



Société en Commandite par Actions

CREATING VALUE IN REAL ESTATE

**ANNUAL ACCOUNTS FOR THE PERIOD
01.10.2009 TO 30.09.2010**

- **Confirmation of dividend announced for the fiscal year of €3.32 net per share (€3.9059 gross)**
- **Cash flow per share €5.00, higher than forecast (€4.88)**
- **Slight unrealised decrease in fair value of portfolio (-1.77% as against -3.74% in 2009) leading to earnings per share of €2.78 as against -€2.45 one year earlier**

The Board of Directors of Befimmo SA, Managing Agent of the Befimmo Sicafi, met on 10 November 2010 to prepare the consolidated annual financial statements¹ of the Befimmo Sicafi at 30 September 2010.

This year Befimmo is celebrating its fifteenth birthday and is taking this opportunity to thank its shareholders for always having come forward whenever the Company needed them. In the 2009/2010 Annual Financial Report² Befimmo recalls the main stages of its history.

The 2009/2010 fiscal year was marked by an uncertain political and socio-economic environment which is not only weakening the Brussels office rental market but also limits opportunities for making new value-creating investments. This slowdown in the property market is particularly marked in Brussels, where the supply of offices to let has never been so high.

Befimmo has nevertheless taken some great opportunities to sell certain assets in its portfolio at attractive prices. The relevant capital gains should be realised over the 2010/2011 fiscal year. It has also agreed new

¹ Any reference to the portfolio, assets, figures or activities of Befimmo should be understood on a consolidated basis, except where clear from the context or expressly stated otherwise.

² The 2009/2010 Annual Financial Report will be available on the Company's website at www.befimmo.be from 30 November 2010.

leases and renewals for a total space of more than 50,000 m², thus keeping its occupancy rate for all buildings available for let at a level well above the market rate, i.e. 95.5% compared with 88.2%³ for the Brussels office property market.

For the 2009/2010 fiscal year, the net cash flow of €5.00 per share is better than initially expected (€4.88⁴), mainly thanks to lower financial charges, on account of the level of interest rates.

The result on the portfolio is still negative but unrealised negative changes in fair value are gradually reducing, and were limited this year to -1.77%. The extent of the adjustment is much lower than last fiscal year (-3.74% in 2009) and this trend towards an eventual stabilisation of values should continue in principle. Moreover, the unrealised negative change in fair value of the financial instruments was also limited to -€3.8 million as against -€35.0 million in 2009.

At 30 September 2010, the net result per share was €2.78 (as against -€2.45 at 30 September 2009).

The Managing Agent will propose to the General Meeting of Shareholders on 15 December 2010 the payment of a net dividend of €3.32 per share (rounded to €3.9059 gross), corresponding to a gross yield on dividend of 6.3% at 30 September 2010.

SIGNIFICANT REAL-ESTATE TRANSACTIONS WITHIN THE PORTFOLIO

Termination of the leasehold granted on Block II of the World Trade Center in Brussels

Fedimmo, which in December 2006 acquired rights and obligations from the Belgian Government, availed itself of its right to early termination of the leasehold granted on the land of Block II of the World Trade Center in Brussels. Accordingly, on 1 April 2010, Fedimmo became the freeholder of the existing buildings of Block II, namely the base of Towers 3 and 4 and Tower 3 of the World Trade Center.

This operation culminated in a non recurrent result (group share) of €0.39/share.

Sales agreements signed for two buildings in the portfolio⁵

Empress Court (15,500 m²)

In July 2010, Befimmo signed an agreement - subject to a suspensory condition - to sell the Empress Court building in Brussels when completed to the Vivaqua company, for the sum of €51 million excluding fees and VAT.

Once the suspensory condition is met and the renovation programme completed, the official deed of sale is expected to be signed and the building handed over by 1 March 2011.

The sale of the building should generate a result of some €0.70/share over Befimmo's 2010/2011 fiscal year.

³ Source: CB Richard Ellis (30 September 2010).

⁴ Forecast for 2009/2010 of the net cash flow published in the 2008/2009 Annual Report.

⁵ The property was sold for more than its appraisal value.

This operation demonstrates that, even in a difficult market context, buildings that satisfy the quality criteria, such as location, size, accessibility and flexibility, are finding takers for let or purchase.

The success of this operation illustrates Befimmo's ability to actively manage its portfolio by seizing market opportunities to take full advantage of the quality of its investments.

Kattendijkdok (12,000 m²)

We would recall that in June 2008 Fedimmo signed an agreement to sell the Kattendijkdok building in Antwerp at a later date, subject to suspensory conditions. This sale was expected to take place early in 2010 but could not go ahead when one of the suspensory conditions was not met in the time allowed.

Fedimmo then reorganised a process for selling the building which culminated in the signature, in September 2010, of an agreement to sell the building, subject to suspensory conditions, for the sum of €7.8 million excluding fees.

The operation should be completed early in 2011 and should generate a result of some €0.10/share (group share) during the 2010/2011 fiscal year.

The operation is in line with Fedimmo's strategy, focusing on the office property sector, of disposing of buildings on short leases which seem to lend themselves to redevelopment for a new use (residential, logistics, etc.).

Other sales

Befimmo is analysing its property portfolio, mainly on buildings located in the decentralised or peripheral areas of Brussels which are no longer in line with its strategic policy.

In this context, over the period Befimmo sold a floor of office space in a jointly owned building at Chaussée de la Hulpe, 177 in Brussels (generating a result per share of some €0.01). A preliminary agreement was also signed for the sale of another floor in the same building; the transaction should be completed over the 2010/2011 fiscal year.

Major new leases and renewals

Over the 2009/2010 fiscal year, Befimmo signed leases for space in excess of 50,000 m²: 43,932 m² of offices and 6,370 m² of retail, storage or multi-purpose space. Of the leases agreed over the year, new customers account for 33.6% of rents received under those leases (12 transactions), the balance being renewals of leases (28 transactions).

Major tenants, BGL – BNP Paribas bank, BNP Paribas Real Estate and BNP Paribas Real Estate Investment Management, have let most of the Axento building in Luxembourg, an overall space in excess of 7,000 m² (out of a total office space of 10,640 m²). The whole retail ground floor (1,600 m²) is also now let. This demonstrates once again that, even in difficult market circumstances, takers can be found for high quality buildings in good locations.

Over the third quarter of the fiscal year, two large customers extended their leases in Brussels before expiry, for several years: General Electric in Schuman 3 and Citibank in the La Plaine building, thus securing the long-term income from those leases.

Befimmo owes this good result, which is well up on the previous three years, to the sustained efforts of its commercial team.

Project to build the new Finance Centre at rue Paradis in Liège (39,000 m²)

We would recall that under a public project tender, in early 2009 the Belgian Authorities signed a lease with Fedimmo for a building to be erected at Rue Paradis in Liège (total estimated cost € 91.1 million). This building is to house the new offices of the staff of the Finance Federal Public Service, and will be let for a fixed 25-year term as from 1 June 2013.

Under that contract, Fedimmo has applied for a “single permit” based on the building permit it obtained mid-2008. The procedure is currently in progress.

In order to take account of certain remarks made at the public enquiry as part of the procedure, some alterations have been requested by the Walloon Region, the authority responsible for issuing the single permit.

The competent authorities should take a decision on the amended project around mid-2011, resulting in a foreseeable delay of a few months in the handover of the building.

MAIN REFURBISHMENT AND RENOVATION WORK

Befimmo always takes care to keep its property in a good state of repair and improve it; over the fiscal year it carried out repair and renovation work costing a total of €4.8 million, notably in the Central Gate, Fountain Plaza, Triomphe, Braine l’Alleud and Haacht buildings. This work has been booked to the accounts for the fiscal year.

Befimmo is also continuing with a major investment programme. Overall, the Company has invested a total of €34.8 million in renovation and construction work on its property portfolio over the fiscal year.

Central Gate (33,000 m²)

Befimmo has decided to make use of the building permit that it obtained in January 2009 with a view to continuing to renovate the Central Gate building in Brussels. This ambitious renovation programme relates mainly to the facades and roofing, rearrangement of the car parks, patios and internal routes, and plus a facelift of the common areas.

The total planned investments, in this occupied building, amount to €19.2 million. The work will begin in January 2011 and should last 18 months.

Empress Court (15,500 m²)

The major renovation work on the Empress Court building (total budget €25.0 million) is nearing completion. The building will be sold to the Vivaqua company (as mentioned above) on provisional handover, planned for February 2011.

Science-Montoyer (5,300 m²)

The Buildings Agency's lease ended on 27 March 2010. Fedimmo immediately started the refurbishment of the building.

The project was a prize-winner in the "IBGE 2009 – Green Buildings" competition and is certified "Excellent" in the BREEAM⁶ Design & Preconstruction category; it involves a full refurbishment of the building, with a reorganisation of the vertical and horizontal routes to optimise the existing space. The budget for the work is €10.3 million.

This building, which enjoys an excellent location in the European district of Brussels, should be available for letting during the second half of 2011.

Froissart (3,200 m²)

Fedimmo is finishing the renovation work on the building at a total cost of €5.7 million. With an ideal location right next to the Schuman roundabout in Brussels, in the heart of the European quarter, the building has been available for let since the end of October 2010 and is arousing interest.

General renovation programme for Fedimmo buildings

Under its contractual obligations to the Belgian Authorities, Fedimmo completed the agreed general renovation programme on its buildings within the planned deadlines (budget of €26.8 million), apart from the work on Tower 3 of the World Trade Center in Brussels, which was postponed at the request of the Belgian Authorities.

The first two phases of the work in Tower 3 will be fully completed early in 2011, while the last phase should end in September 2012. The total budget for the works in Tower 3 is €22.2 million. Fedimmo is also acting as coordinator for the initial installation work on behalf of the Buildings Agency.

Over the past three years, this works have led to a gradual increase in Fedimmo SA's annual rental income, of a base amount of €3.4 million over the fiscal year.

⁶ BREEAM (BRE Environmental Assessment Method) 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. For more information, see the website at www.breeam.org.

Other investments

Befimmo has also carried out various investment works in its buildings at an overall cost of €1.6 million over the fiscal year. The work relates in particular to the renovation of one unit in the Fountain Plaza complex, improvements to the facades of phases 1 and 2 of the Ikaros Business Park and renovation of the entrance hall of the Triomphe III building.

GREEN INVESTMENTS⁷ AND ISO 14001 ENVIRONMENTAL CERTIFICATION

Under its multi-annual investment programme set up to improve the operational energy performance of its buildings (Befimmo's portfolio excluding Fedimmo), Befimmo invested a total of €1.2 million over the fiscal year.

The Environmental Management System (EMS) set up by Befimmo was ISO 14001 certified during the period. This ISO 14001 certification is important, in relation both to external stakeholders to demonstrate Befimmo's level of commitment to sustainable development, and to employees to enhance the work done by the whole Befimmo team.

STRENGTHENING OF FINANCING AND INTEREST RATE RISK HEDGING

Befimmo has arranged a credit line for €150 million over a 7-year term. This operation was designed to refinance two lines of €100 million falling due in February and March 2011 respectively.

In accordance with its hedging policy⁸, Befimmo has acquired cap options for a notional amount of €200 million over the period 2012-2014, as well as fixed-rate one-year IRS covering the fiscal years 2011/2012 to 2013/2014 so as to benefit from the historically low level of interest rates.

⁷ You will find more information about the green investments in the Befimmo portfolio in the 2009/2010 Annual Financial Report which will be published on Befimmo's website as of 30 November 2010. There is a chapter devoted to the Company's Corporate Responsibility.

⁸ The hedging policy is explained in the 2009/2010 Annual Financial Report which will be published on Befimmo's website as of 30 November 2010.

REAL-ESTATE PORTFOLIO

Change in fair value⁹ of the property portfolio

The fair value of Befimmo's consolidated portfolio was €1,922.6 million at 30 September 2010, compared with €1,922.9 million at 30 September 2009. This change in value incorporates the cost of the renovation work carried out in the portfolio over the fiscal year, and the changes in value booked to the income statement.

Excluding investments, a decrease in value of the portfolio of €34.6 million (-1.77%) was recorded over the fiscal year that closed at 30 September 2010.

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

Change in fair values (at 30.09)					
OFFICES	Change over the year	Proportion of portfolio	2010	2009	2008
				(€ million)	
<i>Properties available for lease</i>		95.5%	1 835.3	1 866.8	1 787.9
Brussels centre (CBD)	-1.67%	52.9%	1 017.8	1 034.2	1 005.3
Brussels decentralised	-6.53%	6.8%	129.8	139.4	151.4
Brussels periphery	-4.74%	8.3%	159.6	166.7	179.6
Flanders	-0.07%	18.6%	358.4	355.8	358.5
Wallonia	-2.90%	4.6%	87.5	89.2	93.1
Luxembourg city	0.87%	4.3%	82.2	81.5	-
<i>Properties that are being constructed or developed for own account in order to be leased</i>		2.6%	49.6	51.5	89.7
INVESTMENT PROPERTIES		98.0%	1 885.0	1 918.3	1 877.6
PROPERTIES HELD FOR SALE		2.0%	37.6	4.6	8.9
TOTAL	-1.77%	100%	1 922.6	1 922.9	1 886.5

- The **change over the year** is the change in fair values, at a constant floor area, between 30 September 2009 and 30 September 2010 (excluding investments and disinvestments).
- The **proportion of portfolio** is calculated in the basis of the fair value of the portfolio at 30 September 2010.

⁹ These values are established in application of standard IAS 40 which requires investment property to be booked at "fair value". Fair value is obtained by deducting the average costs for transactions established by independent real-estate experts from the "investment value". It corresponds to (i) 2.5% for property worth more than €2.5 million and (ii) 10% (Flanders) or 12.5% (Wallonia and Brussels) for property worth less than €2.5 million. The Befimmo portfolio comprises both investment property and property held for sale.

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

2008/2009 fiscal year				2009/2010 fiscal year			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
-2.41%	-0.25%	-0.43%	-0.86%	-0.54%	-0.48%	-0.39%	-0.39%
-3.74%				-1.77%			

This year has seen a gradual slowdown in the rate of the decreases in value as a result of the effects of the economic and financial crisis, and these values are tending to stabilise in the medium term. This trend, illustrated over the past two fiscal years (-3.74% in 2008/2009, -1.77% in 2009/2010) in the table above, seems to be confirmed in the light of the prospects for changes in value over the next three fiscal years. These prospects for change are detailed below in the “Outlook” section.

The decrease in value is essentially the result of the lower rental values estimated by the real-estate experts, mainly in the decentralised areas and periphery of Brussels, reflecting the current pressure on the office rental market, while capitalisation rates have held steady overall. The values of buildings with vacant space (in the short or medium terms) have been penalised by higher rates of capitalisation, as the real-estate experts wanted to reflect the substantial discount observed on the investment market for buildings that are partly or entirely vacant or where the residual term of the lease is short.

The values of the Befimmo portfolio were worse affected than those in the Fedimmo portfolio: -2.73%, as against -0.04%. This fall mainly affected the Befimmo buildings in decentralised areas and the suburbs of Brussels: -6.53% and -4.74% respectively. The value of buildings located in the Brussels CBD fell by a more moderate -1.67% since the fiscal year opened, illustrating the traditionally more stable nature of this market segment. This trend confirms the wisdom of Befimmo’s strategy of specialising in investing in property in city-centre locations.

The value of the Fedimmo buildings, on the other hand, most of which are on long-term leases to the Belgian Government, held steady over the fiscal year (-0.04%). This stability in the values of the Fedimmo portfolio illustrates the great interest that investors continue to show, despite the context of the economic and financial crisis, in buildings with secure long-term cash flows, especially with quality borrowers.

Overall rental yield

The overall rental yield on current rents in investment properties (excluding properties that are being constructed or developed for own account in order to be leased) was 6.60% at 30 September 2010, as against 6.56% as the fiscal year opened.

Again at 30 September 2010, the overall rental yield on current rents added to the estimated rental value on unoccupied premises was 6.90% as against 6.82% at 30 September 2009.

Taking into account of properties that are being constructed or developed for own account in order to be leased, the real and potential yields were 6.42% and 6.83% respectively at 30 September 2010.

Occupancy rate and weighted average duration of leases

The occupancy rate¹⁰ of the buildings in the portfolio, calculated on the basis of the space actually available to let, was 95.53% at 30 September 2010 as against 96.14% as the fiscal year opened.

The occupancy rate of all investment properties at 30 September 2010, i.e. including properties that are being constructed or developed for own account in order to be leased, was 94.03% as against 93.69% as the fiscal year opened.

At 30 September 2010, the weighted average duration of current leases was 9.1 years as against 9.4 years as the fiscal year opened.

Reversion rate

(as of 30.09.2010)	Current rent + rent on signed future contracts (€ thousand)	Proportion of rents (%)	Weighted average duration of leases (1 st break)	Reversion rate
Brussels centre (CBD)	66 550	53.6%	10.3 years	-4.4%
Brussels decentralised	8 994	7.2%	4.0 years	-9.1%
Brussels periphery	11 529	9.3%	2.8 years	-6.4%
Flanders	20 653	16.6%	14.2 years	-3.4%
Wallonia	11 044	8.9%	6.2 years	-14.2%
Luxembourg city	5 387	4.3%	3.4 years	-4.7%
Properties available for lease	124 157	100%	9.1 years	-5.6%

- **Reversion rate:** $1 - [(current\ rent + estimated\ rental\ value\ of\ vacant\ space) / estimated\ rental\ value\ of\ total\ space]$.

¹⁰ *Occupancy rate: current rents (including the rate for space let but for which the lease has yet to begin) / (current rent + estimated rental value for vacant space).*

CONSOLIDATED KEY FIGURES

Data per share	30-Sep-10	30-Sep-09
Number of shares	16 790 103	16 790 103
Average number of shares over the period	16 790 103	14 060 753
Shareholders' equity (€ million)	1 017.4	988.4
Net asset value (IFRS) (€)	60.60 €	58.87 €
EPRA NAV (€)	61.68 €	-
EPRA NNAV (€)	60.26 €	-
Return on shareholders' equity (last 12 months) (%)	4.78%	-4.31%
Net cash flow (€)	5.00 €	5.15 €
EPRA earnings (€)	5.05 €	-
Net result (€)	2.78 €	-2.45 €
Gross dividend (€)	3.90 €	3.36 €/1.04 €
Debt ratio (%)	44.08%	45.39%
Loan-to-value (%)	40.85%	40.81%
Market capitalisation (€ million)	1 041.0	1 041.0
Closing share price (€)	62.00 €	62.00 €
Gross yield (€)	6.29%	6.69%
Return on share price (last 12 months) (%)	1.71%	4.70%

- **EPRA earnings, EPRA NAV and EPRA NNAV** were calculated in accordance with the definitions published in the Best Practices Recommendations of the European Public Real Estate Association (EPRA). That report is available on the EPRA website at www.epra.com.
- **Return on shareholders' equity**: the return on an annual basis is the internal rate of return (IRR).
- **Net cash flow** is the net result before depreciation, write-downs and provisions.
- **Debt ratio** is calculated in accordance with Article 6 of the Royal Decree of 21 June 2006 on the accounting, annual accounts and consolidated accounts of public real-estate Sicafs.
- **Loan-to-value**: [(financial debts – cash)/ fair value of portfolio].
- **Gross yield** is equal to the gross dividend divided by the share price at 30 September.

Net result and EPRA earnings

(at 30 September 2010)	(€ thousand)	(€ per share)	
IFRS net result (group share)	46 659	2.78	
Revaluation at fair value of financial instruments (IAS 39)	3 774		
Revaluation at fair value of investment properties (IAS 40)	34 557		
Minority interests (IAS 39 & IAS 40)	- 29		
Net current result (group share)	84 961	5.06	
	of which EPRA Earnings	84 746	5.05
	of which capital gains realised	215	0.01

EPRA earnings and net cash flow

(at 30 September 2010)	(€ thousand)	(€ per share)
EPRA earnings (group share)	84 746	5.05
Other non-cash items	456	
Booking <i>prorata temporis</i> of premiums paid on CAP options	- 1 522	
Capital gains realised	215	
Net cash flow (group share)	83 894	5.00

- *EPRA earnings entails a non-recurring result of €6.5 million (group share), linked to the early termination of the leasehold on the land of Block II of the World Trade Center.*

Net asset value at 30 September 2010

At 30 September 2010, Befimmo's total net asset value – group share – was €1,017.4 million.

The net asset value – group share – is therefore €60.60 per share. This value is up on the figure of €58.87 per share as the fiscal year opened.

[€/share]	
Net asset value at 30 September 2009	€58.87
Final dividend 2009	-€1.04
Net result at 30 September 2010	€2.78
Net asset value at 30 September 2010	€60.60

(at 30 September 2010)	(€ thousand)	(€ per share)
IFRS net asset value (group share)	1 017 445	60.60
Revaluation at fair value of finance lease credit	- 77	
Fair value of financial instruments	18 269	
Minority interests	8	
EPRA NAV (group share)	1 035 645	61.68
Fair value of financial instruments	- 18 269	
Revaluation at fair value of fixed-rate loans	- 5 955	
Minority interests	434	
EPRA NNAV (group share)	1 011 855	60.26

Share price and yields

The Befimmo share has held up well in a context of turmoil on the financial markets; the closing share price at 30 September 2010 was €62.00, exactly the same as one year previously.

At 30 September 2010, it was listed at a slight premium of 2.31% over its net asset value.

Year-on-year, the liquidity of the Befimmo share consolidated with an average daily volume of €1.5 million, equivalent to 25,000 shares. Based on the share price at 30 September 2010, Befimmo offers a gross yield on dividend of 6.29%.

The return on shareholders' equity was 4.78%. The year-on-year return on the share price was 1.71% at 30 September 2010.

EVOLUTION OF RESULTS

Analysis of changes in cash flow (€ million)

Net cash flow 2008/2009 (group share)	72.4	
Change in contribution of Befimmo consolidated portfolio at constant floor area*	-1.3	
Differential in income from change in property floor area**	3	
Booking <i>prorata temporis</i> of premiums paid on CAP options	-0.1	
Impact of the decrease in interest rates and of debt reduction	6.3	
Overheads and other operating income and charges	-2.7	
Early termination of the leasehold on Block II of WTC	6.5	
Corporate taxes	-0.2	
Net cash flow 2009/2010 (group share)	83.9	+15.9%

- **'At constant floor area' i.e. excluding properties acquired or sold during the fiscal year, or properties undergoing renovation.*
- *** The change in contribution of all these properties is included under the heading 'Differential in income'.*

Events with an impact on the perimeter of the Company

We would recall that the floor area of the properties did not change substantially over the fiscal year. The comparison of the 2009/2010 fiscal year with the 2008/2009 fiscal year is influenced by a full year impact of Axento after it entered the portfolio in July 2009, the disposal of the Frankrijklei building in February 2009 and the capital increase of €166 million in June 2009.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**CONSOLIDATED INCOME STATEMENT (€ thousand)**

	30.09.10	30.09.09
I. (+) Rental income	124 012	119 086
III. (+/-) Charges linked to letting	- 560	- 441
NET RENTAL RESULT	123 452	118 645
IV. (+) Recovery of property charges	5 572	11 653
V. (+) Recovery income of charges and taxes normally payable by tenants on let properties	26 936	20 945
VIII. (-) Rental charges and taxes normally paid by tenants on let properties	-26 109	-19 714
VIII. (+/-) Other revenue and charges for letting	106	239
PROPERTY RESULT	129 956	131 767
IX. (-) Technical costs	-9 417	-14 542
X. (-) Commercial costs	- 948	- 581
XI. (-) Charges and taxes on unlet properties	-2 124	-1 361
XII. (-) Property management costs	-1 584	-1 157
XIII. (-) Other property charges	- 185	- 24
(+/-) Property charges	-14 258	-17 666
PROPERTY OPERATING RESULT	115 699	114 101
XIV. (-) Corporate overheads	-12 512	-9 841
XV. (+/-) Other operating income and charges	8 970	1 874
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	112 157	106 134
XVI. (+/-) Gains and losses on disposals of investment properties	215	213
XVII (+/-) Changes in fair value of investment properties	-34 557	-74 982
OPERATING RESULT	77 814	31 364
XIX. (+) Financial income	5 510	5 032
XX. (-) Interest charges	-20 704	-30 010
XXI. (-) Other financial charges	-11 371	-39 304
(+/-) Financial result	-26 566	-64 282
PRE-TAX RESULT	51 249	-32 918
XXII (-) Corporation tax	- 651	- 461
(+/-) Taxes	- 651	- 461
NET RESULT	50 598	-33 379
NET RESULT (group share)	46 659	-34 499
NON CONTROLLING INTERESTS	3 938	1 120
BASIC NET RESULT AND DILUTED (€/SHARE) (group share)	2.78	-2.45
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	50 598	-33 379
TOTAL COMPREHENSIVE INCOME (group share)	46 659	-34 499
NON CONTROLLING INTERESTS	3 938	1 120

- "Non controlling interests" are the "minority interests".

CONSOLIDATED BALANCE SHEET (€ thousand)

ASSETS	30.09.10	30.09.09
I. Non-current Assets	1 905 723	1 939 688
A. Goodwill	15 890	15 890
C. Investment properties	1 884 964	1 918 317
E. Other property, plant and equipment	658	630
F. Non-current financial assets	1 888	2 412
G. Finance leases receivables	2 323	2 439
II. Current Assets	79 352	49 707
A. Assets held for sale	37 647	4 576
B. Current financial assets	411	551
C. Finance leases receivables	58	7 326
D. Trade receivables	19 475	23 520
E. Tax receivables and other current assets	3 973	3 281
F. Cash and cash equivalents	3 492	6 096
G. Deferred charges and accrued income	14 296	4 357
TOTAL ASSETS	1 985 075	1 989 395
SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.10	30.09.09
TOTAL SHAREHOLDERS' EQUITY	1 081 884	1 049 999
I. Equity attributable to shareholders of the parent company	1 017 445	988 367
A. Capital	233 985	233 985
B. Share premium account	485 340	485 340
D. Reserves	21 113	21 113
E. Result	277 008	247 930
a. Result brought forward from previous years	230 349	282 429
b. Net result for the fiscal year	46 659	- 34 499
II. Non controlling interests	64 439	61 632
LIABILITIES	903 191	939 396
I. Non-current liabilities	604 919	764 268
B. Non-current financial debts	584 796	745 414
a. Credit institution	425 552	529 068
c. Other	159 245	216 346
C. Other non-current financial liabilities	20 122	18 854
II. Current liabilities	298 272	175 128
A. Provisions	1 383	2 422
B. Current financial debts	205 967	47 019
a. Credit institution	205 967	1 877
b. Finance lease	-	45 142
D. Trade debts and other current debts	84 169	110 506
F. Accrued charges and deferred income	6 752	15 181
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 985 075	1 989 395

Deloitte Réviseurs d'Entreprises SC s.f.d. SCRL, represented by Mr Frank Verhaegen and Mr Jurgen Kesselaers, business auditors acting jointly, has audited the annual accounts and will certify them without reservation.

Analysis of the net result

The property **operating result** improved 1.4%, or €1.6 million, compared with last year. The change in the contribution of the consolidated portfolio at a constant floor area (-€1.3 million) is explained on the one hand by a modest increase in rents as a result of indexing and the hand-over of the work completed in the Fedimmo portfolio, offset by an increase in rental charges and, on the other hand, by the loss of income from the Sciences-Montoyer building after its renovation commenced in the middle of the fiscal year.

The impact of the acquisition of Axento generated a net increase in income for the full year of €3.9 million.

The increase in **overheads** of some €2.7 million is explained on the one hand by the absence of remuneration for the Managing Agent the previous fiscal year and, on the other hand, by the expansion of the team, and the study costs linked to investment projects.

Other operating income amounted to €9 million. This was mainly the non recurrent result from the completion of the leasehold granted on block II of the WTC (€7.2 million, or €6.5 million group share), the restatement over time – in accordance with IFRS standards – of rental gratuities incorporated in income, and fees received for coordinating the initial installation work for the Belgian Authorities under the leases signed for Tower 3 of the World Trade Center in Brussels.

The unrealised decrease in the fair value of the portfolio was -€34.6 million (-1.77%) as compared with -€75.0 million (-3.74%) last year. Excluding the impact of the change in fair value of the properties, the operating result therefore grew by 5.7%.

The **financial result** was -€26.6 million compared with -€64.3 million one year previously. This change in the financial result is explained by a much more limited decrease in unrealised value (IAS 39) of the hedging instruments (-€3.8 million as against -€35.0 million last year) and a 22% drop in financial charges (-€22.8 million as against -€29.3 million last year) mainly due to the fall in interest rates.

All of these factors show a **net result** (group share) of +€46.7 million, compared with a net result (group share) of -€34.5 million for the previous fiscal year.

FINANCIAL STRUCTURE

Financing policy

Befimmo proactively manages its financing cost - its main cost item - which therefore has a significant impact on its result and cash flow.

Befimmo aims to secure the availability of its financing over the longest possible periods, while doing its best to maintain variable interest rates, with an upper ceiling on a substantial part of its borrowings. This policy is based on the observation that, except in exceptional circumstances, this strategy offers a degree of protection against the disruptions associated with changing economic cycles.

When the economic climate is favourable, the cost of borrowing will certainly rise but will in principle be partly offset by an improvement in operating income (higher inflation and occupancy of buildings), possibly with a delayed action. As this offset effect is limited, a hedging policy has been put in place.

Conversely, in an adverse economic climate, the reduction in finance costs offers a measure of compensation for decreasing operating cash flows.

At the end of September 2010, Befimmo's financial structure had the following main characteristics:

- confirmed credit facilities for a total sum of €1,179 million, €200 million of which will fall due in February/March 2011, €790 million of which was in use;
- a debt ratio of 44.1%, an LTV of 40.9%;
- a weighted average duration of borrowings of 2.87 years;
- an interest-rate risk hedging policy limiting the impact of a sudden rise in Euribor short-term rates, while benefiting substantially, conversely, from any fall in those rates;
- an average finance cost (including hedging margin and costs) of 2.97% over the 2010 fiscal year.

In previous years, the average finance cost was 3.58% in 2008/2009 and 4.78% in 2007/2008.

In February 2010 the Standard & Poor's rating agency confirmed the rating of BBB/outlook stable for Befimmo's long-term debt and A-2 for its short-term debt.

Debt structure as of 30 September 2010

Borrowings consist principally of the following:

- a syndicated loan arranged in 2006 totalling €350 million for a term of six years (2006-2012), extended for a further year at €220 million;
- a syndicated loan arranged in June 2008 totalling €300 million for a five-year term (2008-2013);
- a number of credit lines totalling €450 million falling due in February 2011 (€100 million), March 2011 (€100 million), April 2012 (€100 million) and November 2017 (€150 million);
- various fixed-rate loans, with a residual total of some €79 million, corresponding to the assignment of future rents (unindexed) on four buildings in the Fedimmo portfolio and one in the Befimmo SCA portfolio.

In order to reduce its finance costs, Befimmo has set up a commercial paper programme with a maximum amount of €400 million. In the context of the crisis on the financial markets, €157.4 million were in use

under this programme at 30 September 2010. This programme has backup facilities consisting of the various credit lines arranged.

These credit lines allow the Company to meet its commitments and fund the planned renovation work in the portfolio.

The table below shows the annual refinancing needs at a constant floor area, taking account of credit lines falling due and the forecast financial debt.

(at 30.09 - € million)	Realized	Forecasts (at constant floor area)			
	2010	2011	2012	2013	
Financial debt	789	769	807	858	
Existing credit lines	1 179	975	741	216	
Refinancing planned for 2011/2012 fiscal year			325	314	
Refinancing planned for 2012/2013 fiscal year				520	
Credit lines available for investments	390	205	258	192	

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

At 30 September 2010 the Company had €390 million of unused lines. This relatively high level is explained by the fact that two credit lines are falling due in February and March 2011 (€200 million).

Interest rate risk hedging

The interest rate hedging policy aims to cover between 50% and 75% of borrowings, over a 3-5 year time scale. All the instruments currently in place give the Company a hedging ratio of 98.55% at the end of September 2010.

(€ million)	Notional amount	Interest rate	Hedging period	
Twin cap	400	3.5% - 5.0%	Dec. 2008	Dec. 2011
Cap	25	3.50%	Jan. 2012	Jan. 2014
Cap	25	3.50%	Jan. 2012	Jan. 2016
Cap	50	3.50%	Jan. 2012	Jan. 2015
Cap	100	4.00%	Jan. 2012	Jan. 2015
Cap	150	4.50%	Jan. 2012	Jan. 2015
IRS	200	3.73%	March 2007	March 2012
IRS callable	100	3.90%	April 2008	Jan. 2018
IRS	140	1.40%	Sept./Oct. 2011	Sept./Oct. 2012
IRS	140	1.77%	Sept./Oct. 2012	Sept./Oct. 2013
IRS	160	2.18%	Sept./Oct. 2013	Sept./Oct. 2014

Specifically, and according to the circumstances, the Company arranges more occasional hedges, such as Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA), to cover, for example, the risk related to the end-of-year transition.

OUTLOOK

The outlook for the next three fiscal years, prepared in accordance with IFRS standards and presented in consolidated form, is based on information available as at 30 September 2010 (principally existing contracts) and on Befimmo's assumptions¹¹ and assessment of certain risks.

These forecasts may not be interpreted as a commitment on the part of Befimmo to achieve them and, besides, are not certified by the auditor. 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 about any economic recovery, the assumptions used may be highly volatile in future.

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

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

The following external and internal assumptions are taken into account:

	Realized			Assumptions		
	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
EXTERNAL ASSUMPTIONS						
Change in health index	4.80%	-0.58%	2.56%	1.82%	1.50%	1.60%
Average of Euribor 1- and 3-month interest rates	4.60%	1.93%	0.61%	1.01%	1.38%	2.06%
INTERNAL ASSUMPTIONS						
Actual net income/potential income	90.8%	94.1%	90.6%	91.9%	92.0%	92.7%
Average financing cost (including hedging margin and costs)	4.78%	3.58%	2.97%	3.31%	3.34%	3.92%
Changes in values of consolidated portfolio	-0.33%	-3.74%	-1.77%	-1.33%	-0.58%	-0.16%

- *The ratio of actual net income to potential income over a fiscal year is calculated by dividing all rents actually received during the period by all rents that would have been received during the period had not only the let space but also the vacant space been let throughout the period at the estimated rental value.*

¹¹ Notably regarding renewal of leases or finding new rental customers, but also changes in interest and inflation rates.

In establishing forecasts of changes in the fair values of the properties over the next three years, Befimmo made use of the market trend scenarios considered by the real-estate appraisers, adjusted in line with specific factors relating to the actual situation of the properties in the portfolio.

The scenarios considered expect the effects of the economic and financial crisis to lessen over the coming years and inflation to remain steady at between 1.5% and 2% a year. On this basis, the further expected pressure on estimated rental values should be offset by slight falls in capitalisation rates; the combination of these two trends should help to stabilise property market values in the medium term.

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

Regarding new investments, Befimmo plans to pursue its growth objectives by taking advantage of market opportunities that might occur in Belgium or, should the case arise, in Luxembourg or Paris provided that the transactions considered are in line with its strategy and offer prospects for creating lasting value for its shareholders.

This growth can take two forms:

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

In normal operation, Befimmo's debt ratio could thus reach around 50% so as to optimise the use of its borrowing capacity.

Any growth project structurally raising Befimmo's debt ratio substantially above 50% to 55% would require raising capital on the financial market, as happened in 2007 for the acquisition of Fedimmo, or possibly even a partnership.

The forecasts nevertheless apply to property assets with a constant floor area and own resources, and therefore take no account of any new investments or disinvestments.

Similarly, these projections do not include any external growth.

CONSOLIDATED BALANCE SHEET FORECAST

	Realized	Forecasts		
(at 30.09 - € thousand)	2010	2011	2012	2013
Total assets	1 985 075	1 941 520	1 977 658	2 027 900
Real-estate portfolio	1 922 611	1 891 856	1 922 655	1 968 708
Other assets	62 464	49 663	55 003	59 192
Total shareholders' equity	1 081 884	1 083 840	1 084 082	1 086 189
Shareholders' equity	1 017 445	1 016 797	1 014 244	1 013 472
Non controlling interests	64 439	67 043	69 838	72 717
Total liabilities	903 191	857 680	893 576	941 711
Financial borrowings	788 939	769 499	807 461	857 796
Other liabilities	114 252	88 181	86 116	83 915
Total liabilities and shareholders' equity	1 985 075	1 941 520	1 977 658	2 027 900
Net asset value group share (€/share)	60.60	60.56	60.41	60.36
Debt ratio	44.1%	44.2%	45.2%	46.4%
Loan-to-value	40.9%	40.7%	42.0%	43.6%

CONSOLIDATED INCOME STATEMENT FORECAST

(at 30.09 - € thousand)	Realized	Forecasts		
	2010	2011	2012	2013
I. (+) Rental income	124 012	119 802	121 346	122 880
III. (+/-) Charges linked to letting	-560	-500	-505	-510
Net rental result	123 452	119 302	120 841	122 370
(+/-) Net real-estate charges	-7 753	-7 938	-6 383	-5 958
Property operating result	115 699	111 364	114 458	116 412
XIV. (-) Corporate overheads	-12 512	-13 390	-13 322	-13 532
XV. (+/-) Other operating income and charges	8 970	331	552	552
Operating result before result on portfolio	112 157	98 305	101 687	103 432
XVI. (+/-) Gains or losses on disposals of investment properties	215	14 491	-	-
XVIII. (+/-) Changes in fair value of investment properties (IAS 40)	-34 557	-26 103	-11 116	-3 096
Operating result	77 814	86 693	90 571	100 336
(+/-) Financial result (not including IAS 39)	-22 792	-24 754	-25 652	-30 523
(+/-) Changes in fair value of financial instruments (IAS 39)	-3 774	7 350	3 524	1 172
Pre-tax result	51 249	69 290	68 443	70 985
(+/-) Corporate taxes	-651	-664	-677	-691
Net result	50 598	68 626	67 766	70 294
Net result – group share	46 659	64 861	63 600	66 053
Net result – minority interests	3 938	3 764	4 166	4 241
Net result – group share	46 659	64 861	63 600	66 053
Changes in fair value of investment properties (IAS 40)	34 557	26 103	11 116	3 096
Changes in fair value of financial instruments (IAS 39)	3 774	-7 350	-3 524	-1 172
Minority interests (IAS 39 & IAS 40)	-29	178	567	515
Current net result – group share	84 961	83 792	71 759	68 491
of which - EPRA earnings - group share	84 746	69 523	71 759	68 491
- Gains or losses on disposals of investment properties	215	14 491	-	-
- Minority interests (result on sale of investment properties)	-	-222	-	-
Net result (€/share) – group share	2.78	3.86	3.79	3.93
EPRA earnings - group share (€/share)	5.05	4.14	4.27	4.08
Gross dividend (€/share)	3.90	3.94	3.98	4.02
Net cash flow – group share	83 894			
Net cash flow - group share (€/share)	5.00			

DIVIDEND POLICY

Based on the above assumptions, the 2010/2011 fiscal year should be characterised by a current net result (i.e. the net result excluding IAS 39 and IAS 40) which will benefit firstly from the capital gains realised on the sales of assets described above and secondly from the low level of financial charges, in view of the low short-term rates (Euribor 1 and 3 months) that Befimmo enjoys for half of its borrowings which are at floating rates.

From the 2011/2012 fiscal year onwards, assuming that the floor area of the property assets and equity capital remains unchanged, the current net result should tend to fall as a result of a probable rise in interest rates.

Thanks to the capital increase in June 2009, Befimmo nevertheless has the resources to make new investments in line with its strategy.

On that basis, Befimmo expects to be able to distribute dividends as set out in the outlook table above.

KEY DATES

Tuesday 30 November 2010	Publication of the 2009/2010 Annual Financial Report on Befimmo's website (www.befimmo.be)
Wednesday 15 December 2010	Ordinary General Meeting 2010
2010 dividend upon presentation of coupon No 20	
Friday 17 December 2010	Ex-dividend date for 2009/2010
Tuesday 21 December 2010	Record dividend date for 2009/2010
Wednesday 22 December 2010	Payment of 2009/2010 dividend

The 2009/2010 Annual Financial Report will be available on the Company's website at www.befimmo.be as from 30 November 2010.

Further information:

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