existing shares, the notice of shareholders' meeting must expressly mention this fact.
- 8.4. Should the share capital be increased with an issue premium, the amount of such premium must be fully paid-up upon subscription.

Article 9: capital increase by means of cash contribution

- 9.1. In the event of a capital increase by means of cash contribution, and without prejudice to compliance with articles 592 to 598 of the Code of Company Law, the preferential right may only be restricted or denied on condition that an irrevocable priority allocation right is granted to existing shareholders upon allocation of the new shares.

This irrevocable priority allocation right has the following characteristics:

- 1) it pertains to all newly issued shares;
 - 2) it is granted to shareholders on a pro rata basis of the portion of the capital represented by their shares at the time of the transaction;
 - 3) a maximum price per share is announced no later than the day before the opening of the public subscription period; and
 - 4) the public subscription period must, in such case, be a minimum of three market days ("jours de bourse").
- 9.2. Without prejudice to compliance with articles 595 to 599 of the Code of Company Law, article 9.1 of the articles of association does not apply in the case of cash contribution with restriction or denial of the preferential right combined with a contribution in kind with regard to an optional dividend distribution, provided the granting of the latter is effectively open to all shareholders.

Article 10: capital increase by means of contribution in kind - reorganisation

- 10.1. Capital increases by contribution in kind are subject to the rules set forth in articles 601 and 602 of the Code of Company Law.
- 10.2. Contributions in kind can also pertain to the right to dividend with regard to an optional dividend distribution, with or without complementary cash contribution.
- 10.3. Thereby, in accordance with the BE-REIT regulation, the following conditions must be complied with:
 - 1 the identity of the contributor must be mentioned in the board of directors' report specified in article 602 of the Code of Company Law, as well as, as the case may be, in the notice to the shareholders' meeting that will decide on the capital increase;
 - 2 the issue price cannot be lower than the lowest value between (a) a net value per share determined no later than four months prior to the contribution agreement or, at the company's choice, prior to the date of the deed of the capital increase and (b) the average stock exchange closing price over 30 days prior to such date.
Regarding the application of the previous sentence, it is allowed to deduct from the amount referred to under the subparagraph above the amount corresponding to the portion of undistributed gross dividend of which the new shares may be deprived, provided the board of directors specifically evidences in his special report the amount of accrued dividend to be deducted and describes the financial conditions of the transaction in the annual financial report;
 - 3 unless the issue price or, in the case described under article 10.5, the conversion parity, as well as their terms, are determined and published no later than the business day following the conclusion of the contribution agreement, with mention of the term upon which the capital increase will take effect, the capital increase deed is executed within a maximum term of four months; and
 - 4° the report referred to in 1° must also describe in detail the impact of the proposed contribution on the situation of the former shareholders, particularly regarding their part in the profit, the net value per share and the capital, as well as the impact in terms of voting rights.
- 10.4. Article 10.3 of the articles of association does not apply in case of contribution of the right to dividend with regard to an optional dividend distribution provided the granting of the latter is effectively open to all shareholders.
- 10.5. Article 10.3 of the articles of association applies mutatis mutandis to mergers, spin-offs and similar transactions as referred to in articles 671 to 677, 681 to 758 and 772/1 of the Code of Company Law. In the latter case, "date of the contribution agreement" must be understood as the date of deposit of the merger or spin-off project.

Article 10 bis: capital increase of a subsidiary with the status of institutional BE-REIT

Pursuant to the BE-REIT regulation, in the event of a capital increase of a subsidiary with the status of institutional BE-REIT by means of a cash contribution at a price lower by 10% or more of the lowest value between (a) a net value per share determined no later than four months prior to the opening of the issuance and (b) the average of closing prices over the 30 calendar days preceding the opening day of the issuance, the board of directors shall write a report describing the economic rationale of the applied discount, the financial consequences of the transaction for Befimmo shareholders, and the advantages of the capital increase envisioned for Befimmo. This report, as well as the criteria and valuation methods used, shall be discussed by the auditor of Befimmo in a separate report.

It is allowed to deduct from the amount referred to under the subparagraph above the amount corresponding to the portion of undistributed gross dividend of which the new shares may be deprived, provided the board of directors specifically evidences the amount of accrued dividend to be deducted and describes the financial conditions of the transaction in the annual financial report of the company.

In the event the concerned subsidiary is not listed, the discount referred to in subparagraph 1 is only calculated based on a net value per share determined no later than four months earlier.

This article does not apply to capital increases subscribed in full by the company or by its subsidiaries of which the company directly or indirectly holds the capital in full.

Article 11: repurchase of own shares

- 11.1. The company may, by virtue of the decision of the shareholders' meeting in compliance with articles 620 and 630 of the Code of Company Law, acquire or pledge its own shares that have been fully paid-up in cash.
- 11.2. The conditions for the disposal of securities acquired by the company are determined by the shareholders' meeting or by the board of directors as the case may be according to article 622 § 2 of the Code of Company Law.
- 11.3. The board of directors is authorised to dispose of the company's own shares acquired by the company in the following cases: 1) on the stock market or off-stock market when these shares are admitted to be listed on a regulated market in the meaning of article 4 of the Code of Company Law; 2) when the disposal takes place in a stock exchange of movable goods or as a result of a public sale offer directed to all shareholders under the same conditions, in order to prevent serious and imminent damage to the company, being understood that such authorisation is valid for a period of three years from the date of publication of the minutes of the meeting of 22 June 2011 and that it is renewable for identical periods; 3) in all other cases permitted for by the Code of Company Law."
- 11.4. Rights and authorisations described in this article extend to acquisitions and disposals of shares of the company by one or several subsidiaries directly controlled by the company as described in the Code of Company Law.

Article 12: capital reduction

The company may reduce its capital in compliance with the applicable legal provisions.

Title three: securities

Article 13: nature and form

- 13.1 With the exception of founders' shares and similar securities, and subject to specific provisions of the BE-REIT regulation, the company may issue the securities referred to in article 460 of the Code of Company Law, in accordance with regulations therein.
- 13.2. Shares are registered shares or dematerialised shares, within the limits set forth by the law.
All shares are fully paid-up and are without indication of nominal value.
- 13.3. A register of registered shares is kept at the registered office, as the case may be and if the law allows it, in an electronic form; it is available for consultation by all shareholders. Certificates evidencing a person's registration shall be delivered to the shareholders.
All transfers amongst the living or because of decease as well as any conversion of securities are recorded in this register.
- 13.4. Dematerialised shares are represented by an entry into the account in the holder's name at a recognised account holder or settlement institution.
- 13.5. The holder of dematerialised shares may, at any time, request the conversion of such shares, at his expense, into registered shares, and conversely.

Article 13 bis: thresholds

Regarding the application of the statutory rules concerning the disclosure of important holdings in issuers whose shares are admitted to trade on a regulated market, the company has determined, in addition to the statutory thresholds, a threshold of three per cent (3%).

Title four : administration – control

Article 14: composition of the board of directors

- 14.1. The company is administered by a board of directors is composed of at least three directors, shareholder or not, appointed for four years or more by the general meeting and revocable at any time by this meeting. This board includes at least three independent directors as defined in article 526 ter of the Code of Company Law.
- 14.2. The board of directors elects a president from among its members.
- 14.3. The members of the board are eligible for re-election.
- 14.4. The directorship of the directors is remunerated.
- 14.5. If a legal person is appointed as director he must appoint a permanent representative during its nomination. This permanent representative mandate is given for the duration of the one of the legal person he's representing.
- 14.6. The members of the board of directors must fulfil the requirements of integrity and expertise provided for by the BE-REIT regulation and must not come within the scope of the case of prohibitions provided for by the BE-REIT regulation.
- 14.7. The board of directors can appoint one or more observers who can assist to all or part of the meetings of the board on the basis of the procedures to be decided by the board.
- 14.8. Without prejudice of the transitional provisions, the directors are exclusively natural persons.
- 14.9. The appointment of the directors is subject to the prior approval of the Financial Services and Market Authority (FSMA).

Article 15: powers of the board of directors

- 15.1. The board of directors of the company has all powers to accomplish all acts necessary or useful for the realisation of the company's purpose, with exception of the acts which the law or the articles of association have granted to the general meeting.
- 15.2. The board of directors establishes the annual and half-yearly reports in compliance with the applicable provisions and, in particular, the BE-REIT regulation.
The board of directors appoints one or several independent real estate experts responsible for the valuation of the real estate of the company and its subsidiaries, in accordance with the BE-REIT regulation.

- 15.3 The board of directors may grant to each proxyholder all specific powers, limited to certain acts or to a series of specific acts, with the exception of powers that are entrusted to him by virtue of the Code of Company Law or the BE-REIT law and its implementing decrees.
- 15.4. The board of directors is authorised to determine the compensation of said proxyholder(s), which shall be withheld from the company's operating expenses.
- The board of directors can revoke said proxyholder(s) at any time.

Article 16: deliberation of the board of directors

- 16.1. The meetings of the board of directors are held in Belgium or abroad, at the place indicated in the notices. The person chairing the meeting can appoint the secretary of the meeting, who is a director or not.
- 16.2. The Board of Directors meets upon convocation by the chairman, the vice-chairmen or two directors, done within at least 24 hours before the meeting.
- 16.3. Any director who is unable to attend may, by letter or other means of (tele)communication providing documentary confirmation of the nomination as proxy, empower another member of the Board to represent him and to vote in his stead at a specific meeting. A director may represent more of its colleagues and may issue, in addition to his own vote, as many votes as he received proxys.
- 16.4. Except in the case of "force majeure", the board of directors may only validly deliberate and validly resolve if at least half of the members of the board are present or represented. If this condition is not met, a new meeting must be convened, which will validly deliberate and validly resolve on items which are on the agenda of the previous meeting, provided that at least three directors are present or represented.
- 16.5. Decisions of the board shall be adopted by the absolute majority of the present or represented directors. In case of abstention of one or more directors, decisions are adopted by the majority of the other directors. In case of a tie vote, the person chairing the meeting shall have the casting vote.
- 16.6. In exceptional cases duly justified by urgency and the need to serve the interests of the company the decisions of the Board of Directors may be expressed by means of a circular. This procedure, however, may not be invoked to approve the annual accounts or release authorised capital.
- Decisions must be taken by unanimous agreement of the directors. Their signature will be placed on one document or one different copies of the same document.
- These resolutions will be equally valid as if they were taken during a meeting of the board, which are regularly convened and held, and will carry the date of the last signature placed by the directors on the abovementioned documents.

Article 17: minutes

The decisions of the board of directors are recorded in minutes signed by at least two of directors, as well as all directors who express an interest to do so.

Article 18: advisory and specialised committee

- 18.1. The board of directors may establish one or more committees of which the members may be chosen from within or outside the board.
- 18.2. It nominates at least an audit committee, a nomination committee and a remuneration committee (the nomination committee and the remuneration committee may be combined) of which they implement the missions, the powers and the composition in accordance with applicable law.

Article 19: executive committee

- 19.1. The board of directors may delegate its management powers to an executive committee, made up from within or outside the board, without this transfer being able to relate to the general policy of the company or to any acts reserved for the board of directors on the grounds of other provisions of the law or the articles of associations.
- 19.2. The board of directors implements the missions, the powers, fixed or variable emoluments, by overall charges overhead, of the persons designated for that purpose; where necessary, he dismisses them.
- 19.3. Without prejudice to the transitional provisions, the members of the executive committee are exclusively natural persons; they must fulfil the requirements of integrity and expertise provided for by the BE-REIT regulation and may not fall within the scope of the case of prohibitions provided for by the BE-REIT regulation.

Article 20: day-to-day management

- 20.1. The board of directors may confer the day-to-day management of the company as well as the representation of the company on one or several of its members, who will or won't carry the title of executive director, or to one or several appointed agents chosen within or outside the board.
- With the exception of the so-called joint-signature clauses, the restrictions placed on the powers of representation for the needs of the day-to-day management are not binding on third parties, even if they are published.
- Similarly, the managing director(s) of the day-to-day management may grant special powers to each authorised representative, but within the limits of the day-to-day management.
- 20.2. The managing director(s) of the day-to-day management must fulfil the requirements of reliability and expertise as described in the BE-REIT regulation and must not come within the scope of the cases of prohibitions set forth in the BE-REIT regulation.

Article 21: internal organisation and quality

- 21.1. Without prejudice to the transitional provisions, the executive direction of the company must be carried out by at least two natural persons.
- 21.2 The members of the executive direction must fulfil the requirements of integrity and expertise provided for by the BE-REIT regulation and may not fall within the scope of the prohibitions provided for by the BE-REIT regulation.
- 21.3 The company is organised in compliance with article 17 of the BE-REIT law.

Article 22: representation of the company

- 22.1. The company is validly represented in all acts, including those in which a public officer or notary intervene, and before a court of law, by:
- two directors acting jointly, or
 - within the limits of the day-to-day management, a managing director of this management.
- 22.2. The company shall moreover be validly bound by special proxyholders of the company acting within their powers.
- 22.3. The copies or extracts of the minutes of the general meeting of shareholders and the meetings of the board of directors to be produced in court or in any other place, and notably each extract to be published in the annexes to the Belgian Official Gazette, are validly signed by a director, a person in charge of the day-to-day management or a person explicitly authorised by the board.

Article 23: prevention of conflicts of interests

- 23.1. The company is structured and organised in such a way as to minimise the risk of the shareholders interests being prejudiced by conflicts of interests in accordance with the BE-REIT regulation.
- 23.2. The persons referred to in article 36 of the BE-REIT law may not act as counterparty in a transaction with the company or with one of its subsidiaries nor obtain any benefit in such a transaction, unless the transaction is in the interest of the company, fits in the scope of its strategy and is realised under normal market conditions.
- 23.3. The company must inform the FSMA prior to any transaction considered by the company if one of the following persons acts directly or indirectly as the counterparty or obtains any benefit in the transaction:
- persons who control or hold a participation in the company;
 - persons with which the company, one of its subsidiaries, the promoter and other shareholders of a subsidiary are bound or have a shareholding connection;
 - the promoter;
 - the other shareholders of any subsidiary of the company
 - the directors, members of the management committee, managing directors, executive officers or representatives: of the company, of one of its subsidiaries, of the promoter, of the other shareholders of any subsidiary of the company and of a person who controls or holds shares in the company.
- 23.4. Information regarding the transaction mentioned in article 23.3 shall immediately be made public in the press release, if any, pertaining to such transaction. It shall be discussed in the annual financial report and by the statutory auditor in his report.
- 23.5. The aforementioned provisions shall not apply to:
- transactions for an amount less than the lowest amount between 1% of the consolidated assets of the company and 2,500,000 euros;
 - the acquisition of movable goods by the company or one of its subsidiaries within the framework of a public offering made by a third party issuer, for which a promoter or one of the persons referred to in article 37, § 1 of the BE-REIT law intervene as intermediaries as defined in article 2, 10° of the law of 2 August 2002;
 - the acquisition or subscription, by the persons mentioned in article 37 § 1 of the BE-REIT law, of the company's shares issued pursuant to a resolution of the shareholders' meeting; and
 - the transactions concerning liquid assets of the company or one of its subsidiaries provided that the person who acts as counterparty has the capacity of intermediary as defined in article 2, 10° of the law of 2 August 2002 and that such transactions are executed in compliance with the market.
- 23.6. In addition to the preceding provisions, the directors shall comply with articles 523 and 524 of the Code of Company Law.

Article 24: control

- 24.1. The control of the financial situation, of the annual accounts and of the compliance of the transactions, to be recorded in the annual accounts, is entrusted to one or more auditors, member(s) of the Institute for Company Auditors.
- Said auditor(s) is/are appointed by the shareholders' meeting for a renewable term of three years and may only be removed for serious grounds, under penalty of damages, as the case may be.
- The shareholders' meeting determines the number of auditors and their remuneration.
- Said auditor(s) control(s) and certify(ies) the accounting data stated in the annual accounts of the company and confirm(s), as the case may be, all of the information to be provided in accordance with the BE-REIT regulation.
- 24.2. Article 141, 2° of the Code of Company Law is not applicable to the company having the status of a BE-REIT, in accordance with article 55, § 1, second subparagraph, of the BE-REIT law.
- 24.3. In accordance with the BE-REIT regulation, the FSMA is entitled to any information or may complete on the spot searches and peruse all the company's documents.

Title five: general meeting of shareholders

Article 25: composition – powers

The general meeting is composed of all shareholders entitled to vote either in person or by proxyholder in compliance with the statutory provisions or the articles of association.

Article 26: meetings

- 26.1. The annual general meeting shall take place on the last Tuesday of April at 10:30.
- The agenda of the yearly general meetings includes at least the approval of annual accounts, the granting of discharge to the directors and auditor, and the approval of the remuneration report by the general meeting.
- 26.2. An extraordinary meeting may be convened each time it is in the company's interest.

It must be convened at the request of shareholders jointly holding one/fifth of the share capital.

26.3. The general meetings shall take place at the registered office or at any other location in Belgium, which shall be specified in the notice.

Article 27: notices & information

27.1. The general meeting, whether annual or extraordinary, is held following a notice by the board of directors or the auditor.

The notices contain all topics required by the Code of Company Law and by any other regulation.

27.2. The company shall provide shareholders with any information required by the Code of Company Law and by any other regulation.

Article 28: admission to the meeting

28.1. Any shareholder may participate in a general meeting and exercise his right to vote:

- (i) if his shares are registered in his name on the fourteenth day prior to the shareholders' meeting, at 24 hours (midnight, Belgian time), either:
 - by registration of the shares in the company's registered shares register;
 - by registration of the shares in the account of an authorised holder or settlement institution.

The aforementioned day and time shall be the recording date.

- (ii) and if the company has been informed, no later than the sixth day prior to the date of the meeting, of the shareholders' desire to participate in the shareholders' meeting, as the case may be, directly by the shareholder for holders of registered shares or by a financial intermediary, authorised account holder or settlement institution for holders of dematerialised shares.

28.2. Any shareholder may, as of the date of notice and no later than six days prior to the date of the meeting, ask questions in writing, which will be answered during the meeting provided the concerned shareholder has complied to requirements for admission to the meeting.

Article 29: participation and voting procedures for shareholders' meetings

29.1 All shareholders may vote in person or through a proxy holder.

Proxy notifications to the company must be remitted in writing.

29.2. The proxy must be provided to the company no later than six days prior to the date of the meeting.

29.3. Any shareholder may vote by post using a form available from the company. The postal vote form must be received by the company no later than six days prior to the date of the meeting.

29.4. The joint owners, usufructuaries and bare owners, pledgee creditors and pledgee debtors must be represented respectively by one and the same person.

Article 30: office

All general meetings are chaired by the chairman of the board of directors. If the chairman is unable to attend, the meetings will be chaired by a director appointed by its colleagues, or by a member of the general meeting appointed by the latter.

The chairman appoints the secretary.

The chairman appoints two vote-takers amongst the shareholders.

Article 31: presence list

31.1. A register dedicated by the board of directors includes for each shareholder who expressed his desire to participate in the general meeting his name, surname or corporate name, address or registered office, the number of shares he held at the registration date, and a description of documents evidencing shareholding at such registration date.

31.2. The shareholder or his proxy holder ensures that all elements required, as the case may be, for the shareholder's identification are provided to the company.

Article 32: voting right of the shareholders

32.1. Each share entitles its holder to one vote.

32.2. In case of acquisition or pledging by the company of its own shares, the voting right of these securities shall be suspended.

32.3. Voting take place by raising hands or by calling names, unless the general meeting, by majority of votes, decides otherwise.

Article 33: deliberations of the general meeting

33.1. No meeting shall deliberate on items that were not specified in the agenda, unless all shareholders are present and unanimously approve of the new items.

33.2. Any draft amendment to the articles of association must first be submitted to the FSMA in accordance with the BE-REIT regulation.

33.3. Except in cases set forth by the law or the articles of association, each resolution shall be adopted by a majority of votes irrespective of the number of shares represented at the meeting.

Article 34: minutes

34.1. The minutes of the general meetings include for each resolution the number of shares for which valid votes were expressed, the percentage of the capital represented by such votes, the total number of valid votes expressed, the number of votes expressed for and against each resolution, and, as the case may be, the number of abstentions.

34.2. The minutes of the general meetings are signed by the members of the office and the shareholders asking to do so.

- 34.3. Information referred to in article 34.1 is published by the company on its website within fifteen days of the general meeting.
- 34.4. Copies or excerpts to be submitted before a court of law or elsewhere must be signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

Title six: bondholders' meeting

Article 35: powers – notices

The general bondholders' meeting is granted powers as determined by the Code of Company Law and convenes in accordance with the Code of Company Law.

Article 36: participation in the bondholders' meeting

Holders of registered bonds must inform the board of directors, no later than three business days prior to the date of the meeting, in writing (letter or proxy), of their intention to attend the bondholders' meeting and specify the number of bonds based on which they intend to vote.

Holders of dematerialised bonds shall deposit at the registered office or at any location specified in the notice, within the same term, a statement executed by the authorised account holder or settlement institution, certifying the unavailability of the bonds up to the date of the bondholders' meeting.

Article 37: conduct of the bondholders' meeting – minutes

The bondholders' meeting renders resolutions according to provisions of the Code of Company Law.

The minutes of the bondholders' meetings are signed by the members of the office and by the bondholders who request to do so.

Copies and excerpts to be submitted before a court of law or elsewhere are signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

Article 38: representation

Any bondholder may be represented at the bondholders' meeting by a proxy holder, whether or not bondholder. The board of directors determines the form of the proxies.

Title seven: company records - distribution

Article 39: company records

- 39.1. The company's fiscal year begins on 1st January and ends on 31st December.
- 39.2. On this last date, the books of the company are closed and the board of directors prepares a full inventory, as well as the annual accounts in accordance with the law on book-keeping and the annual accounts of the undertakings and the special provisions of the BE-REIT regulation.
- 39.3. The company bears, amongst others, the costs of incorporation, organisation and domiciliation, the costs for the service of the company shares, the costs related to the immovable goods operations and the investment transactions, the costs of technical management, supervision, maintenance, etc. of the immovable goods of the company, the accountancy and inventory costs, the costs stemming from the supervision of the accounts and the control of the company, the publication costs, that are inherent to the share offer, costs stemming from the establishment of periodical reports and the distribution of financial information, the management costs and the taxes and duties and rights due as a result of the business carried on by the company, or as a consequence of the activities of the company.
- 39.4. Furthermore, the board of directors establishes an inventory of the immovable goods owned by the company and its subsidiaries when the company proceeds to a share issue or a share buy-back other than on a regulated market.

Article 40: distribution

- 40.1. Article 616 of the Code of Company Law concerning the establishment of a reserve fund is not applicable to companies having the status of a regulated real-estate company by Belgian law in accordance with article 11, § 3, of the BE-REIT law.
- 40.2. The company shall, by way of remuneration of the capital, distribute an amount that shall correspond at least to the positive difference between (i) 80% of the amount determined according to the table in Chapter III of Annex C of the BE-REIT royal decree and (ii) the net decrease, in the course of the same financial year, of the indebtedness of the company as specified in article 13 of the BE-REIT royal decree.
- 40.3. The company shall simultaneously comply with the obligations regarding distributions that have been imposed on it or that may be imposed on it by the laws of any State that may be applicable to it and in particular the obligations regarding distribution that may be imposed on it by virtue of its acceptance of the status of "Société d'Investissements Immobiliers Cotée" ("SIIC") ("Listed Company for Real Estate Investments" – "LCREI") in accordance with article 208 - C of the "Code Général des Impôts français" ("General Code of French Taxes") on the ground of its transactions in France.
- 40.4. The balance shall be allocated in the manner resolved by the shareholders' meeting on proposal of the board of directors.
- 40.5. The company may distribute an optional dividend with or without cash complement.
- 40.6. Unclaimed dividends of registered shares and fees within the five years of their payment will expire.

Article 41: provisions regarding shareholders subject to withholding

- 41.1. For the purpose of the following paragraphs, the term 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") must be understood as any shareholder, other than a natural person, who directly or indirectly holds 10% or more of the rights to dividend distributed by the company and whose personal situation – or the situation of his shareholders who, prior to the payment of any distribution, directly or indirectly hold ten percent (10%) or more of the rights to dividend from the company – implies that the company is liable of a withholding equal to twenty percent (20%) (le 'Prélèvement' or the

“Withholding”), as specified in article 208 C II ter of the “Code Général des Impôts français” (“General Code of French Taxes”).

- 41.2. If the ten percent (10%) threshold of the capital of the company (to be understood as the possession of ten percent (10%) or more of the rights to dividend paid out by the company) is directly or indirectly exceeded, any shareholder other than a natural person (“Concerned Shareholder”) (“Actionnaire Concerné”) shall notify the company thereof and such shareholder shall be deemed an ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”).

In the event such shareholder states that he is not an ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”), he must, within a short time period and at the latest ten business days prior to the payment of any distribution, evidence this at the request of the company and, if the company so demands, submit an acceptable and unreserved legal opinion issued by an internationally reputed tax firm with recognised expertise in the field of French tax law, stating that the shareholder is not an ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) and that distributions declared payable by the company do not render the company liable for the ‘Prélèvement’ (“Withholding”). The company may proceed to request any supporting document, additional data or the point of view of the French tax administration and, as the case may be, until satisfactory answers have been obtained, retain the distribution concerned.

Any ‘Actionnaire Concerné’ (“Concerned Shareholder”) must within a short period of time inform the company of any modification in its tax position whereby it would acquire or lose the capacity of ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) by justifying such event, in the event of loss of this status, in the manner as indicated above.

- 41.3 Every ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) shall, at the time of payment of each distribution, become a debtor of the company for an amount that corresponds with the amount of the Withholding which the company by way of distribution of dividends, reserves premiums or ‘returns deemed distributed’ as defined in the General Code of French Taxes owes.

In the event that the company directly and/or indirectly would possess a percentage of the rights to a dividend that is at least equal to what is specified in article 208 C II ter of the General Code of French Taxes of one or more ‘Sociétés d’Investissements Immobiliers Cotées’ (“SIICs”) as specified in article 208 C of the General Code of French Taxes (‘SIIC Fille’) and in which the SIIC Fille as a result of the capacity of the ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) would have settled the Withholding, the ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) must, as the case may be, indemnify the company, either for the amount that the company has paid out to the SIIC Fille, by way of compensation for the payment of the Withholding by the SIIC Fille, or, in the absence of a compensation to the SIIC Fille by the company, for an amount that is equal to the Withholding paid by the SIIC Fille, multiplied by the percentage of the rights to receive a dividend of the company in the SIIC Fille, in such a manner that the other shareholders of the company do not contribute in an economical manner to whichever fraction of the ‘Prélèvement’ (“Withholding”) paid by whichever SIIC in the holding chain because of the ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) (the so-called ‘Indemnisation Complémentaire’ - “Additional Compensation”).

The amount of this ‘Indemnisation Complémentaire’ (“Additional Compensation”) shall be borne by all ‘Actionnaires à Prélèvement’ (“Shareholders Subject to Withholding”) in proportion to their respective rights to dividends, divided by the total number of rights to dividends of the ‘Actionnaires à Prélèvement’ (“Shareholders Subject to Withholding”).

The capacity of ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) is established at the time of payment of the distribution.

- 41.4. The company has the right to proceed to a set-off between its claim seeking damages from any ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) on the one hand and the amounts which the company must pay in favour of this shareholder on the other hand. In such a manner, the amounts retained from the company’s profits exempted from corporation tax pursuant to article 208 C II of the General Code of French Taxes and which pursuant to each share must be paid out in the hands of the said ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) pursuant to the above-mentioned decision to distribute or to repurchase of shares in his favour, shall thus be reduced up to the amount of the Withholding due by the company for the distribution of these amounts and/or up to the ‘Indemnisation Complémentaire’ (“Additional Compensation”).

The amount of each compensation due by an ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) shall be calculated in such a manner that the company, after payment thereof and taking account of possible application of tax laws, shall be placed in the same position as if the Withholding would not have become due.

The company and the ‘Actionnaires Concernés’ (“Concerned Shareholders”) shall cooperate in good faith so that all reasonable measures shall be taken to reduce the amount of the Withholding (still) due and the compensation possibly resulting therefrom.

In the event (i) after the distribution of a dividend, reserves or premiums or ‘produits réputés distribués’ (“returns deemed distributed”) as defined in the General Code of French Taxes levied on the profits of the company or on the profits of a SIIC Fille, exempted from corporation taxes pursuant to article 208 C II of the General Code of French Taxes, it would appear that a shareholder would be an ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) on the date of payment of the said amounts and (ii) in which the company or the SIIC Fille should have proceeded to the payment of the Withholding on the amounts thus paid, without said amounts having been the subject of the set-off specified in the first subparagraph of this paragraph, then the ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) shall be liable to pay to the company, by way of compensation for the damages that the latter sustains, and notwithstanding partial or full transfer of the shares that occurred in the meanwhile, an amount that is equal to, on the one hand, the Withholding which the company had to discharge for each share of the company that it held at the time of the payment of the distribution of dividends, reserves or premiums concerned, increased with every fine and interests and, on the other hand, as the case may be, the amount of the ‘Indemnisation Complémentaire’ (“the Additional Compensation”) (the ‘Indemnité’ - the “Compensation”).

The company shall be entitled, as the case may be, to proceed to a set-off to the appropriate extent between its claim on the ground of the “Compensation” (‘l’Indemnité’) and all amounts that may be payable at a later stage for the benefit of this ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) and such, as the case may be, without prejudice to the prior application in respect of the said amounts of the set-off specified in the first subparagraph of this paragraph. In the event the company, after realization of such a set-off, remains, on the ground of the “Compensation” (‘l’Indemnité’), a creditor of the ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”), it shall be entitled to proceed once again to a set-off to the appropriate extent with all amounts that later may be made payable for the benefit of this ‘Actionnaire à Prélèvement’ (“Shareholder Subject to Withholding”) and this until said debt has been definitively settled.

Article 42: interim dividends

Dividends are paid out on the dates and at the places determined by the board of directors.

The latter may decide under his personal liability, in compliance with the law, on the payment of the advances on dividends; he determines the amount and the payment dates of such advance(s).

Article 43: access to reports

Annual and half-yearly financial reports, annual and half-yearly financial statements of the company as well as the auditor's reports are available on the company's website.

Additionally, the annual financial report is available in the form of a brochure sent to all registered shareholders and provided to any other shareholder upon request.

Title eight: winding-up – liquidation

Article 44: winding-up

- 44.1. In the event of dissolution of the Company, for whatever reason and at any time, the liquidation shall be performed by liquidators appointed by the general meeting of shareholders. The liquidator(s) take office only after confirmation of their nomination by the Brussels Commercial Court. In the absence of nomination of one or more liquidators, the directors in office will be considered as liquidators with respect to third parties.
- 44.2. After winding-up, the company will be regarded as being in liquidation.
- 44.3. Unless otherwise provided in the instrument of appointment, the persons in charge of the liquidation have greater power for that purpose, which are granted by the Code of Company Law.
- 44.4. The general meeting of shareholders determines the liquidation mode and, as the case may be, the remuneration of the liquidators(s).
- 44.5. The liquidation of the company ends pursuant to the provisions of the Code of Company Law.
- 44.6. Except in case of merger, the net assets of the company will be, after clearing of all liabilities or deposit of the sums which are necessary for that purpose, allocated as a matter of priority to the reimbursement of the amount paid-up of the capital shares, and the remaining balance shall be distributed equally among all the shareholders of the company, proportionally to the number of shares they hold.

Title nine : general provisions

Article 45: election of domicile

For the performance of these articles of association, every shareholder, managing director, member of the coordination committee, director, liquidator who is domiciled abroad, makes an election of domicile at the company's registered office where all communications, default notices, writs of summons or notifications can validly be served.

Article 46: jurisdiction

For all lawsuits between the company, its shareholders, bondholders, managing director, member of executive committee and liquidators concerning the affairs of the company and the execution of the present articles of association, only the courts of the registered office of the company shall have jurisdiction, unless the company expressly waives such jurisdiction.

Article 47: general law

- 47.1. Parties agree to fully comply with the Code of Company Law, as well as with the BE-REIT regulation.
As a consequence, the provisions of said laws are deemed to be set forth in these articles of association, and all provisions conflicting with the imperative provisions of these laws are deemed non-existent, unless lawful departure.
- 47.2. Special mention is made, in accordance with articles 11, § 3 and 55, § 1, second subparagraph, of the BE-REIT law, that articles 111, 141, 2°, 439, 448, 477 and 616 of the Code of Company Law are not applicable.

Title ten : special provision

Article 48: amendments of the law

In case of amendments of the law, the board of directors is allowed to adapt these articles of association to the future legal texts that would amend these articles of association. This authorisation aims expressly at an amendment by notarial deed only.

Article 49: transitional provision

- 49.1. Amendments to the articles of association referring to the BE-REIT regulation enter into force as from the date of the entry into force of the relevant provisions.
- 49.2. The legal entities that, on the date the BE-REIT law enters into force, carry out a mandate of directors or member of the executive committee of the company, are authorised to continue to carry out their current mandate until its expiry. Until the expiry of its mandate, the permanent representative of this legal entity must at all time maintain the required professional integrity and adequate expertise to carry out its functions.
- 49.3. If a legal entity, appointed before 7 May 2014 and carrying out a mandate of director, continues to carry out their functions and revokes its representative, it shall forthwith notify this revocation to the company by registered letter and shall appoint with the same formalities a new representative. The same is applicable in case of death or resignation of the representative.
- 49.4. One-person private limited companies that, on the date of the entry into force of the BE-REIT law, carry out a mandate of executive officer of the company are authorised to continue to exercise their current mandate until its expiry. Until the expiry of this mandate, the permanent representative of the one-person private limited company in question must at all time maintain the required professional integrity and adequate expertise to carry out his/her functions.

APPENDIX III: CSR ACTION PLAN 2016

G4-DMA G4-27 G4-50

= 0%
 = 25%
 = 50%
 = 75%
 = 100%
 = ONGOING OBJECTIVE

ENVIRONMENT

ISSUES raised by stakeholders: Climate change, Use of natural resources, Energy consumption, Renovation/construction, Maintenance of portfolio.






COMMITMENTS: Befimmo undertakes to (i) position itself as a benchmark in terms of reducing energy consumption (gas and electricity) of all the buildings in its portfolio; (ii) anticipate future regulatory requirements and find a balance between cost and energy efficiency in its investment projects; (iii) maintain all of its operational portfolio in line with standards; (iv) lead by example in the energy management of its corporate premises; (v) strive to cut water consumption in operational buildings and analyse opportunities for reducing consumption in all its renovation and/or construction projects.





PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
ELECTRICITY	Constantly seeking ways to reduce its environmental footprint and improve its performance, in 2014 Befimmo set itself a target of reducing standby electricity consumption (chargers, computers, printers, photocopiers, etc.) on its own premises by 5% in relation to 2013 (± 6,800 kWh). With the installation in the third quarter of 2015 of an intelligent system for automatically shutting down electricity consumption after office hours, in a few months it succeeded in achieving a reduction of 2.7% in 2015 in relation to 2013.	- 3,600 kWh in 2015 in comparison with 2013 -1.66 kWh/m ²		> OBJECTIVE FOR 2016 In 2016, when refurbishing the “corporate” premises as part of the SWOW project, special attention will be paid to the new electrical installations to keep consumption as low as possible.
	Maintain regular cooperation with the Buildings Agency and the occupant of the building, important external stakeholders, to discuss and exchange information relevant to sustainable development and/or energy projects to improve the energy performance of the Fedimmo portfolio.	2 meetings were held in 2015 at Befimmo's initiative		> ONGOING OBJECTIVE To maintain and intensify cooperation on the exchange of information on Social Responsibility with the Buildings Agency.
WATER	Include the recovery of rainwater and groundwater in new projects (renovations or new constructions) in the Befimmo portfolio (excluding Fedimmo). At the end of 2015, Befimmo achieved nearly two thirds of its objective, covering 1.3% of its water needs, at constant perimeter [LFL], in relation to the reference period of 2014.	± 800 m ³ of rainwater recovered ± 900 m ³ of groundwater used		> OBJECTIVE FOR 2017 Recovery of rainwater and/or groundwater [m ³]: cover 2% of water needs, at constant perimeter [LFL], of the Befimmo portfolio by the end of 2017, in relation to the reference period 2014.
	Monitoring of anomalous consumption by telemonitoring. Alarms for thresholds overrun have been fitted in all Befimmo buildings and prevent significant over-consumption.	n.a.		> ONGOING OBJECTIVE Continue to manage and analyse consumption using the monitoring tool and predictive consumption model for each building. In addition, the Green Adviser enhances monitoring of the efficiency of energy investments in the field while ensuring a good level of comfort for tenants.
GAS ELECTRICITY WATER	Better management of consumption data by improving the quality of telemonitoring data and improving the cross-referencing and consolidation of electronic billing data gathered (from utility companies, maintenance companies, etc.) with the data from remote monitoring. We have obtained and updated the necessary authorisations to gain access to private consumption data for existing tenants via the utility companies. For new tenants, these authorisations are now attached to the lease agreement. This work was automated over 2014 and 2015.	n.a.		> OBJECTIVE FOR 2016 Continue implementing systems for consolidating and monitoring energy consumption data. The objective is to collect, analyse and exploit the consumption data on a quarterly basis, by the end of 2016.
	Continue to work on quick-wins, such as monitoring alarm management and follow-up, control and standardisation of operating hours of technical installations, educating tenants and maintenance companies, etc. with a view to improving the energy performance of the Befimmo portfolio.	n.a.		> ONGOING OBJECTIVE Monitor alarms and actions through the work of the Green Adviser and raising awareness of tenants and maintenance companies.
	Multiannual five-year energy investment plan based notably on energy audits and check of the effectiveness of energy investments made (improved pay-back time). The multiannual energy investments are continuing. In 2015, the budget allocated to improving the energy performance of buildings in the Befimmo portfolio was €1.5 million.	amount invested: €1.5 million		> OBJECTIVE 2016-2018 The budget for environmental and energy-related work is €2 million in 2016, €1.8 million in 2017 and €1.5 million in 2018. Befimmo intends to continue with these initiatives and also to maintain a recurrent budget for optimising existing technical systems.
INVESTMENT CRITERIA	In compliance with its Social Responsibility policy, Befimmo studies and analyses the energy efficiency of its acquisition projects.	n.a.		> ONGOING OBJECTIVE Investment criteria in line with the CSR policy.





PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
CUT ELECTRICITY CONSUMPTION	Specific electricity consumption of the common areas of Befimmo's portfolio fell from 50.2 kWh/m ² in 2013 to 43.7 kWh/m ² in 2015, exceeding the target of cutting -2.5% per year for 3 years from 2013 to 2016. Two thirds into the period, the actual reduction achieved is -13%, which exceeds the final objective.	-6.5 kWh/m ²	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016 Reduce specific consumption of electricity in common areas of Befimmo's portfolio by 2.5% per year for three years, i.e. a total of 7.5% by the end of 2016 in relation to the reference period of 2013.
	Specific electricity consumption of the private areas of Befimmo's portfolio fell from 69.1 kWh/m ² in 2013 to 51.6 kWh/m ² in 2015, exceeding the target of cutting 1% per year for 3 years from 2013 to 2016. Two thirds into the period, the actual reduction achieved is -25%, which exceeds the ultimate target.	-17.5 kWh/m ²	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVES Reduce specific consumption of electricity in private areas of Befimmo's portfolio by 1% per year for three years, i.e. a total of 3% by the end of 2016 in relation to the reference period of 2013. NEW: Reduce specific electricity consumption (kWh/m ²) in the private areas in Befimmo's portfolio of tenants who register and actively participate in the environmental cooperation agreement project, -5% over one year at constant perimeter [Lfl]. NEW: Increase, at constant floor area [Lfl], the overall percentage of green energy used in the Befimmo portfolio from 94% to 97%.
	The objective of reducing total absolute common electricity consumption in the common areas of Befimmo's portfolio, at constant perimeter [Lfl] by -1% over the period 2014-2015 has been substantially exceeded, achieving a total reduction of -5.8%.	-1,244,338 kWh	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016 NEW: To reduce absolute electricity consumption of the common areas in the Befimmo portfolio at constant perimeter [Lfl], by -1.5% over the period 2015-2016, i.e. -7% in relation to 2014.
CUTTING GAS CONSUMPTION	At the end of 2015, two thirds into the three-year period set as a target for reducing Befimmo's normalised specific direct consumption by 9%, consumption has already been cut by 8%. It fell from 83.6 kWh/m ² in 2013 to 76.8 kWh/m ² in 2014.	-6.8 kWh/m ²	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016 Reduce normalised specific consumption (kWh/m ²) of gas in Befimmo's portfolio by -3% per year for three years, i.e. a total of -9% by the end of 2016 in relation to the reference period of 2013.
	At constant perimeter [Lfl], the absolute gas consumption of Befimmo's portfolio also decreased, by -2.7% over the period 2014-2015, i.e. 1.7% beyond the fixed target of 1%.	-992,405 kWh	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016 NEW: Reduce the absolute normalised gas consumption of Befimmo's portfolio, at constant floor area [Lfl], by -2% over the period 2015-2016.

ISSUES raised by stakeholders: Environmental footprint, greenhouse gas emissions.

COMMITMENTS: Befimmo undertakes to (i) protect the environment, including pollution prevention, (ii) reduce CO₂e emissions for its «corporate» spaces, (iii) reduce «corporate» waste and educate its staff to improve recycling, (iv) implement a strategy for reducing CO₂e emissions and waste for the entire portfolio and raise awareness among its tenants and suppliers.

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
CARBON	Feasibility study of producing a carbon footprint for all or part of the portfolio. Given the complexity of producing a carbon footprint for the whole portfolio (particularly in terms of defining the reporting perimeter), it was decided to postpone the objective.	n.a.	<input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016 Carry out a feasibility study to determine how the carbon footprint could be produced, beginning with a full Befimmo "corporate" carbon footprint.
	Reduce greenhouse gas emissions associated with direct energy of Befimmo's portfolio at constant perimeter [LfiL] for 2015 in relation to 2014.	-725 kg CO ₂	<input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE No targets have yet been set other than those related to reducing energy consumption.
SELF-GENERATED ENERGY	Implementing renewable energy systems for the Befimmo and Fedimmo portfolios by installing photovoltaic panels and cogeneration units.	3,760 m ² of photovoltaic panels 2 cogeneration units	<input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2017 Cover 2% of electricity needs, at constant perimeter [LfiL], of the common areas of Befimmo's portfolio (excluding Fedimmo) by the end of 2017.
	The target for self-generated energy (photovoltaic panels and cogeneration), set in 2015, of covering 5% of electricity needs, at constant perimeter [LfiL], for the common areas of Befimmo's portfolio (excluding Fedimmo) by the end of 2017, compared with the reference period of 2014, will probably not be achieved, mainly because of the temporary suspension of the installation of a cogeneration project in a building of Befimmo's portfolio.	294,224 kWh of self-generation covering 1.39% of electricity needs	<input type="checkbox"/> <input type="checkbox"/>	
WASTE AND HAZARDOUS SUBSTANCES	Educate the team in good (corporate) waste management through various concrete measures including cutting paper consumption per employee. Average paper consumption was 53 kg/FTE in 2013 and fell to 47 kg/FTE in 2015, a cut of 11%.	47 kg/FTE		> ONGOING OBJECTIVE Continue educating the team.
	In 2014 Befimmo, in cooperation with an external partner, launched an awareness campaign for tenants and their respective cleaning companies, etc. with a view to reducing the total amount of unsorted waste (= household waste) and thereby improve the recycling rate. In 2014 and 2015, the percentage of recycled waste for the operational buildings in which Befimmo handles disposal itself was 63%.	63% of waste recycled		> OBJECTIVE FOR 2016 NEW : Increase the recycling rate of the operational buildings in which Befimmo handles disposal itself from 63% to 65%, at constant perimeter [LfiL], by the end of 2016, educating tenants and cleaning companies of the common and private areas.
	Make an inventory of hazardous substances and waste (heating oil, greenhouse gases, chemicals used in maintenance) and lay down conditions for storage and use.	n.a.		> ONGOING OBJECTIVE This process is continuing in particular through the audits of the environmental permits.
	In 2015, Befimmo continued to take part in the circular economy project with Rotor ASBL on some of its building sites that had a potential for recovery and reuse (partitions, lighting, carpets, etc.).	17 tons of materials reused		> ONGOING OBJECTIVE This approach of using a materials-reclamation contractor/non-profit association will continue to be used on all building sites where there is potential for recovery.
INVESTMENT CRITERIA	In line with its CSR policy, Befimmo is studying and analysing the energy performance of its acquisition projects.	n.a.		> ONGOING OBJECTIVE Investment criteria in line with the CSR policy.









MOBILITY	ISSUES raised by stakeholders: Changing working methods, location, mobility, parking.				
	COMMITMENTS: Befimmo undertakes to (i) take account of location and accessibility when considering new real-estate investment opportunities; (ii) educate and inform its tenants; (iii) educate its team and encourage sustainable mobility.				
	PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
	SUSTAINABLE MOBILITY	Cut CO ₂ e emissions of the Befimmo vehicle fleet. Befimmo reduced the overall rate of average emissions per vehicle (CO ₂ e/km) of its fleet by 2.94% in 2015 in relation to 2014. This decrease is the result of applying the updated car policy to vehicles purchased new or replaced during the fiscal year.	-3.6 g CO ₂ e/km compared with the average rate in 2014		> ONGOING OBJECTIVE Befimmo intends to pursue its policy of awareness-raising in the team.
		Encourage sustainable mobility. In 2015 analyses and some specific measures were undertaken, a staff survey was conducted but no sustainable mobility plan has yet been developed.	n.a.		> OBJECTIVE FOR 2016 Conduct a general analysis of opportunities for mobility and develop a sustainable mobility plan.
Use a pooled electric vehicle in the fleet of vehicles for intra-urban travel. It is in regular use by the team.		n.a.		> ONGOING OBJECTIVE Keep using and promote the use of the electric car.	
INVESTMENT CRITERIA	In line with its CSR policy, Befimmo considers aspects related to mobility, such as location, accessibility, proximity to public transport, etc. of its acquisition projects.	n.a.		> ONGOING OBJECTIVE Investment criteria in line with CSR policy.	

CERTIFICATION	ISSUES raised by stakeholders: Improve certifications obtained, relevance of other certifications.				
	COMMITMENTS: Befimmo undertakes to (i) further improve Befimmo's Environmental Management System (EMS) (ISO 14001) and adapt to developments of this standard; (ii) consider the relevance of other potential certifications (ISO 9001, ISO 50001, etc.); (iii) improve the portfolio's BREEAM Asset & Management rating.				
	PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
	ISO 14001	Befimmo will continue to improve its ISO 14001 Environmental Management System (EMS) in particular by simplifying procedures with a broader vision of ISO 9001.	ISO 14001 certification		> OBJECTIVE FOR 2016 In 2016, Befimmo undertakes to further improve its EMS in line with the evolution of the standard and to consider the relevance of other potential certifications (ISO 9001, ISO 50001, etc.).
	BREEAM	BREEAM IN-USE Asset: (i) carry out certification for new acquisitions, (ii) continue the programme of upgrading certification for buildings already certified by improving the score (PASS to GOOD) and (iii) update the certificates of the buildings that have undergone major renovations.	26 PASS 37 GOOD 3 VERY GOOD		> OBJECTIVE FOR 2016-2017 In 2016, Befimmo will continue this process of improving the ratings of its portfolio (PASS to GOOD) to complete it by the end of 2016. Following a cost/benefit assessment, the Pass rating of three buildings will not be upgraded. NEW: By the end of 2017, Befimmo will re-assess the upgrade of the BREEAM In-Use Asset certification of all the certified buildings, following a portfolio-oriented approach.
In 2015, Befimmo embarked on the necessary steps to obtain BREEAM Management certification for one of its new buildings.		50 PASS 2 GOOD 2 VERY GOOD		> OBJECTIVE FOR 2016-2017 In 2016 and 2017, Befimmo will continue its work of improving BREEAM In-Use Management certification following a comprehensive approach.	
LABELLING	At corporate level, introduce an eco-dynamic label. The Charter for the label has been approved and signed. The application will be submitted to the IBGE during 2016.	Eco-dynamic Charter signed		> OBJECTIVE FOR 2017 Obtain the eco-dynamic label by the end of 2017.	

TEAM




ISSUES raised by stakeholders: Pride, commitment, shared vision, team spirit and cohesion, health & safety, awareness of CSR, Smart Ways of Working, "à la carte" fringe benefits, work-life balance, attachment to an identity.

COMMITMENTS: Befimmo undertakes to (i) adopt best practice, analyse its relevance and take the necessary action; (ii) implement the values identified within the team and throughout the business; (iii) unite the team around the CSR policy and Action Plan; (iv) comply with prevention standards and advice; (v) comply with health and safety rules; (vi) encourage the team to engage in continuous training.

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
SURVEY OF THE TEAM	In late 2015, Befimmo repeated the satisfaction survey of its team that it has undertaken to conduct every two years. It was about general topics, such as communication, working environment, training, corporate culture and entrepreneurship, human resources, mobility and CSR. As in 2013, all the important points emerging from the survey will be analysed by management, and specific measures will be taken to best meet the needs of the team. These measures are set out in this Action Plan.	Participation rate: 94% Agreed with the statement: "The Befimmo management cares for the well-being of its employees": 89% Absenteeism rate: 2.5%		> ONGOING OBJECTIVE The involvement of the Befimmo team is crucial to the success of its overall strategy. Befimmo therefore plans to conduct further satisfaction surveys to measure at least every two years any changes in the mindset of employees and check their level of knowledge and commitment. The objective is to maintain a high rate of participation (> 85%) in each survey.
PROCEDURES	Improve internal HR procedures for better organisation and communication. In particular, in 2015 Befimmo defined a new procedure for the organisation of language courses, to facilitate their organisation, define the main principles for taking part and encourage staff to abide by their commitments.	n.a.		> ONGOING OBJECTIVE Befimmo intends to continue along this path by responding to organisational issues by creating procedures when necessary.
SMART WAYS OF WORKING	In response to the structural changes in the working methods, and more specifically in the use of offices, in 2015 Befimmo developed a project to implement "Smart Ways of Working" for its employees, which will come into effect during 2016. The vision that Befimmo wishes to embrace is to offer a workplace that is flexible and suited to modern technology, that stimulates exchange and creativity between its employees. In particular, the satisfaction survey was a way of consulting the team members about the criteria that they believe would ensure the success of Befimmo's SWOW project. The focus will be on opening up workspaces, collaboration, ergonomics, acoustics, computing and ease of movement and connection.	Agreed with the statement: "My physical working conditions are adequate": 81% Agreed with the statement: "I am satisfied with the ergonomics of my workstation": 66% Agree with the statement "I am proud to work for the Society": 100%		> OBJECTIVE FOR 2016 The Chief Commercial Officer and the CSR Manager, in cooperation with an external consultant, the human resources department and management, will be responsible for carrying out this mission.
VALUES	Further develop the values identified to put them into practice within Befimmo and have them recognised outside through our activities. These values were further developed during 2015, notably in workshops related to the preparation of the B-MOVIE, a team project to celebrate Befimmo's 20 th anniversary.	3 core values: - Professionalism - Commitment - Team spirit		> ONGOING OBJECTIVE Integrate the Befimmo culture and continue to put the values into practice within the team through various activities, projects, etc.
TRAINING AND DEVELOPMENT	Befimmo is convinced that the development of its employees enhances their desire to advance their careers and deploy their skills, and so continued its policy in this area in 2015.	# training hours: 27 h/ year per employee Training expenditure: €1,680/year per employee Agreed with the statement: "I am satisfied overall with the training opportunities available at Befimmo": 74% Agreed with the statement: "In my work, I easily manage to put my training into practice": 71%		> ONGOING OBJECTIVE The objective is to continuously improve the appraisal process and to place greater emphasis on staff development.
	In 2015, the CSR department and the Environmental Technical team organised an awareness policy on employees' energy consumption, both in the office and at home, by launching the Befimmo Energy Challenge. Other training and awareness sessions on environmental issues, relating to ISO 14001, will be offered to the team during 2016 and in particular on Social Responsibility policy to new employees.	Participation rate in the awareness campaign: ±40%		> ONGOING OBJECTIVE Continue training in sustainable development for the team.
	In 2015, in the context of the prevention of psychosocial risks, it held a training session on Mindfulness, open to all staff. By allowing everyone to focus their attention on the present moment, this discipline is designed to reduce stress or help to manage it, and prevent burnout.	Agreed with the statement: "I manage to maintain a reasonable balance between my working life and my private life": 78%		> ONGOING OBJECTIVE Continue to pay special attention to employees' well-being.
	In 2015, Befimmo made use of the new "development" topic in its appraisal process to inventory training needs from the beginning of the year, which helps to organise training courses more consistently and efficiently.	n.a.		> ONGOING OBJECTIVE Continue to improve its training policy and its organisation.





ETHICS

ISSUES raised by stakeholders: Discrimination (origin, M/F, disabled), integration, youth training, pay.
COMMITMENTS: Befimmo undertakes to (i) be open to the diversity of team members (gender, age, language, origin, etc.); (ii) ensure fair treatment of its employees.







PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
DIVERSITY	Discussion of diversity within Befimmo (age, gender, origin, language, etc.). Befimmo regards itself as a company open to diversity, respecting everyone's identity, and will continue to operate and work in that direction.	Male/female balance M: 57% and F: 43% Agreed with the statement: "Origin, gender, age, religion and sexual orientation have no impact on how employees are treated within the team": 98% # of complaints received: 0		> ONGOING OBJECTIVE Be open to the diversity of team members (gender, age, language, origin, etc.).
	To ensure fair treatment of the team, Befimmo refers to market research as a benchmark.	n.a.		> ONGOING OBJECTIVE Continue to use benchmarks and ensure fair treatment of the team.
OTHER	Integrate Social Responsibility into the team through annual targets during year-end appraisals.	# of employees with annual objectives related to CSR: 100%		> ONGOING OBJECTIVE Incorporate further annual objectives related to Social Responsibility in future appraisals.

DIALOGUE



ISSUES raised by stakeholders: Inter-Departmental relationships, sharing and feedback, uniting around a project and generating enthusiasm.
COMMITMENTS: Befimmo undertakes to (i) listen to the team and maintain a regular dialogue with it; (ii) leave room for team initiatives and creativity; (iii) enhance dialogue between departments and promote more teamwork.

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
COMMUNICATION	The intranet has continued to be a key facilitator of communication. Mainly in response to recommendations from the survey, it will be a slightly recast in 2016, in particular to allow more interactivity.	Agreed with the statement: "The intranet is a useful tool in the Company": 89%		> OBJECTIVE FOR 2016 Automate direct access to the intranet and continually improve the information published on it to maintain the momentum of this communication platform. > ONGOING OBJECTIVE Improve internal communication tools and their effectiveness.
	Improve the team's knowledge of the activities of each department, the content of certain specific functions, etc. by organising "breakfast presentations" facilitated by the staff concerned. In 2015, a number of presentations were given on various topics such as finance, energy, etc. and were very well attended.	Agreed with the statement: "Befimmo communicates enough internally": 73% Agreed with the statement: "Befimmo's internal communication is quite detailed": 62%		> ONGOING OBJECTIVE Improve internal communication by continuing more varied and more frequent in-house presentations and information on all relevant topics.
	Enhance dialogue between departments, promote teamwork and improve the dissemination of information. Organise regular inter-departmental meetings to enhance communication and facilitate relations and transmission of information between departments. The SWOW project, to be implemented in 2016, aims to improve the current functioning of the teams and to stimulate the exchange, communication and relationships between employees.	n.a.		> ONGOING OBJECTIVE Facilitate internal relations and improve information flow.
	In 2015, the team was consulted on several occasions, notably in a survey to assess the group training courses provided and the organisation of team building. Team members are invited to make suggestions each time. In 2015, the team had the opportunity to take part in a number of workshops on the preparation of the B-MOVIE, a team project for Befimmo's 20 th anniversary. One objective of the SWOW project that will be implemented in 2016 is to stimulate exchange and creativity among employees.	Agreed with the statement: "I am motivated": 94% Agreed with the statement: "I have the opportunity to make suggestions at Befimmo": 83%		> ONGOING OBJECTIVE Call upon the team's creativity on specific topics and improve the team's participation in the various activities and workshops offered. Consult the team more regularly via the intranet to appeal for ideas, thereby enabling staff to make suggestions on specific topics.

TENANTS

WORKING ENVIRONMENT	ISSUES raised by stakeholders: Changing working methods, aspects of the Smart Ways of Working, reducing office space.				
	COMMITMENTS: Befimmo undertakes to (i) adapt to the changing corporate working method; (ii) strengthen its tenant-oriented approach; (iii) be flexible when taking account of the changing demands of the tenants in the development of its property portfolio; (iv) facilitate the everyday lives of its tenants.				
	PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
	CHANGING WORKING METHODS	The working method is changing, and more specifically office use is evolving over time towards spaces for meeting and exchange between various team members. In response to this trend, Befimmo endeavours to provide its tenants with a comprehensive personalised service to facilitate their everyday lives by strengthening and enhancing its existing activities [Property Management, Space planning & Project Management, Environmental Support] and developing new activities [Facility Management & Equipment].	n.a.		> ONGOING OBJECTIVE Continue to innovate, strengthen and pursue the tenant-oriented approach while working on the indirect impact through the services and facilities that Befimmo offers and will offer in future.
		<hr/>			
DIALOGUE	ISSUES raised by stakeholders: Educate and raise awareness among tenants - "green lease", joint project with tenants and their community, satisfaction survey, loyalty, place the manager and the maintenance company as a link between the owner and the tenant, 24-hour helpdesk.				
	COMMITMENTS: Befimmo undertakes to (i) educate its tenants on aspects of Social Responsibility; (ii) improve dialogue with tenants and follow up their requests and implement specific measures.				
	PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
	DIALOGUE	Bring Buildings Agency and Fedimmo Social Responsibility activities into line. The Buildings Agency is implementing the guidelines laid down in the Federal Sustainable Development Plan. Several meetings were held at the initiative of Befimmo. This dialogue was an opportunity to take stock of the action taken and/or to be taken by the Buildings Agency to manage its property portfolio and in particular the situation of the Fedimmo buildings.	# of meetings held at Befimmo's initiative: 1		> ONGOING OBJECTIVE Continue the regular dialogue with the Buildings Agency, exchange information and obtain the Agency's planned work programme for improving the energy and environmental performance of the buildings.
		Hold meetings with existing and new tenants to develop good relations, for a dialogue and to understand their expectations: meeting with the commercial team, the Property Manager and the Technical Environmental Team. This dialogue enables us to develop a good relationship with new tenants, better understand existing tenants, and learn about any expectations they may have, etc.	# of meetings held: 5 Portfolio occupancy rate: 94% New leases agreed (25 transactions) and renewals (23 transactions): > 28,100 m ²		> ONGOING OBJECTIVE Improve Befimmo's reputation and tenants' perception of its positioning. Retain existing tenants and attract new ones.
	COMMUNICATION TOOL	Befimmo intends to improve the dialogue with tenants by providing them with an extranet-type communication platform, so that it can publish documents from Property Management, environmental documents, the BUG, the environmental cooperation agreement, etc., and also for exchanging private information.	n.a.		> OBJECTIVE FOR 2016 This platform is under development and will gradually be made available to tenants at the end of the first half of 2016.




DIALOGUE

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
AWARENESS-RAISING	The BUG is a guide for the tenants of the building to the proper operation of the installations and for limiting its environmental footprint. So far, the BUG has been drafted for and distributed to 12 buildings. A list of priority buildings has been drawn up for further BUGs to be drafted and distributed to tenants. All BUGs should be updated to include requirements for storing hazardous goods and substances.	# of BUGs drafted and distributed: 12	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016-2017 The objective is to finalise and distribute BUGs for all 49 Befimmo buildings managed by the Property Manager. 24 BUGs will be drafted and circulated in 2016 and 13 in 2017. Property Management will send this document to new and existing tenants alike.
	Educate tenants to use green energy (i.e. produced from renewable energy sources). In the past two years, Befimmo has identified many important tenants with a green energy contract for their private electricity consumption. The tenants identified account for nearly 18 million kWh more green energy than in 2012.	Green electricity in the Befimmo portfolio (excluding Fedimmo): 94%		> OBJECTIVE FOR 2016 Continue the reassessment of tenants' energy supply contracts.
	Befimmo offers its tenants an environmental cooperation agreement related to each lease. After visiting private spaces, the Environmental Technical Team (ETT) suggests measures to the occupants for improving environmental performance in line with the BREEAM standards followed by Befimmo. On the basis of a detailed analysis of private consumption and internal benchmarking, the ETT also suggests measures for cutting energy consumption and waste production. It also offers support, telemonitoring and detailed reporting of environmental data associated with the rented space.	# of agreements distributed: 5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016-2017 Meet, dialogue with and educate many tenants through the environmental cooperation agreement. The objective is to measure the positive impact of the process by inventorying savings and improvements brought about through close cooperation with tenants. Befimmo will continue to approach a number of existing tenants with the highest private power consumption and offer to help them reduce it. Meanwhile it will offer its collaboration and services to all new tenants in 2016.
	Raise awareness and have the Property Manager check that the tenant's activities comply with the environmental permit. Warn the tenant directly of any non-compliance with the operating conditions of the environmental permit and ask them to rectify the situation as soon as possible.	% of permits audited in the Befimmo portfolio: 65%		> OBJECTIVE FOR 2016 Continue and finish bringing audited permits into compliance. Audit the remaining environmental permits held by Befimmo.
HELPSITE	The Helpsite is a powerful tool to help the Property Manager to optimise management and allow tenants to monitor their requests effectively. It is an automated system that covers the entire operational management of the buildings and allows the Property Manager to plan, implement and monitor services.	n.a.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	> OBJECTIVE FOR 2016 This collaborative online application will provide secure external access to tenants (and suppliers) and will be operational for all tenants in the Befimmo portfolio during the first half of 2016.

HEALTH & SAFETY

ISSUES raised by stakeholders: Indoor air quality, building security, reliable and compliant materials.






COMMITMENTS: Befimmo undertakes to (i) ensure the safety of its tenants in the buildings, with a focus on work sites in occupied buildings; **(ii)** ensure good air quality in the buildings in the portfolio; **(iii)** use good quality sustainable materials.

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
BUILDING SITES	Monitoring of safety compliance on building sites. Specific safety measures – compliant with regulations – are included in the specifications. Compliance with these measures is monitored while the works are in progress (notably by external safety coordinators, site audits, BREEAM assessors, etc.).	# of major accidents on building sites: 0		> ONGOING OBJECTIVE Reduce as far as possible the number of accidents in the portfolio. Continue with this safety compliance monitoring approach.
OTHER	The Property Manager works part-time as Risk Coordinator. His responsibilities include regular monitoring of quality and risks related to the operational, technical and administrative management of the buildings and any renovation and upgrade projects carried out.	# of major incidents with tenants reported: 1		> ONGOING OBJECTIVE Provision of healthy buildings, offering impeccable safety. Reduce as far as possible the number of safety-related complaints.
	Property Management checks that all statutory controls are properly implemented and that any observations and/or infringements arising from reports by inspectors are remedied. A complete inventory of risks associated with the operation of the buildings was drawn up and control reports are systematically included in a database with validity dates and comments.	# of certifications and reports of statutory controls treated in 2015: 1,742		> ONGOING OBJECTIVE This process is ongoing.

GOVERNANCE




ISSUES raised by stakeholders: Programme of specific, realistic, simple, coherent and understandable measures devised in cooperation with all stakeholders. Clear vision, long-term objectives, ambitious and bold, exemplary and pioneering. Regular, targeted and relevant communication, under Management leadership, using benchmarks. Implementation of governance integrated into the overall strategy, transparency.

COMMITMENTS: Befimmo undertakes to (i) maintain an ongoing dialogue with stakeholders and intensify the dialogue with investors and shareholders; (ii) adopt best practice, analyse its relevance and take the necessary action; (iii) continually develop a realistic programme of specific measures that are realistic, measurable and meet stakeholders' expectations; (iv) communicate transparently and adapt the communication to the various stakeholders (type, means, frequency, etc.).

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
TRANSPARENT COMMUNICATION	Respond to CDP, GRESB, Vigeo etc., published by institutional investors. Befimmo aims to respond to these questionnaires, in particular to analyse the results, identify strengths and areas for improvement, and implement any necessary specific action.	2014 reporting results: - GRESB: 83% - Green Star - CDP: 96 (disclosure) C (performance) - Vigeo: Responsive Agreed with the statement: "The Company's results are communicated regularly": 95%		> ONGOING OBJECTIVE In the coming years, Befimmo will continue to respond to the questionnaires (GRESB, CDP, VIGEO, etc.) published by investors and ensure reporting at least equivalent to the current level. The goal of continuous improvement relates to both the reporting level and the results presented.
	Throughout its report, Befimmo has followed the trend towards standardisation of financial reporting and also reporting on Social Responsibility by subscribing to the indicators published by EPRA, the GRI-G4 guidelines and those for the real-estate sector, GRI-CRESS.	Awards: - "EPRA Gold Award Financial Reporting" for its Annual Financial Report 2014 - "EPRA Gold Award Sustainability Reporting" for its Social Responsibility Report 2014 Reporting standards: - EPRA BPR (version 2 - September 2014) - GRI-G4: "Compliance" - Essential criteria		> ONGOING OBJECTIVE Continue and constantly improve communication in line with the current reference standards, including GRI-G4 guidelines and the indicators published by EPRA.
	Enhance dialogue with stakeholders and consider how to adapt communication for each of them to broaden the range of stakeholders served. Befimmo carried out a materiality study in 2013 and began a process of continuous dialogue with all its internal and external stakeholders. Continuous improvement through regular dialogue and enhanced communication tools, such as the website for investors and tenants, intranet dedicated to the team, presentations, reports, extranet for tenants and the Helpsite for tenants and suppliers, etc.	Evolution of the materiality Matrix: 2 new priorities have been added in line with stakeholders' expectations (Value chain & Working environment). Annual review of the Action Plan. Review of CSR policy: new version of March 2016. Agreed with the statement: "Befimmo communicates enough with the outside": 73% Agreed with the statement: "Befimmo's external communication is detailed enough": 71%		> ONGOING OBJECTIVE The objective is to continue its ongoing dialogue process with stakeholders it meets, seeking to achieve the best possible balance between the expectations of its stakeholders and the challenges it regularly faces.
AUDIT	Audit the non-financial information every year. The non-financial data 2015, published in the AFR 2015, were audited (limited assurance) by an external consultant.	n.a.		> ONGOING OBJECTIVE Continue this process.
ANALYSIS	CSR benchmark (national and international benchmarks). This objective was achieved through studies, reports published by GRESB and CDP, discussions with Business & Society, the sector, etc.	n.a.		> ONGOING OBJECTIVE This approach is renewed each year.







VALUE CHAIN	<p>ISSUES raised by stakeholders: Go beyond its own activities, dialogue with stakeholders.</p> <p>COMMITMENTS: Befimmo undertakes to (i) dialogue with its suppliers and subcontractors so that more account is taken of sustainable development in its "core" and "corporate" procurement; (ii) analyse the value chain to enhance its sustainable performance; (iii) improve its procurement terms by incorporating sustainable aspects.</p>				
	PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
	ANALYSIS	<p>Befimmo is aware that a significant part of its environmental and also societal impact lies upstream in its value chain, with its suppliers. Its responsibility therefore extends beyond its own business and it must educate and inspire all of its stakeholders to achieve its qualitative and quantitative objectives as far as possible.</p> <p>Accordingly, in the second half of 2015 Befimmo embarked on a comprehensive analysis of its value chain in order to make its procurement system more structured and professional, to assess its suppliers and integrate environmental and social criteria in its "core" and "corporate" procurement.</p>	n.a.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>> OBJECTIVE FOR 2016</p> <p>Continue this analysis process begun in 2015 and complete it by the end of 2016.</p> <p>The next major steps to be taken in collaboration with the teams involved in 2016 are: (i) to hold meetings with selected key suppliers; (ii) to devise a new sustainable procurement policy and charter; (iii) to devise, select and implement new sustainable purchasing criteria; and (iv) to communicate internally (with buyers) and externally (with suppliers) to ensure that the new policy is implemented properly.</p>
	COMMUNICATION TOOL	<p>Development and provision to suppliers of a Building Supplier Guide (BSG) for each building in the portfolio for which the Property Manager is responsible for organising construction or maintenance work. The BSG is a guide for the suppliers, describing the operation of technical installations, access, schedules, safety standards, contact details of persons responsible, waste management, cleanliness requirements, etc. in the buildings.</p>	# of BSGs drafted: 6 buildings	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>> OBJECTIVE</p> <p>Continue implementing the BSG for all Befimmo buildings managed by the Property Management and distribute it to service providers/suppliers.</p>
ELECTRONIC INVOICING	<p>In line with its CSR policy, Befimmo has implemented the "Go for Zero" project, which will ultimately propose electronic invoicing to all its suppliers. Befimmo chose to make available a new IT-tool which will provide all its invoices in PDF format. The objectives of this project are multiple, notably the concern for environmental protection, the decrease of direct costs linked to paper consumption and the processing rapidity.</p>	n.a.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>> OBJECTIVE</p> <p>Launch of project towards suppliers (in several phases) during 2016.</p>	

ETHICS	<p>ISSUES raised by stakeholders: Corporate culture, values, code of ethics.</p> <p>COMMITMENTS: Befimmo undertakes to (i) establish procedures and take measures to guarantee ethical standards at all levels of Befimmo; (ii) prevent the risks of corruption, anti-competitive behaviour, conflicts of interest, etc.</p>				
	PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PROGRESS	> OBJECTIVES
	COMPLIANCE	<p>Educate the team in compliance with ethical values in its relations with its tenants, partners and shareholders. Befimmo abides by in-house rules designed to limit the risks associated with money laundering and funding of terrorism. An updated dealing code (which aims to prevent the risk of illegal insider trading and market abuse) for the whole team has been posted on the Company's intranet. This update was followed by a briefing session organised by the General Counsel to inform the team about the content of this document and remember the contents of the code of ethics. The new version of the dealing code must then be approved and signed by each employee. Moreover, each new employee receives and signs the dealing code for acceptance when he begins his career at Befimmo, on the occasion of an individual training organized by the General Counsel.</p>	The team's compliance with expectations in terms of conduct and ethics: Infringements identified: 0		<p>> ONGOING OBJECTIVE</p> <p>The dealing code and the code of ethics, published on the Company's website, are also being reviewed on an ongoing basis to determine whether it should be updated.</p> <p>Number of infringements. The objective is to prevent and minimise the number of infringements and to uphold exemplary internal ethical standards.</p>
	CONFLICTS OF INTEREST	<p>For the prevention of conflicts of interest and market abuse, Befimmo is governed by the legal provisions applicable as a listed company and a BE-REIT (SIR/GVV), and by the additional rules it has laid down in its corporate governance charter. Befimmo therefore imposes stricter requirements than the law where it deems appropriate.</p>	n.a.		<p>> ONGOING OBJECTIVE</p> <p>Continue with this process.</p>
AWARENESS-RAISING	<p>Befimmo is aware that improving the environmental and energy quality and performance of its buildings also calls for continuous dialogue with the maintenance teams working on the maintenance and operation of the technical installations of its buildings.</p>	n.a.		<p>> ONGOING OBJECTIVE</p> <p>Train and educate all maintenance companies in CSR. Add a "Sustainable development and energy performances" addendum to existing contracts and devise new environmental performance terms for new contracts.</p>	

ISSUES raised by stakeholders: Go further, anticipate, be proactive and engage in dialogue with the authorities.

COMMITMENTS: Befimmo undertakes to (i) ensure compliance with regulations in force; (ii) anticipate and be proactive in dialogue with the Belgian and European public authorities, and trade associations, notably regarding future regulations.

PRIORITIES	SPECIFIC MEASURES 2015	PERFORMANCE INDICATORS	PRO-GRESS	> OBJECTIVES
ENVIRONMENTAL PERMIT	In 2013, Befimmo began its own audits of compliance with the requirements of the operational environmental permits it holds. The objective of this approach is to ensure proper compliance with its obligations and also to anticipate the action it needs to take in response to new requirements (applicable in the most recent permits) in the context of the renewal and/or extension of certain expiring permits.	% of audited environmental permits in Befimmo's portfolio (excluding Fedimmo): 65%		> OBJECTIVE FOR 2016-2017 Continue and finish bringing audited permits into compliance. Audit the remaining environmental permits held by Befimmo.
EPB	Befimmo has "Offices and services" energy performance certificates for all its buildings in Brussels. "Public building" certificates, which are mandatory for occupying some administrative buildings in Brussels are applied for by the administrations concerned and displayed in most of the buildings concerned. In Flanders, most of the "Public building" certificates are available and on display while in Wallonia, the display obligation is foreseen as from 2019. The Axento building located in Luxembourg also has a certificate.	n.a.		> ONGOING OBJECTIVE When major works are carried out, Befimmo ensures that the certificates are updated, as was previously the case following renovations in various buildings. In 2016, on the basis of all the measures for improving energy performance implemented since 2011 (when the certificates were issued) in the operational portfolio in Brussels, Befimmo will also consider whether to update the energy performance certificates of certain strategic buildings.
LEGAL	Update of register of legislation and a "checklist" tool. Befimmo took the decision to release the necessary resources to recruit, during 2016, a new member of the legal department to take partial responsibility for updating the legislation register/watch.	# Infringements for non-compliance with laws and regulations: 0 Amount of fines paid for infringements: €0		> ONGOING OBJECTIVE Anticipate future regulatory measures and minimise the number of infringements.
OTHER	Take part in working groups and where necessary team up with other companies in the same sector to discuss, defend a project, etc. The approach was implemented.	n.a.		> ONGOING OBJECTIVE This process is ongoing.

APPENDIX IV: TABLES ON ENERGY AND ENVIRONMENTAL PERFORMANCES

Direct energy consumption (gas, heating oil) (GWh, MWh and kWh/m²)

BEFIMMO	2008		2013		2014		2015		2015		
	Units		Units		Units		Units		1 - 5 000 m ²	5 001 - 10 000 m ²	> 10 000 m ²
Total surface of portfolio	m ²	486 576	549 360	539 530	576 957				84 646	75 012	417 299
Reporting perimeter	%	77%	96%	100%	100%				100%	100%	100%
Absolute measures [Abs]	gross total	39.3	44.1	35.8	40.0				8.5	5.6	25.8
	of which heating oil	7.7	0.0	0.2	0.0				0.0	0.0	0.0
	of which gas Befimmo "corporate"	539.6	97.1	79.0	98.1				n.a.	98.1	n.a.
	normalised degree/day	39.3	38.5	43.3	41.9				8.9	5.9	27.0
Reporting perimeter	%	70%	66%	81%	75%				43%	75%	81%
Intensity measures [Int]	normalised degree/day/m ²	99.9	83.6	78.6	76.8				84.9	84.5	74.7
	evolution since 2008 - normalised degree/day/m ²	n.a.	-16%	-21%	-23%				-33%	-6%	-21%
Reporting perimeter	%	56%	71%	90%	93%				95%	91%	93%
Like-for-Like [L.f.l.]	gross total - normalised degree/day	2008	2013	2014	2014				6.8	4.8	2014
	gross total - evolution	2015	2015	2015	2015				6.4	4.8	2015
	total heating oil - evolution	n.a.	n.a.	-98%	-98%				-6%	-1%	-2%
	%	n.a.	n.a.	n.a.	n.a.				n.a.	n.a.	-98%

FEDIMMO	2008		2013		2014		2015		2015		
Units		Units		Units		Units		1 - 5 000 m ²	5 001 - 10 000 m ²	> 10 000 m ²	
Total surface of portfolio	m ²	362 105	342 123	379 318	368 116				91 949	70 367	205 800
Reporting perimeter	%	57%	87%	96%	88%				97%	100%	79%
Absolute measures [Abs]	gross total	29.8	36.8	28.2	35.3				14.6	6.1	14.6
	of which heating oil	0.0	1.2	0.0	0.7				0.7	0.0	0.0
	of which gas Befimmo "corporate"	29.8	32.1	34.2	37.0				15.3	6.4	15.3
	normalised degree/day	29.8	32.1	34.2	37.0				15.3	6.4	15.3
Reporting perimeter	%	57%	87%	84%	85%				86%	100%	79%
Intensity measures [Int]	normalised degree/day/m ²	144	107	104	106				144.5	90.4	93.4
	evolution since 2008 - normalised degree/day/m ²	n.a.	-26%	-28%	-27%				26%	-14%	-43%
Reporting perimeter	%	57%	71%	74%	86%				91%	100%	79%
Like-for-Like [L.f.l.]	gross total - normalised degree/day	2008	2013	2014	2014				9.2	6.9	2014
	gross total - evolution	2015	2015	2015	2015				14.5	6.4	2015
	total heating oil - evolution	n.a.	n.a.	16%	16%				58%	-8%	0%
	%	n.a.	n.a.	n.a.	n.a.				n.a.	n.a.	n.a.

Heating network (GWh and kWh/m²)

BEFIMMO	2008		2013		2014		2015	
	Units		Units		Units		Units	
Total surface of portfolio	486 576		549 360		539 530		576 957	
Reporting perimeter	n.a.		100%		100%		100%	
Absolute measures [Abs]	gross total	n.a.	2.0	1.4	1.3	n.a.	n.a.	n.a.
Intensity measures [Int]	normalised degree/day	n.a.	1.8	1.7	1.4	n.a.	n.a.	n.a.
Like-for-Like [Lfl.]	normalised degree/day/m ²	n.a.	143	136	111	n.a.	n.a.	n.a.
	total - evolution	n.a.	-22%	-18%	-18%	n.a.	n.a.	-18%

Total energy consumption, including heating network (GWh and kWh/m²)

Energy-Int G4-EN3 G4-EN4 G4-EN5 CRESS-CRE1

BEFIMMO	2008		2013		2014		2015	
	Units		Units		Units		Units	
Total surface of portfolio	486 576		549 360		539 530		576 957	
Absolute measures [Abs]	total	79.4	101.7	87.6	88.3	14.4	11.2	62.7
Intensity measures [Int]	total - not normalised	231.6	208.3	162.7	163.4	143.4	160.6	167.4
	total - normalised	231.6	196.1	176.7	166.9	147.3	164.4	170.8
	evolution since 2008	n.a.	-15%	-24%	-28%	-15%	-28%	-30%

FEDIMMO	2008		2013		2014		2015	
	Units		Units		Units		Units	
Total surface of portfolio	362 105		342 123		379 318		368 116	
Absolute measures [Abs]	total	40.3	55.0	45.6	50.5	17.6	8.2	24.6
Intensity measures [Int]	total - not normalised	196.0	177.3	131.6	148.2	170.2	116.7	150.9
	total - normalised	196.0	161.7	149.3	153.0	176.8	120.9	155.2
	evolution since 2008	n.a.	-18%	-24%	-22%	6%	-27%	-27%

Water consumption (m³ and m³/m²)

Water-Abs Water-Int Water-L fL G4-EN8 G4-EN10 CRESS-CREZ

BEFIMMO	Units	2008			2013			2014			2015		
		Water-Abs	Water-Int	Water-L fL	Water-Abs	Water-Int	Water-L fL	Water-Abs	Water-Int	Water-L fL	Water-Abs	Water-Int	Water-L fL
Total surface of portfolio	m ²	486 576		549 360	539 530	576 957	84 646	75 012	417 299				
Reporting perimeter	%	75%		86%	98%	92%	100%	91%	97%				
Absolute measures [Abs]	m³	104 789		174 304	172 540	159 560	35 896	15 366	108 297				
of which collected and stored rainwater	m ³	n.a.		n.a.	362	803	129.35	n.a.	673				
of which groundwater	m ³	n.a.		n.a.	160	913	n.a.	656.4	257				
total recycled and re-used	m ³	n.a.		n.a.	522	1 716	n.a.	n.a.	n.a.				
Reporting perimeter	%	74%		67%	82%	77%	43%	75%	84%				
Intensity measures [Int]	m³/m²	0.29		0.33	0.31	0.29	0.16	0.26	0.31				
evolution since 2008	%	n.a.		14%	9%	0%	-19%	12%	-1%				
Reporting perimeter	%	66%		73%	90%	86%	95%	91%	84%				
Like-for-Like [L fL]	m³	95 052		120 696	145 954	116 802	13 645	15 507	116 802				
evolution	%	2008		2013	2014	2015	2014	2015	2015				
		84 209		108 893	132 204	106 698	11 627	13 878	106 698				
		-11%		-10%	-9%	-9%	-15%	-11%	-9%				
FEDIMMO	Units												
Total surface of portfolio	m ²	362 105		342 123	379 318	368 116	91 949	70 367	205 800				
Reporting perimeter	%	0%		67%	74%	93%	87%	82%	100%				
Absolute measures [Abs]	m³	0		53 974	52 163	72 741	19 475	9 072	44 194				
of which collected and stored rainwater	m ³	n.a.		182	181	6 520	n.a.	n.a.	n.a.				
of which groundwater	m ³	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
total recycled and re-used	m ³	n.a.		182	181	6 520	n.a.	181	6 339				
Reporting perimeter	%	0%		67%	63%	80%	79%	82%	79%				
Intensity measures [Int]	m³/m²	n.a.		0.24	0.21	0.23	0.229	0.158	0.3				
evolution since 2010	%	n.a.		369%	312%	358%	354%	n.a.	n.a.				
Reporting perimeter	%	0%		49%	60%	81%	84%	82%	79%				
Like-for-Like [L fL]	m³	n.a.		45 075	47 091	9 374	17 004	9 374	20 714				
evolution	%	2008		2013	2014	2015	2014	2015	2015				
		n.a.		40 533	50 729	26 964	15 788	7 976	26 964				
		n.a.		-10%	8%	-15%	-7%	-15%	30%				

Greenhouse gas (GHS) emissions linked to energy (tonnes CO₂e and kg CO₂e)

	GHG-Dir-Abs	GHG-Dir-LfL	GHG-Int	GHG-Indir-Abs	GHG-Indir-LfL	2008		2013		2014		2015		
						5 000 m ²	1 - 5 001 - 10 000 m ²	5 000 m ²	1 - 5 001 - 10 000 m ²	5 000 m ²	1 - 5 001 - 10 000 m ²	5 000 m ²	1 - 5 001 - 10 000 m ²	
BEFIMMO														
Total surface of portfolio	Units					m ²	486 576	549 360	539 530	576 957	84 646	75 012	1 083	417 299
Absolute measures [Abs]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	13 114	10 586	7 377	8 152	1 890	1 061	1 083	5 179	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	6 485	8 286	6 696	7 515	1 602	1 061	1 061	4 852	
	evolution	evolution		evolution	evolution	110.6	18.2	14.8	18.5	0	0	0	0	
Reporting perimeter	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	1 695	0	41	1	0	0	0	1	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	8 180	8 286	6 736	7 516	1 602	1 061	1 061	4 852	
	evolution	evolution		evolution	evolution	56%	71%	90%	93%	95%	91%	91%	93%	
Like-for-Like [LfL]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	5 300	6 967	5 795	6 520	1 054	748	748	3 993	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	4 086	5 531	6 520	6 520	1 142	853	853	4 524	
	evolution	evolution		evolution	evolution	-23%	-21%	13%	0%	8%	14%	14%	13%	
Absolute measures [Abs]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	0	87	59	56	0	0	0	55.9	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	4 934	2 214	581	580	289	n.a.	n.a.	270	
	evolution	evolution		evolution	evolution	0	0	0	0	n.a.	n.a.	n.a.	0	
Reporting perimeter	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	4 934	2 214	581	580	289	21	21	270	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	47%	70%	84%	83%	69%	91%	91%	84%	
	evolution	evolution		evolution	evolution	2008	2013	2014	2015	2014	2014	2015	2014	
Like-for-Like [LfL]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	140	216	490	490	202	21	21	266	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	-97%	-87%	-6%	80%	22%	3%	3%	-21%	
	evolution	evolution		evolution	evolution	43%	64%	80%	75%	34%	75%	75%	84%	
Reporting perimeter	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	41.0	20.9	13.2	14.3	17.7	15.5	15.5	13.9	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	n.a.	-22%	-37%	8%	16%	9%	9%	16%	
	evolution	evolution		evolution	evolution	n.a.	-49%	-68%	-65%	-45%	-42%	-42%	-69%	
FEDIMMO														
Total surface of portfolio	Units					m ²	362 105	342 123	379 318	368 116	91 949	70 367	1 142	205 800
Absolute measures [Abs]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	8 773	6 970	5 561	6 504	2 773	1 142	1 142	2 738	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	6 117	6 679	5 306	6 504	2 624	1 142	1 142	2 738	
	evolution	evolution		evolution	evolution	0	275	0	149	149	0	0	0	
Reporting perimeter	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	6 117	6 954	5 306	6 653	2 773	1 142	1 142	2 738	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	57%	71%	74%	86%	91%	100%	100%	79%	
	evolution	evolution		evolution	evolution	2008	2013	2014	2015	2014	2014	2015	2014	
Like-for-Like [LfL]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	4 168	5 149	6 232	6 232	2 598	1 142	1 142	2 493	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	-32%	-13%	34%	34%	82%	6%	6%	16%	
	evolution	evolution		evolution	evolution	2 656	16	256	256	0	0	0	0	
Reporting perimeter	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	2 656	16	256	256	0	0	0	0	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	58%	82%	75%	88%	97%	100%	100%	79%	
	evolution	evolution		evolution	evolution	2008	2013	2014	2015	2014	2014	2015	2014	
Like-for-Like [LfL]	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	-100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	evolution	evolution		evolution	evolution	54%	86%	84%	84%	84%	100%	100%	79%	
Reporting perimeter	total	of which gas emissions of portfolio		of which gas emissions Befimmo "corporate"	of which heating oil emissions	42.6	23.3	16.2	19.0	26.4	16.2	16.2	16.8	
	Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy		Subtotal emissions linked to direct energy	Subtotal emissions linked to indirect energy	n.a.	-45%	-62%	-55%	-28%	-56%	-56%	-63%	
	evolution	evolution		evolution	evolution	n.a.	-45%	-62%	-55%	-28%	-56%	-56%	-63%	

Waste processing (tonnes and %)

G4-EN23

	2008		2013		2014		2015		2015		
	Units		Units		Units		Units		1 - 5 000 m ²	5 001 - 10 000 m ²	> 10 000 m ²
BEFIMMO											
Total surface of portfolio	m ²	486 576	549 360	539 530	576 957	84 646	75 012	75 012	331	331	417 299
total linked to works and operational buildings	tonnes	0	7 471	2 658	4 070	214	331	331	214	331	3 526
of which recycled	tonnes	0	6 189	1 470	2 871	95	236	236	95	236	2 541
of which re-used	tonnes	0	33	125	17	4	0	0	4	0	13
of which composted	tonnes	0	5	3	0	0	0	0	0	0	0
of which incinerated	tonnes	0	744	1 060	1 117	115	95	95	115	95	907
of which landfill or dump	tonnes	0	500	1 994	65	0	0	0	0	0	65
total linked to operational buildings	tonnes	0	1 966	1 994	1 992	209	331	331	209	331	1 452
of which recycled	tonnes	0	1 231	1 010	1 078	95	236	236	95	236	748
recycling rate	%	n.a.	63%	51%	54%	45%	71%	71%	45%	71%	52%
of which re-used	tonnes	0	7	0	0	0	0	0	0	0	0
of which composted	tonnes	0	5	3	0	0	0	0	0	0	0
of which incinerated	tonnes	0	724	981	914	115	95	95	115	95	704
of which landfill or dump	tonnes	0	0	0	0	0	0	0	0	0	0
Reporting perimeter	%	0%	67%	87%	89%	91%	76%	76%	91%	76%	91%
total recycled at constant perimeter	tonnes	2008	6 135	1 433	2 882	268	282	282	268	282	883
evolution recycled	tonnes	2015	2 696	2 851	2 361	94	236	236	94	236	2 521
total composted	tonnes	2008	n.a.	99%	0	-65%	0	0	0	0	185%
evolution composted	tonnes	2015	0	3	0	0	0	0	0	0	3
total incinerated	tonnes	2008	n.a.	-100%	0	n.a.	n.a.	n.a.	n.a.	n.a.	-100%
evolution incinerated	tonnes	2015	668	1 021	99	121	99	99	121	99	801
Reporting perimeter	%	0	92%	9%	63%	-5%	-4%	-4%	-5%	-4%	13%
FEDIMMO											
Total surface of portfolio	m ²	362 105	342 123	379 318	368 116	91 949	70 367	70 367	90	35	205 800
total linked to works and operational buildings	tonnes	0	609	1 415	4 484	16	23	23	16	23	4 360
of which recycled	tonnes	0	530	433	2 799	0	0	0	0	0	2 760
of which re-used	tonnes	0	0	0	0	0	0	0	0	0	0
of which composted	tonnes	0	0	0	0	0	0	0	0	0	0
of which incinerated	tonnes	0	79	450	724	73	12	12	73	12	639
of which landfill or dump	tonnes	0	0	532	961	0	0	0	0	0	961
total linked to operational buildings	tonnes	0	20	660	616	90	35	35	90	35	492
of which recycled	tonnes	0	17	237	391	16	23	23	16	23	352
recycling rate	%	n.a.	87%	36%	63%	18%	65%	65%	18%	65%	72%
of which composted	tonnes	0	0	0	0	0	0	0	0	0	0
of which incinerated	tonnes	0	3	423	225	73	12	12	73	12	140
of which landfill or dump	tonnes	0	0	0	0	0	0	0	0	0	0
Reporting perimeter	%	0%	13%	30%	63%	55%	47%	47%	55%	47%	37%
total recycled	tonnes	2008	521	2 114	4 484	93	105	105	93	105	16
evolution recycled	tonnes	2015	2 413	3 323	2 799	5	20	20	5	20	298
total composted	tonnes	2008	n.a.	51%	0	-94%	0	0	0	0	1 732%
evolution composted	tonnes	2015	0	0	0	0	0	0	0	0	0
total incinerated	tonnes	2008	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
evolution incinerated	tonnes	2015	79	331	331	135	162	162	135	162	34
Reporting perimeter	%	0	536%	-72%	63%	-94%	100%	100%	-94%	100%	150%

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Translations

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