Befimmo SA
Investor presentation

Seizing the office market momentum

Capital increase | September 2016

http://www.befimmo.be/en/2016-capital-increase

Befimmo

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Under the present tax legislation, a withholding tax of 27% is levied on the gross amount of dividends paid on or attributed to new shares, subject to such relief as may be available under applicable domestic provisions and tax treaties concluded by Belgium.

Speakers

Benoît De Blieck

- CEO of Befimmo since 1999
- 36 years of experience in real estate (contracting, development, asset investment and management)
- Fellow member of the Royal Institution of Chartered Surveyors (FRICS)
- Member of the board of the Belgian Professional Union of the Real-Estate Sector (UPSI)

Laurent Carlier

- CFO of Befimmo since 2006
- 17 years of experience as Finance Director
- President of the BE-REIT association

Caroline Kerremans

- IR & External Communication Manager since 2013
- 8 years of experience in IR and external communication (of which 6 years in real estate)
- Member of the EPRA IR Committee

Capital increase

Seizing the office market momentum

- Befimmo is an owner and operator of high-quality offices located in Belgium (mainly Brussels CBD) and Luxembourg
- Befimmo offers its tenants:
  - state of the art, flexible and well-equipped offices
  - a complete and personalised service to make their everyday live easier
- Befimmo continuously looks at redevelopment opportunities and acquisitions in order to maximise the value of its portfolio, while maintaining a strong balance sheet
- In view of its planned redevelopment and construction projects (including Quatuor Building) and as part of its financing strategy Befimmo is launching a capital increase of up to €127 million

Identified value creating growth potential

Gateway, Brussels airport

Quatuor, Brussels North area

Guimard, Brussels Leopold district

WTC IV, Brussels North area

Paradis Express, Liège

Capital increase

Key terms

Capital increase in cash with priority allocation right	
Issuer:	Befimmo SA (BEFB)
Size of the offer:	Up to 2,557,921 new shares, resulting in up to €127 million gross proceeds
Issue price:	€49.75 per share
Discount to TERP*:	9.2%
Ratio:	9 priority allocation rights for 1 new share
Subscription period:	From Thursday 15 September 2016 until Thursday 22 September 2016 (included)
Use of proceeds:	To pursue its investment strategy while maintaining a solid balance sheet
Priority allocation right:	Represented by coupon n°31 (detached from the underlying share on 14 September 2016 after closing of Euronext Brussels) Tradable on Euronext Brussels (ISIN BE0970151545) during the subscription period (Cancellation of preferential subscription right by granting a priority allocation right)
Dividend:	Confirmed at €3.45 gross per share: > Existing shares will receive a dividend *pro rata temporis* as from 1 January 2016 until the day before the closing date (27 September 2016) (represented by coupon n°32) > Existing and new shares will receive a dividend *pro rata temporis* as from the closing date (27 September 2016) until 31 December 2016 (represented by coupon n°33)
Global Coordinators:	ING Belgium | Kempen & Co
Joint Bookrunners:	ING Belgium | Kempen & Co | Belfius Bank | BNP Paribas Fortis | KBC Securities

*Theoretical ex-right price.

Capital increase

Envisaged timetable

Wed 14 Sep 2016	> Announcement of the offering > Detachment of Coupon n°31 (representing the priority allocation right) > Detachment of Coupon n°32 (representing the *pro rata* dividend for the existing shares)
Thu 15 Sep 2016	> Publication of the prospectus > Start of the subscription period
Thu 22 Sep 2016	> End of the subscription period
Fri 23 Sep 2016	> Announcement of the results of the priority allocation rights offering and announcement of the scrips private placement
Fri 23 Sep 2016	> Scrips private placement > Suspension of trading
Fri 23 Sep 2016	> Announcement of the results of the offering and the net scrips proceeds > End of suspension of trading
Tue 27 Sep 2016	> Completion and delivery, listing and trading of the new shares

Key investment highlights

A strong investment case

Befimmo

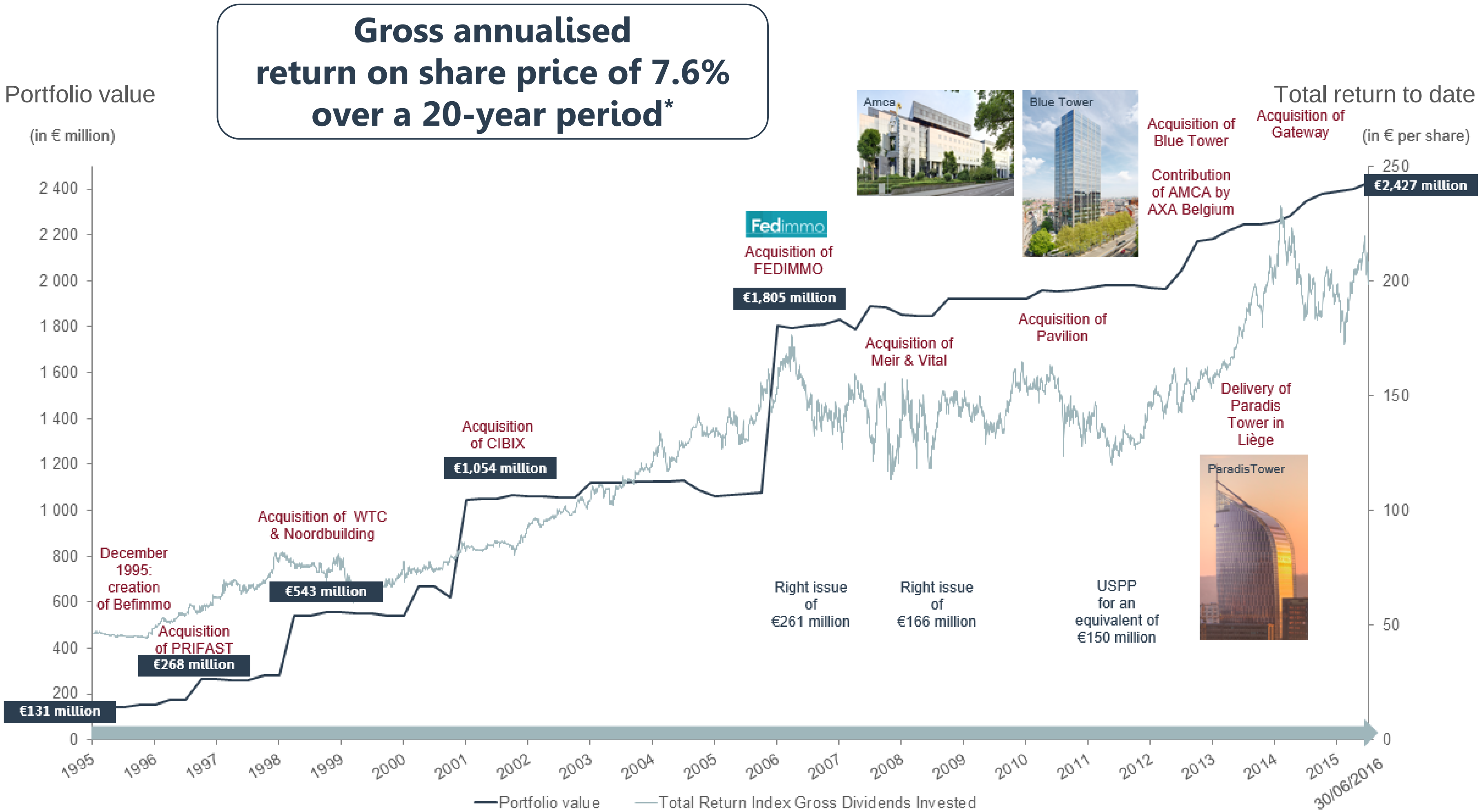
1. 20-year track record
   > An integrated real-estate approach showing healthy and responsible growth
2. High quality office portfolio in Belgium and Luxembourg
   > Top city centre locations: 68% located in Belgian Central Business Districts
   > High occupancy rate (94%) and long duration of leases (8.3 years)
   > Resilient tenant base
3. Identified value creating growth potential
   > Resilient Brussels office market with investment momentum for Befimmo
   > Over €200 million of key projects ongoing
   > Value creation based on experienced in-house team and proven knowhow
4. Solid financial position
   > Solid balance sheet
   > Diversified financing sources
   > €254.2 million of undrawn facilities (as at 30 June 2016)
5. Confirmed 2016 dividend guidance (€3.45 per share) as published in February 2016

Key investment highlights

1. 20-year track record
2. Quality office portfolio
3. Identified value creating growth potential
4. Solid financial position
5. Confirmed 2016 dividend guidance

1. 20-year track record

An integrated real-estate approach showing healthy and responsible growth



*Source: Bloomberg

Key investment highlights

1. 20-year track record

2. Quality office portfolio

3. Identified value creating growth potential

4. Solid financial position

5. Confirmed 2016 dividend guidance

2. Quality office portfolio

City centre locations and market outperformance in occupancy

Fair value
€2,427 million

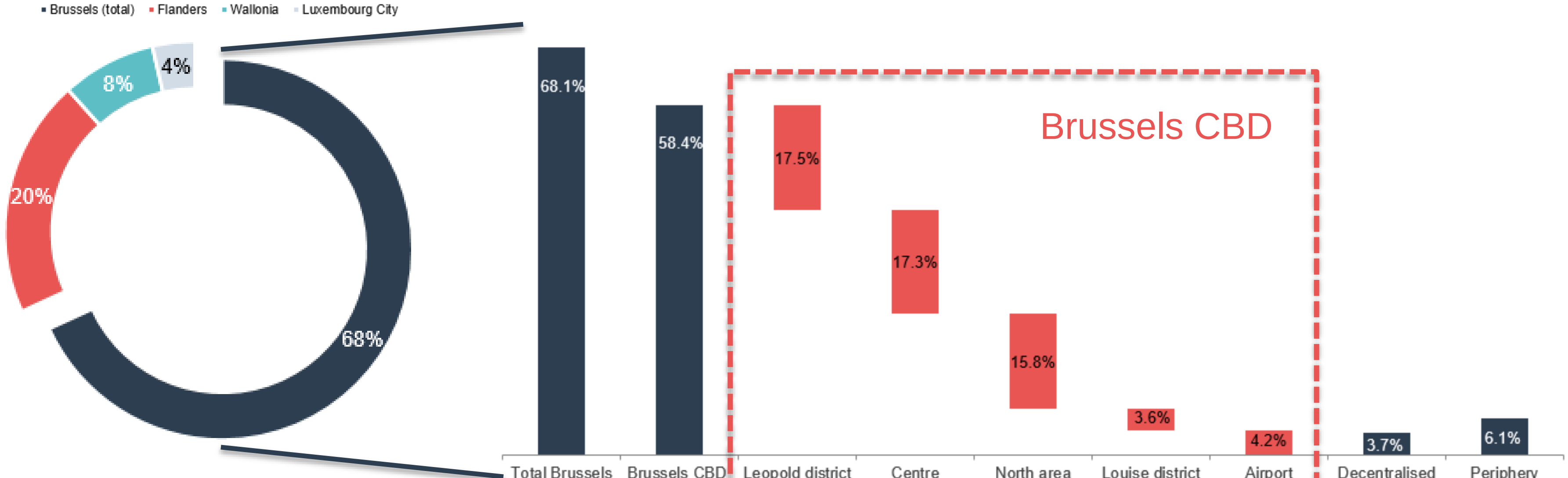
Surface
>850,000 m²

Current rent
€140 million

Occupancy rate
94%

Average duration of leases
8.3 years

Geographical spread of portfolio and occupancy



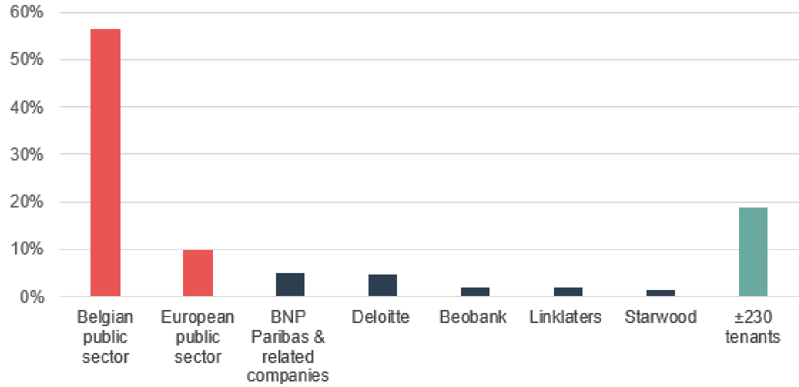
	Total Brussels	Brussels CBD	Leopold district	Centre	North area	Louise district	Airport	Decentralised	Periphery
Befimmo occupancy[(a)]	92.9%	96.9%	98.6%	97.5%	98.5%	80.0%	100%[(b)]	73.9%	76.7%
Market occupancy	89.9%	94.4%	94.2%	95.3%	94.7%	90.1%	75.0%	86.6%	76.3%

Figures as at 30 June 2016. Geographical spread based on fair value. Source of market information: CBRE.
(a) Based on properties available for lease.
(b) Project to be delivered.

2. Quality office portfolio

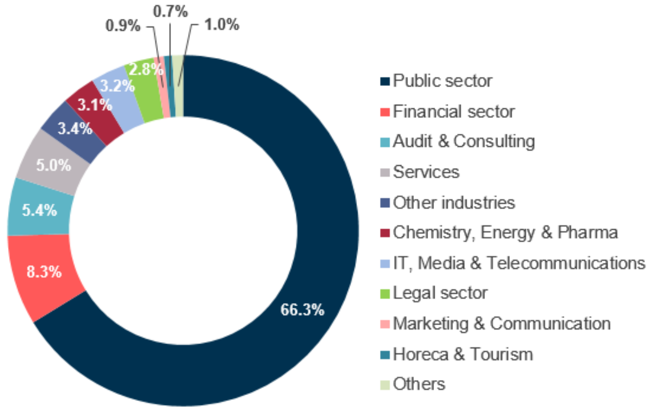
Resilient tenant base and revenues in the duration

Top tenants (% of current rent) and duration (up to first break)



	Public sector	Top 5 private sector	Other tenants
Percentage of current rent	66.3%	15.0%	18.7%
Weighted average duration	9.2 years	10.6 years	3.1 years
Total average duration of leases		8.3 years	

Tenants by sector



66% public-sector tenants, well-diversified private-sector tenants

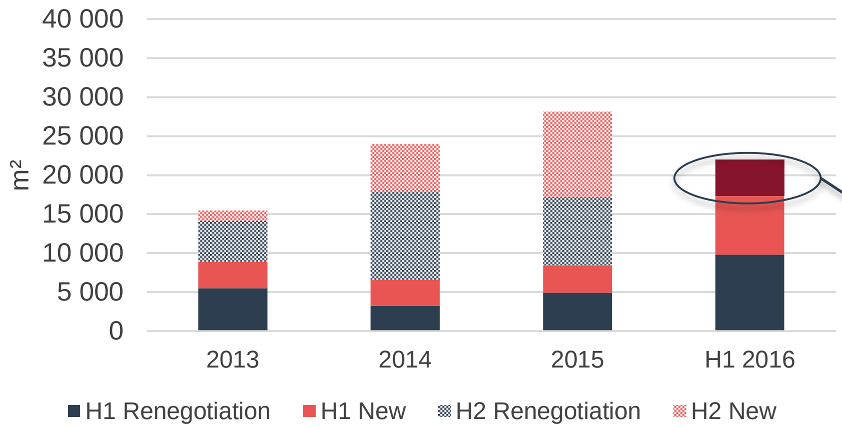
Figures as at 30 June 2016.

2. Quality office portfolio

H1 2016 lettings doubled compared to last year

Befimmo

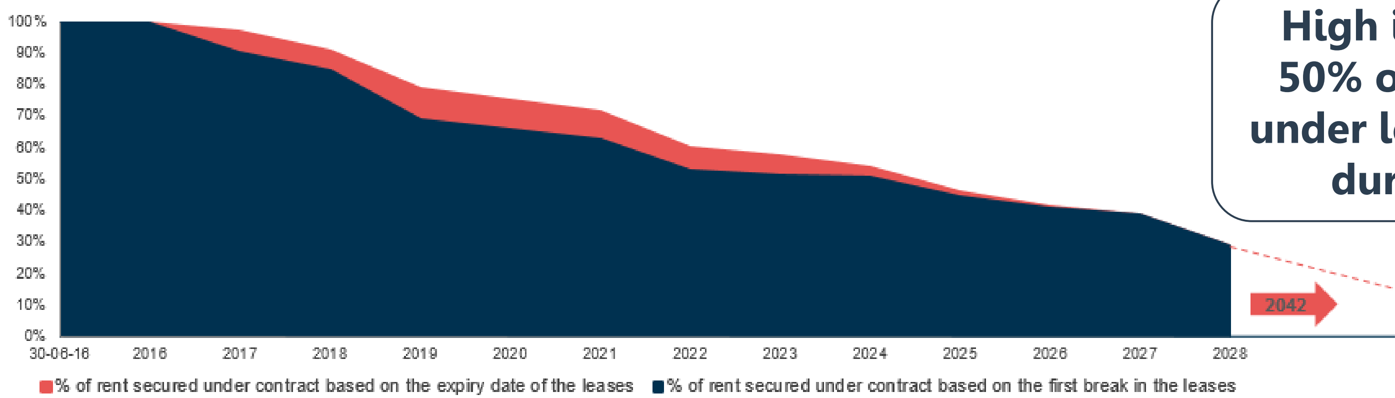
Letting activity in H1 2016



Excellent letting activity

- 17,322 m² of leases signed in H1 2016 (vs. 8,440 m² in H1 2015)
- €3.2 million of current rents in H1 2016
- Long-term agreement of 21 years with Interparking in the Brederode 9 building for 4,646 m² after H1 2016 close

Large proportion of rent guaranteed over time under contract (for ongoing and signed future leases) (in %)



High income visibility: 50% of income secured under leases with average duration >9 years

Figures as at 30 June 2016.

Key investment highlights

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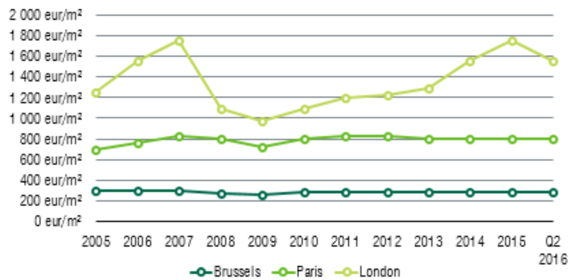
3. Identified value creating growth potential

Investment momentum for Befimmo

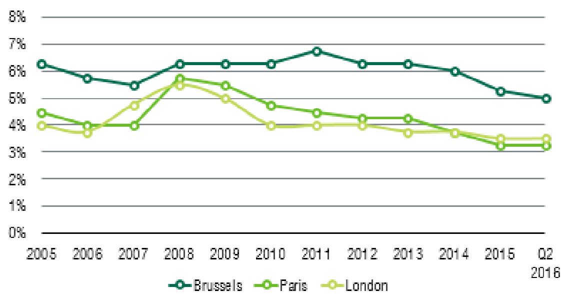
Befimmo

Resilient Brussels office market

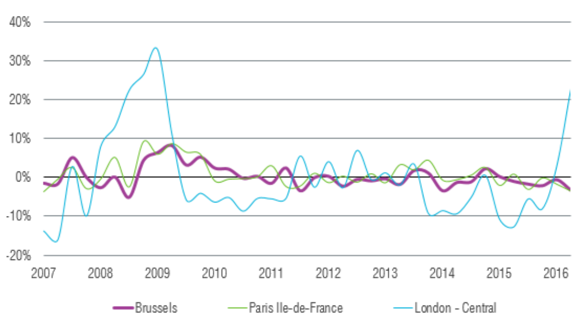
Rent evolution (in €/m²)



Yield evolution (in %)

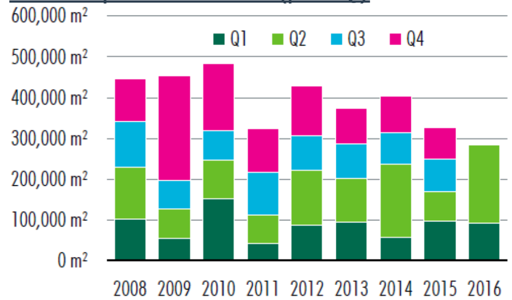


Vacancy evolution (Q/Q in %)

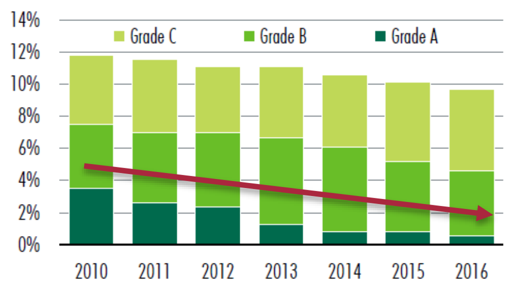


Market with decreasing vacancy, lack of Grade-A space and limited pipeline

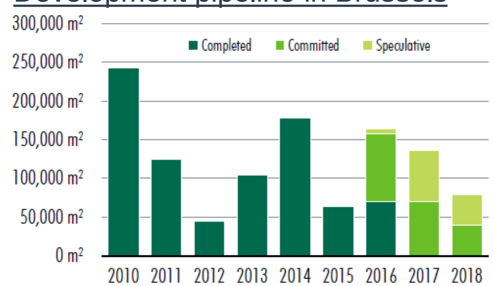
Take-up in Brussels (per Q)



Vacancy in Brussels (per Grade)



Development pipeline in Brussels



Befimmo's portfolio in the best locations of the Brussels office market, combined with its in-house proactive portfolio management and strict investment criteria, offer a unique platform with growth potential

Source of market information: CBRE

3. Identified value creating growth potential

Over €200 million of key projects

Befimmo

	Total investment (€ million)	Total realised investment as at 30 June 2016 (€ million)	Still to be invested* as at 30 June 2016 (€ million)		*Forecasts (in € million)* 2016	*2017*	*2018*
Quatuor Building	150	1.1	148.9		2.2	4.3	36.5
Gateway	148.3	100.7	47.6		45.7	-	-
Guimard	12.5	2.4	10.1		3.5	6.5	-
Key projects			**206.6**				
WTC IV	140	16.2	123.8	**	2.4	7.8	**
Paradis Express	50	0.4	49.6	**	0.5	1.5	9.8
Projects subject to preconditions			**173.4**				
Ikaros Business Park Phase I	10.9	2.6	8.3		0.9	3.1	4.3
Brederode Corner	13.7	0.1	13.6		0.2	4.1	9.0
Others (including energy investments)	NA	NA	NA		13.2	14.3	7.4
Other projects part of recurring business							

€ 207 M

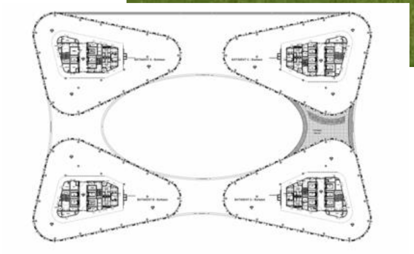
€ 173 M

** Committed and non committed*
***Amount according to commercialisation.*

3. Identified value creating growth potential

Quatuor Building: sizeable project with attractive returns

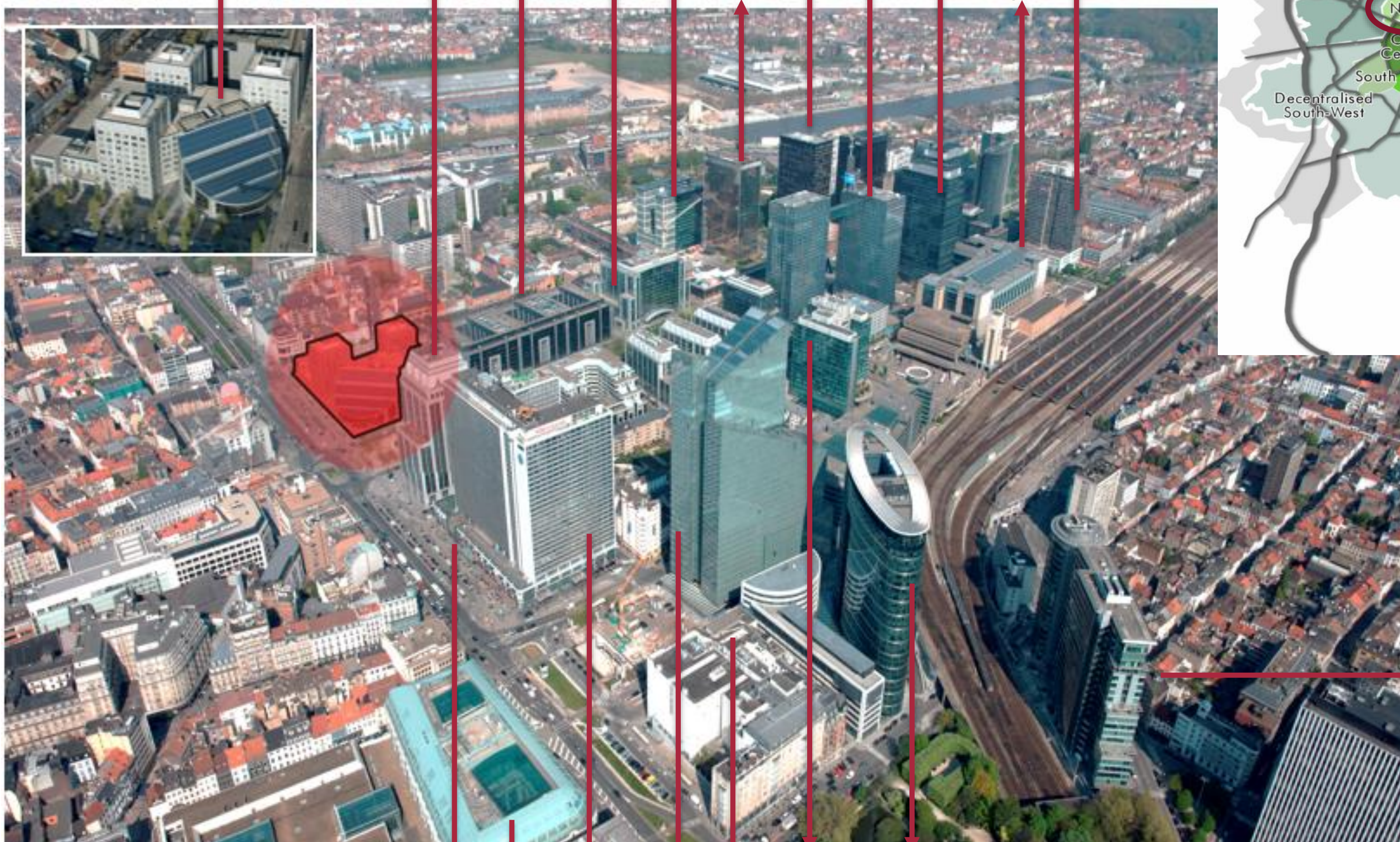
- Surface: 60,000 m² - 4 towers
- End of lease in current Noord Building at the latest January 2018
- Building permit expected beginning 2017
- Start of works early 2018, to last approximately 30 to 36 months
- Fully passive* office building
- BREEAM “Outstanding” in Design phase
- Indicative construction cost: €150 million
- Estimated gross initial yield on construction cost: >6.5%

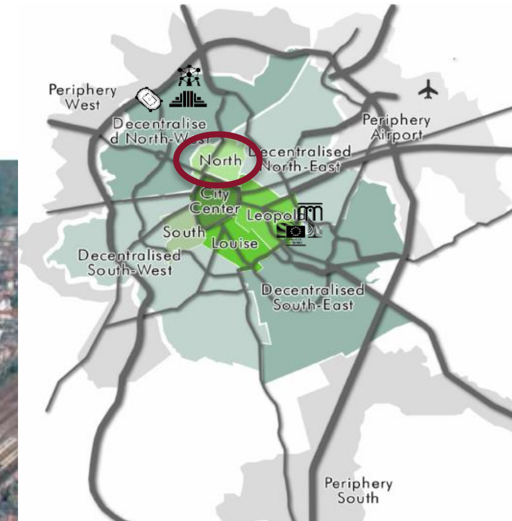


*According to Brussels regulation.

3. Identified value creating growth potential

Quatuor Building: one of the best locations in Brussels





3. Identified value creating growth potential

Ongoing projects, pursuing sustainable investment strategy

Befimmo

Gateway

- Acquisition/construction
- 34,000 m² off-plan
- Fully pre-let 18 years to Deloitte
- Handover and start of lease Q4 2016
- Gross initial yield of 4.65%
- Total investment amount of €148.3 million
- €47.6 million still had to be invested (as at 30 June 2016)
- BREEAM Design “Excellent”

Guimard

- Full renovation
- 5,370 m²
- Being commercialised
- End of works second quarter of 2017
- Total investment of €12.5 million
- €10.1 million to be invested (as at 30 June 2016)
- Aiming for BREEAM Design & Post Construction “Excellent”

3. Identified value creating growth potential

Ongoing and planned construction projects

Befimmo

WTC IV | Brussels

- Construction
- Surface: 53,500 m²
- Building permit implemented
- Works according to commercialisation
- Indicative investment of €140 million
- Expected gross initial yield on construction cost >6.5%
- BREEAM Design “Outstanding”

WTC IV
(currently a plot of land)

Paradis Express | Liège

- Construction
- Surface: 35,000 m² (20,000 m² of offices)
- Building permission process & start in ±2016/2017
- Disposal of residential part foreseen, office development according to commercialisation
- Indicative investment of €50 million
- Expected gross initial yield on construction cost >6.5%
- MIPIM Award “Best Futura Project”

Paradis Tower Offices Residential

3. Identified value creating growth potential

Value creation based on proven in-house knowhow

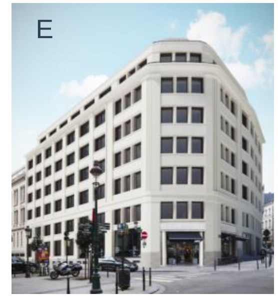
Befimmo

Project management team of 7 people

Property management team of 9 people

- 32,400 m²
- Brussels centre
- In portfolio since 2001
- Fully renovated in 2012
- Investment of €26 million
- 90% occupancy (3/6/9 leases)
- BREEAM Good

- 13,400 m²
- Brussels centre
- In portfolio since 2001
- Fully renovated in 2014
- Investment of €26 million
- Current rent of €2.7 million
- 15-year lease with Linklaters
- BREEAM Very Good



- 6,770 m²
- Brussels centre
- In portfolio since 2001
- 4,646 m² in 21 years usufruct with Interparking
- Start of lease Nov. 2016
- Total investment of €15 million

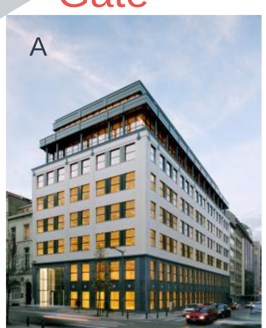
A Science-Montoyer

B Central Gate

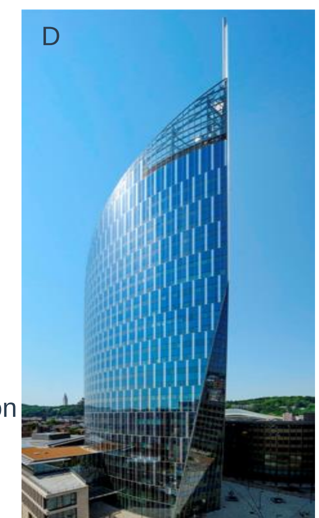
C Brederode 13

D Paradis Tower

E Brederode 9 & Namur 48



- 5,400 m²
- Brussels Leopold district
- In portfolio since 2006
- Fully renovated in 2011
- Investment of €10 million
- Yearly usufruct fee of €1.2 million
- 100% let to EU Parl. until 2033
- BREEAM Excellent



- 40,000 m²
- Land in portfolio since 2006
- Investment of €95 million
- Current rent of €6.0 million
- 100% let to the Buildings Agency until 2042
- BREEAM Excellent

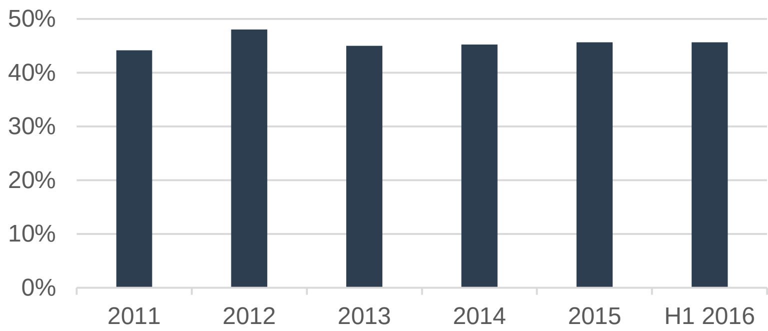
Key investment highlights

1. 20-year track record
2. Quality office portfolio
3. Identified value creating growth potential
4. Solid financial position
5. Confirmed 2016 dividend guidance

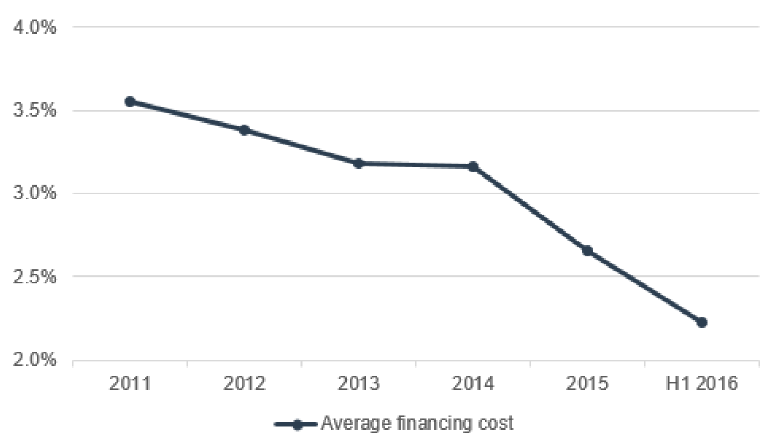
4. Solid financial position

Strong balance sheet

Evolution of LTV-ratio



Evolution of financing cost



Figures as at 30 June 2016.

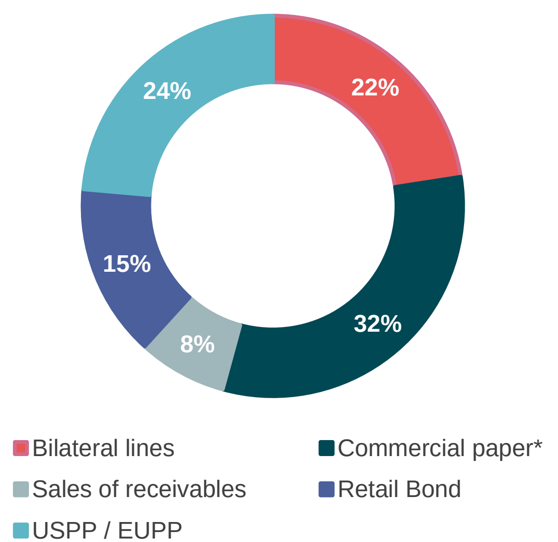
- LTV ratio of **45.64%**
- Debt ratio (according to the Royal Decree) of **48.53%**
- Average annualised financing cost (over the past 6 months): **2.23%**
- Weighted average duration of financing: **3.84 years**
- Hedging policy to hedge decreasing part of debt over a 10-yr period
- Hedge ratio of 100%
- BBB/Stable/A-2 rating by Standard & Poor's (as at 26 May 2016)
- Large remaining headroom to covenants

Reference is made to section 3.1 of the securities note for more information on the working capital

4. Solid financial position

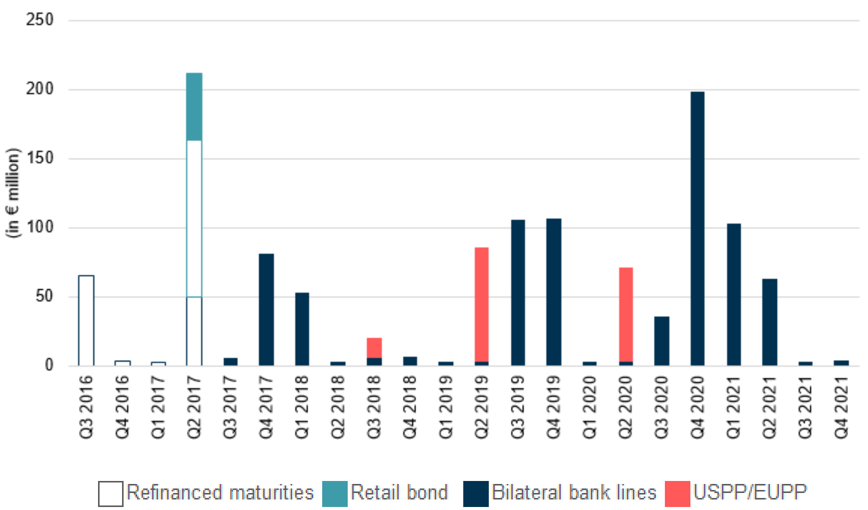
Diversified financing sources

Financing sources



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

Maturities of commitments



> Confirmed credit facilities: €1,361.8 million (€1,107.6 million in use)

> Bank line of €40 million signed after H1 2016 close

Figures as at 30 June 2016.

Key investment highlights

1. 20-year track record
2. Quality office portfolio
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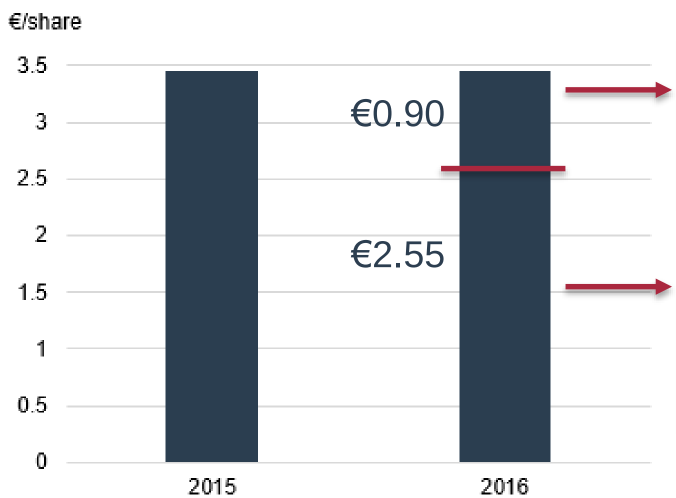
4. Strong financial position
5. Confirmed 2016 dividend guidance

5. Confirmed 2016 dividend guidance

as published in February 2016

> Confirmation of the 2016 dividend at €3.45 per share

	Realised	**Forecasts (including the offering)**		
	2015	**2016**	**2017**	**2018**
EPRA earnings in €/share	3.89	3.66	3.63	3.71
Average number of shares	*22 198 549*	*23 704 874*	*25 838 450*	*26 125 543*
Gross dividend* in €/share	3.45	3.45		



The existing shares and the new shares will have the right to a dividend *pro rata temporis* as from the closing date (27 September 2016) until 31 December 2016 (represented by coupon n°33)

The existing shares will have the right to a dividend *pro rata temporis* as from 1 January 2016 until the day before the closing date (27 September 2016) (represented by coupon n°32)

*Withholding tax of 27%

Key investment highlights

A strong investment case

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   > An integrated real-estate approach showing healthy and responsible growth
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   > Top city centre locations: 68% located in Belgian Central Business Districts
   > High occupancy rate (94%) and long duration of leases (8.3 years)
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   > Solid balance sheet
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   > €254.2 million of undrawn facilities (as at 30 June 2016)
5. Confirmed 2016 dividend guidance (€3.45 per share) as published in February 2016

Prospectus

> On 13 September 2016, the Financial Services and Markets Authority (FSMA) approved the securities note and the summary.

> The prospectus, which is composed of the securities note (and the documents incorporated by reference therein), the registration document and the summary, are made available to investors as from Thursday 15 September 2016 at no cost at Befimmo's registered offices, as well as at their temporary address (Avenue Arnaud Fraiteur 15/23, 1050 Brussels). The prospectus is available for consultation on www.befimmo.be and may be obtained free of charge from Befimmo, ING Bank NV/SA (ing.be/equitytransactions), Kempen & Co (ECM@kempen.com), Belfius Bank NV/SA (www.belfius.be/befimmo), BNP Paribas Fortis (www.bnpparibasfortis.be/sparenenbeleggen and www.bnpparibasfortis.be/epargneretplacer) and KBC Securities SA/NV (www.kbc.be/corporateactions).

> The registration document has been prepared and is available in French, Dutch and English. The securities note has been prepared and is only available in English. The summary has been prepared in English and has been translated into Dutch and French, and is therefore available in English, Dutch and French. In case of inconsistencies between the versions in different languages, the English version will prevail since it is the sole legally binding version.

Questions?

Befimmo

Q & A

Appendices

1. Governance & share
2. Portfolio
3. Financials
4. BE-REIT status
5. Main risks relating to the offering

1. Governance & share

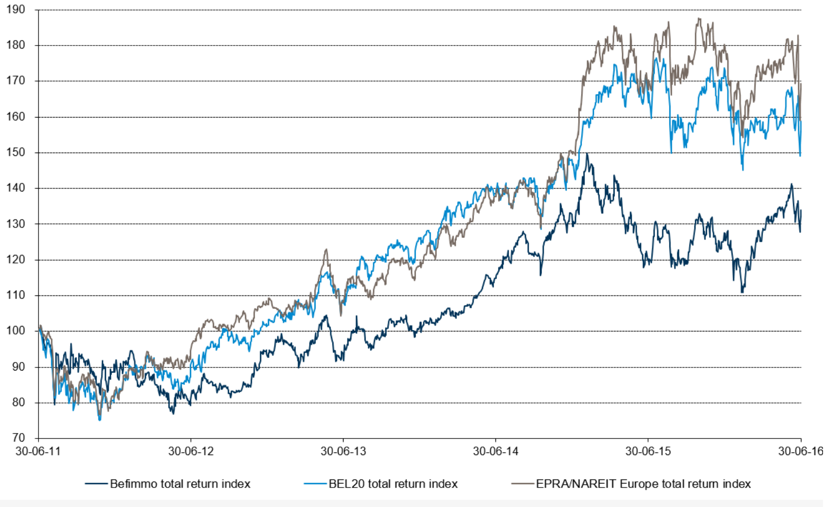
Transparent company

- BE-REIT status (SIR/GVV)
- Limited-Liability Company | fully transparent
- 3-year EPRA earnings guidance
- Board of Directors: 10 Directors of which 5 independent
- Experienced and stable executive management
- Professionalism, commitment and team spirit: Befimmo's founding values
- Transparent governance and communication
  (EPRA Gold Award Financial and Sustainability Reporting)

1. Governance & share

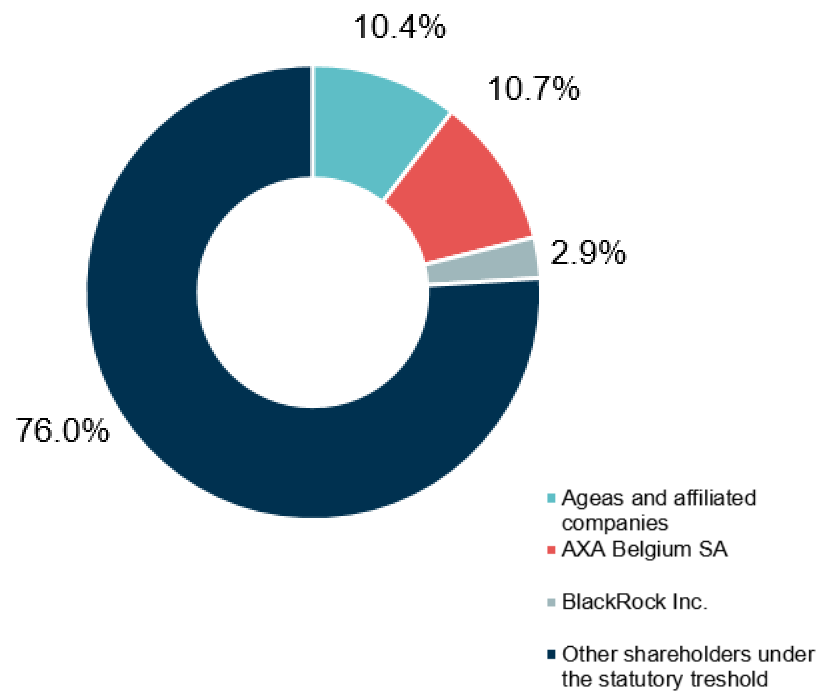
Attractive returns and stable shareholding

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



- > Market cap: €1.3 billion
- > Gross return YTD: 6.8%*
- > Free float velocity over H1 2016: 51%**

Shareholding structure



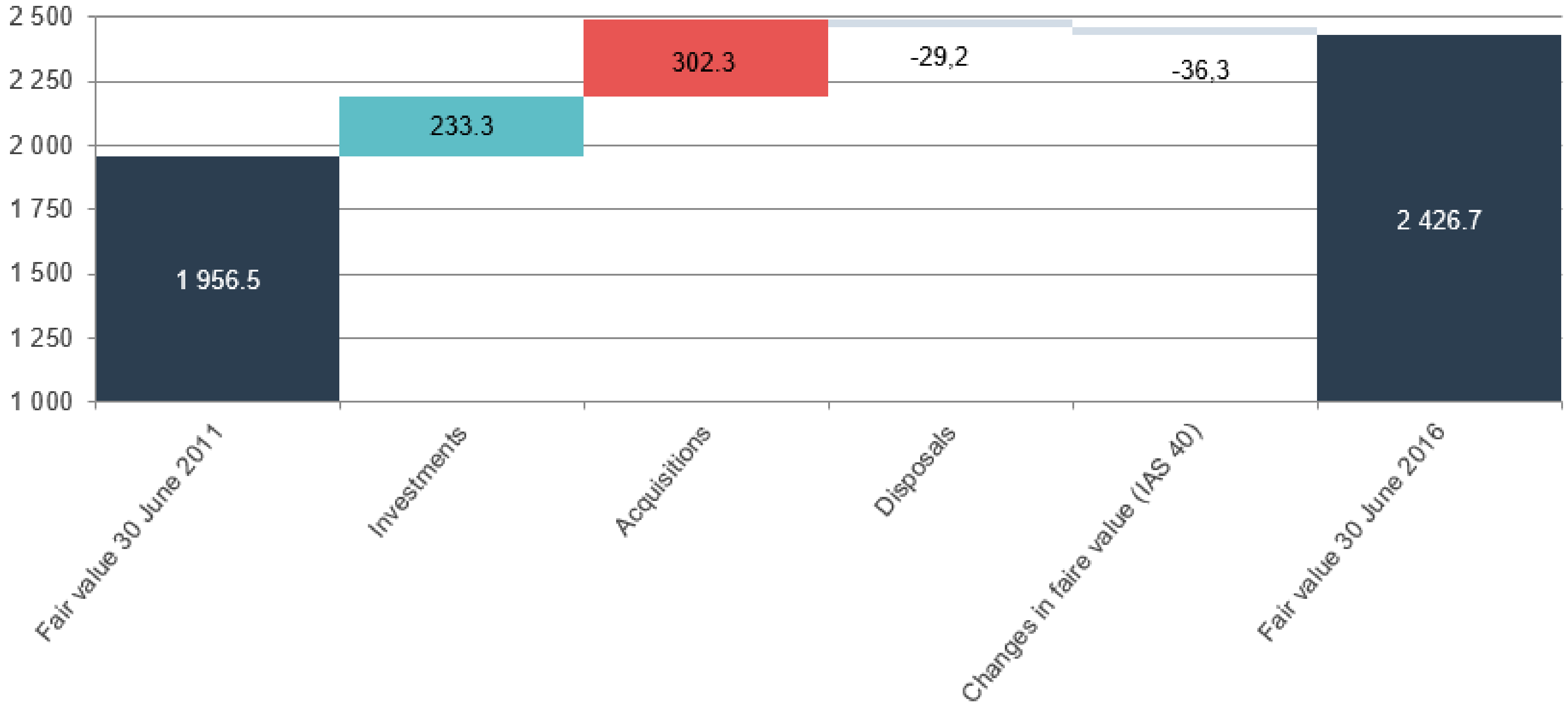
Based on the transparency declarations or based on the information received from the shareholder as at 30 June 2016.

*Source: Bloomberg.
** Source: Bloomberg. Based on trading on all platforms.
Figures as at 30 June 2016.

2. Portfolio

Evolution of fair value of portfolio over 5 years

In € million



2. Portfolio

EPRA indicators and yield evolution

EPRA performance indicators

	30.06.2016	31.12.2015	30.06.2015
EPRA Net Initial Yield (NIY)	5.74%	5.78%	5.73%*
EPRA Topped-up NIY	5.88%	5.91%	5.83%*
EPRA Like-for-Like Net Rental Growth	-0.49%	1.16%	-0.49%
EPRA Vacancy Rate	6.88%	6.35%	6.84%

**The figures published in the Half-Yearly Financial Report 2015 were adapted to take into account the annualisation of the "property outgoings".*

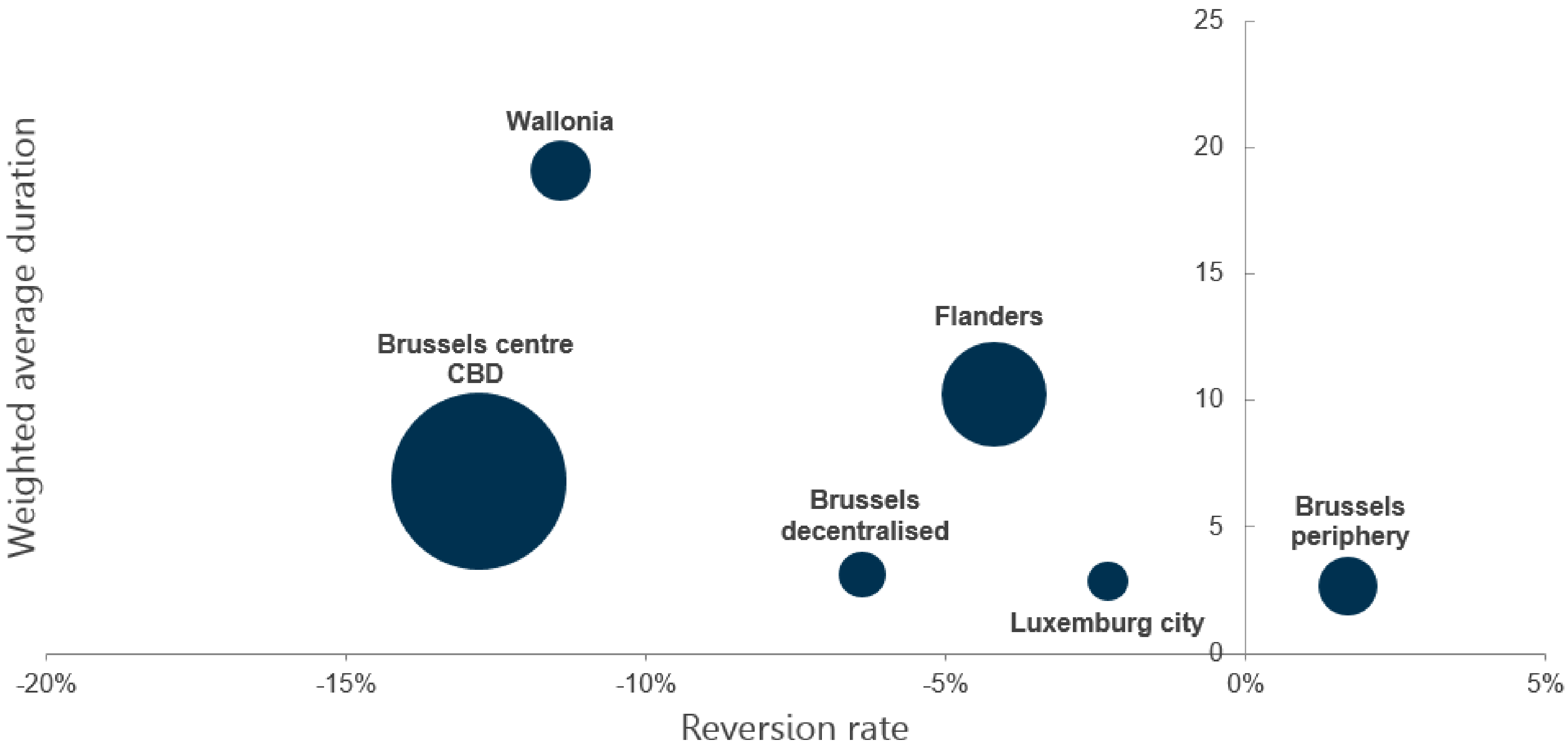
Overall gross rental yield

	Properties available for lease			Investment properties***		
	30.06.2016	31.12.2015	30.06.2015	30.06.2016	31.12.2015	30.06.2015
Intial yield*	6.19%	6.19%	6.19%	5.87%	5.90%	5.95%
Potential yield**	6.61%	6.58%	6.61%	6.35%	6.32%	6.37%

**The initial yield is the overall rental yield on current rents.*
***The potential yield is the overall rental yield on current rent plus the estimated rental value of vacant space.*
****Taking into account the properties that are being constructed or developed for own account in order to be leased.*

2. Portfolio

Reversion rate



Figures as at 30 June 2016.

3. Financials

H1 financial key figures

	30.06.2016	31.12.2015
Shareholders' equity (in € million)	1 252.84	1 265.29
Net asset value (in € per share)	54.42	54.96
EPRA NAV (in € per share)	55.60	54.91
EPRA NNNAV (in € per share)	53.65	54.30
Average annualised financing cost (in %)*	2.23%**	2.66%
Weighted average duration of debts (in years)	3.84	3.99
Debt ratio according to the Royal Decree (in %)	48.53%	48.37%
Loan-to-value (in %)***	45.64%	45.66%

	30.06.2016 (6 months)	30.06.2015 (6 months)
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 during the period	*23 021 293*	*22 138 280*
Net result (in € per share)	0.41	2.47
Net current result (in € per share)	1.89	2.00
EPRA earnings (in € per share)	1.89	1.95
Return on shareholders' equity (in €)****	2.22	3.83
Return on shareholders' equity (in %)****	4.10%	7.14%

**Including margin and hedging costs.*

***Calculated over a 6-month period ending at the closing of the quarter.*

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

*****Calculated over a 6-month period ending at the closing of the half-year, taking into account the gross dividend reinvestment and the participation in the optional dividend.*

3. Financials

H1 condensed consolidated P&L (IFRS)

(€ thousand)	**30.06.2016**	**30.06.2015**
Net rental result	67 984	71 000
Net property charges	-8 372	-7 294
Property operating result	**59 612**	**63 706**
Corporate overheads	-4 226	-4 119
Other operating income & charges	- 162	-1 448
Operating result before result on portfolio	**55 224**	**58 139**
Operating margin	***81.2%***	***81.9%***
Gains or losses on disposals of investment properties	12	971
Net property result	**55 236**	**59 110**
Financial result (excl. changes in fair value of financial assets and liabilites)	-11 134	-14 566
Corporate taxes	- 590	- 633
Net result before changes in fair value of investment properties and financial assets and liabilities	**43 512**	**43 911**
Changes in fair value of investment properties	-5 791	-1 083
Changes in fair value of financial assets and liabilities	-28 372	11 890
Changes in fair value of investment properties & financial assets and liabilities	**-34 163**	**10 806**
Net result	9 348	54 718
Net current result	43 512	44 175
EPRA earnings	43 499	43 203
Net result (€/share)	**0.41**	**2.47**
Net current result (€/share)	**1.89**	**2.00**
EPRA earnings (€/share)	**1.89**	**1.95**
Average number of shares not held by the group	*23.021.293*	*22.138.280*

3. Financials

H1 consolidated condensed balance sheet

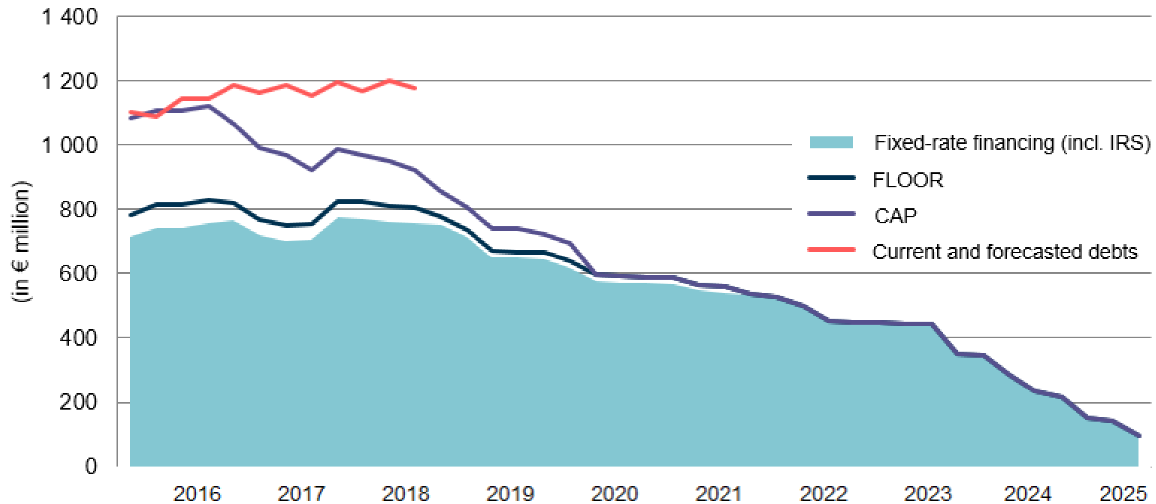
(in € million - consolidated figures)	30.06.2016	31.12.2015
Investment and held for sale properties	2 426.7	2 388.3
Other assets	105.0	111.9
Total assets	**2 531.7**	**2 500.2**
Shareholders' equity	1 252.8	1 265.3
Financial debts	1 139.0	1 123.9
non current	568.4	659.4
Current*	570.6	464.5
Other debts	139.8	111.0
Total equity & liabilities	**2 531.7**	**2 500.2**
LTV	**45.64%**	**45.66%**

**€351 million of commercial paper which was in use for short term issues at 30 June 2016 (with backup facilities) and retail bond of €162 million to be reimbursed in April 2017.*

Financial structure: hedging policy

Evolution of the portfolio of hedging instruments and fixed-rate debts (as at 30 June 2016)

- Hedge ratio : 100%
- Fixed rate financing (incl. IRS) : 67%



Annual average		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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)	741	723	767	692	604	556	503	446	304	150
	Average rate[a] (in %)	1.21%	1.06%	1.01%	1.03%	1.09%	1.07%	1.00%	0.91%	0.92%	0.98%

[a] *Average fixed rate excluding credit margin.*

4. BE-REIT status

Main characteristics

> Specific regulation and high degree of transparency, accounts in IFRS

> Real-estate assets quarterly valued by independent real-estate experts

> Regulated by the Financial Services and Markets Authority (FSMA)

> Risk diversification: maximum 20% of portfolio invested in one property unit

> Listing on stock exchange, minimum free float of 30%

> Debt ratio <65% (internal LTV ratio around 50%)

> Distribution of 80% of “cash flows” as dividend

> “Tax transparency”: reduced base for corporation tax, taxation at investor level (withholding tax)

5. Main risks related to the offering

The market price of the Shares or the Priority Allocation Rights could be negatively affected by actual or anticipated sales of substantial numbers of Shares or Priority Allocation Rights.

Sales of a substantial number of Shares or Priority Allocation Rights in the public markets, or the perception that such sales might occur, could cause the market price of the Shares or Priority Allocation Rights to decline. The Issuer cannot make any prediction as to the effect of any such sales or perception of potential sales on the market price of the Shares or Priority Allocation Rights.

The market price of the Shares may be volatile and could decrease, which may lead to the Company's shareholders not being able to sell their Shares at a price equal to or above the Issue Price.

From time to time, publicly traded securities experience significant price fluctuations that may be unrelated to the actual financial performance of the companies that have issued them. The market price of the Shares may be volatile as a result of various factors, many of which are beyond the Issuer's control. Therefore, the Issuer cannot make any prediction about the market price of the New Shares.

The Shares may not be traded actively, and there is no assurance that the Offering will improve the trading activity.

On 31 December 2015, the velocity of the free float was 116%* (calculated over a twelve (12)-month period); on 30 June 2016, it was 51%* (calculated over a six (6)-month period). The Offering will result in an increase of the number of outstanding Shares. The Issuer cannot make any predictions as to the effect of the Offering on the liquidity of the Shares in the short or long term. Reduced liquidity may lead to difficulties to sell the Shares and may lead to a discounted market price for the Shares.

Future dividends declared by the Issuer and/or the dividend yield on the Shares may be less than historically paid.

The level of future dividends will be determined on the basis of the available profits which may vary over time. The historical amounts of dividend payments and dividend yield are not necessarily predictive of future dividend payments and/or dividend yield on the Shares.

There is no assurance that a trading market will develop for the Priority Allocation Rights. If a market does develop, the market price for the Priority Allocation Rights may be subject to greater volatility than the market price for the Shares.

The Priority Allocation Rights relating to Existing Shares are expected to be traded on Euronext Brussels from 15 September 2016 to 22 September 2016 (included). There is no assurance that an active trading market in the Priority Allocation Rights will develop or will be sustained during that period. If an active trading market fails to develop or be sustained, the liquidity and market price of the Priority Allocation Rights may be adversely affected.

There is no minimum amount for the Offering.

The Issuer has the right to proceed with a capital increase in an amount lower than the maximum amount. No minimum amount has been set for the Offering. The actual number of New Shares subscribed for through the exercise of Priority Allocation Rights as well as through the Scrips Private Placement will be confirmed in press releases. If the Offering is not fully subscribed, a lower number of New Shares will be available for trading in addition to the Existing Shares.

Existing Shareholders will experience dilution as a result of the Offering if they do not or could not exercise their Priority Allocation Rights in full.

To the extent that an Existing Shareholder fails to exercise the Priority Allocation Rights allocated to it in full by the closing of Euronext Brussels on the last day of the Subscription Period, its *pro rata* ownership and voting interest in the Issuer will be diluted. An Existing Shareholder may also be diluted to the extent that the number of Priority Allocation Rights it is granted does not entitle it to a round number of New Shares in accordance with the Ratio, unless such Existing Shareholder purchases additional Priority Allocation Right(s) on the secondary market and exercises such Priority Allocation Right(s) accordingly. In addition, Existing Shareholders who fail to exercise their Priority Allocation Rights may be subject to financial dilution.

*Source: Bloomberg. Based on trading on all platforms.

5. Main risks related to the offering

Priority Allocation Rights not exercised during the Subscription Period will become null and void.

Any Priority Allocation Right not exercised by the closing of Euronext Brussels on the last day of the Subscription Period will become null and void and will automatically convert into an equal number of Scrips. Each holder of an unexercised Priority Allocation Right at the closing of the Subscription Period will be entitled to receive a proportional part of the Net Scrips Proceeds, unless the Net Scrips Proceeds divided by the number of unexercised Priority Allocation Rights is less than EUR 0.01. There is, however, no assurance that any Scrips will be sold during the Scrips Private Placement or that there will be any such Net Scrips Proceeds.

Withdrawal of subscription in certain circumstances may not allow sharing in the Net Scrips Proceeds and may have other adverse financial consequences.

Subscriptions to New Shares are binding and irrevocable. However, if a supplement to the Prospectus is published, subscribers in the Offering will have the right to withdraw subscriptions made by them prior to the publication of the supplement. Such withdrawal must be made within the time limits set forth in the supplement. Any Priority Allocation Rights or Scrips in respect of which the subscription has been withdrawn as permitted by law following the publication of a supplement to the Prospectus shall be deemed to have been unexercised for purposes of the Offering. Accordingly, holders of such unexercised Priority Allocation Rights shall be able to share in the Net Scrips Proceeds. Subscribers withdrawing their subscription during or after the Scrips Private Placement will not be entitled to share in the Net Scrips Proceeds and will not be compensated in any other way.

Termination of the Offering pursuant to a decision of the Issuer will result in the Priority Allocation Rights becoming null and void.

The Company reserves the right to terminate or suspend the Offering in certain circumstances. If the Board of Directors decides to terminate the Offering, the Priority Allocation Rights (and the Scrips, as the case may be) will become null and void. Investors will not be compensated.

Termination of the Underwriting Agreement could have a material adverse effect on the market price and underlying value of the Shares.

An Underwriting Agreement is expected to be entered into between the Underwriters and the Issuer immediately after closing of the Scrips Private Placement and prior to delivery of the New Shares. The Underwriting Agreement will entitle the Global Coordinators, acting on behalf of the Underwriters, to terminate the Underwriting Agreement under certain circumstances.

If the Underwriting Agreement is terminated prior to the start of trading of the New Shares, the Issuer will publish a supplement to the Prospectus. The termination of the Underwriting Agreement, the circumstances giving rise to such termination, or the publication of a supplement to the Prospectus could have a material adverse effect on the market price of the Shares, regardless of the Issuer’s actual results of operations and financial condition.

A substantial decline in the market price of the Shares may result in the Priority Allocation Rights having a reduced or no value.

If there is a substantial decline in the market price of the Shares, this may have a material adverse effect on the market price of the Priority Allocation Rights. Any volatility in the market price of Shares may also adversely affect the market price of the Priority Allocation Rights and the Priority Allocation Rights may as a result have a reduced or no value.

Investors outside of Belgium may be restricted, pursuant to securities laws applicable in the jurisdictions in which they are located, from participating in the Priority Offering, and may be subject to dilution or other financial adverse consequences.

The Priority Allocation Rights and the New Shares are being publicly offered only in Belgium through the publication of the Prospectus. The Issuer has not registered the New Shares or the Priority Allocation Rights under the securities laws of any other jurisdiction, including but not limited to the United States, Japan, Canada and Australia, and does not intend to do so. The Priority Allocation Rights and the New Shares may not be offered or sold in any jurisdiction in which the registration or qualification of the Priority Allocation Rights or the New Shares for sale or for subscription is required but has not taken place, including but not limited to the United States, Japan, Canada and Australia, unless an exemption from the applicable registration or qualification requirements is available. Investors outside Belgium may therefore not be entitled to purchase, sell, or otherwise transfer Priority Allocation Rights, or to purchase, sell, otherwise transfer or subscribe for New Shares and as a consequence may be subject to dilution or other adverse financial consequences as a result of the Priority Offering.

5. Main risks related to the offering

The Company may in the future increase its share capital. Investors may not be entitled to participate in future capital increases, and may be subject to dilution.

The Issuer may decide in the future to increase its share capital by various means with or without transfer and selling restrictions, and with or without preferential subscription rights or priority allocation rights. Belgian law and the Articles of Association grant preferential subscription rights to the Company's shareholders in case of a share capital increase in cash, unless such rights are disapplied by a resolution of the shareholders' meeting or the Board of Directors, if so authorised by a resolution of the shareholders' meeting. Pursuant to the BE-REIT Law, such preferential subscription rights may only be dissapplied if replaced by a priority allocation right offered to the existing shareholders pro rata to their participation in the share capital of the Issuer. Additionally, certain investors residing outside of Belgium may also not be able to participate in future capital increases unless the securities offered are registered or qualified for sale under the relevant securities laws. Therefore, a risk exists that investors may be subject to dilution of voting rights and pro rata ownership in the Issuer's share capital.

Investors should not place undue reliance on forward-looking statements, as such information could differ materially from the actual results.

The Prospectus includes the Issuer's EPRA earnings outlook with respect to financial years 2016, 2017 and 2018 and dividend forecast for the financial year 2016. The forecasts are based on a number of assumptions and estimates, which, while considered reasonable by the Issuer on the date of the Registration Document, are inherently subject to significant business, operational, economic and other risks and uncertainties, many of which are beyond the Issuer's control.

The forecasts with respect to financial years 2016, 2017 and 2018 are forward-looking and involve known and unknown risks, estimates, assumptions and uncertainties which could cause actual results to differ materially from those expressed in the forecasts. New factors will emerge in the future and it is not possible for the Issuer to predict such factors. In addition, the Issuer cannot assess the impact of each factor on the Issuer's business or the extent to which any factor, or combination of factors, may cause its actual results of operations to differ materially from those described in the forecasts.

The last forecasts were released on 18 February 2016 in the press release relating to the Issuer's annual results 2015 and also appears on pages 69 to 74 of the Registration Document. It contained forecasts on EPRA earnings for financial years 2016, 2017 and 2018 and on the dividend for the financial year 2016.

In the context of this Offering, the Issuer has reviewed these forecasts to include the expected effects on income, charges, assets, shareholders' equity and liabilities of significant changes of the assumptions in terms of, among others, rentals, disposals and of the related financings which took place since February 2016 and until the date of publication of the Securities Note and which were not included in the original forecasts. This review has confirmed that the forecasts published on 18 February 2016 are still accurate, without taking into consideration the impact of the Offering on the financial costs and the number of issued Shares.

Because assumptions, estimates and risks could cause the results to differ materially from those expressed in the forecasts, investors should not place undue reliance or importance on such information.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Shares are legal investments for it, (ii) the Shares can be used as collateral for various types of borrowing, or (iii) other restrictions apply to its purchase or pledge of any Shares. Applicable foreign securities laws may limit the ability of certain investors and shareholders to participate in the Offering or to own, purchase or sell the New Shares.

Shareholders in jurisdictions with currencies other than the Euro face additional investment risk from currency exchange rate fluctuations in connection with their investment in the Priority Allocation Rights or the Shares.

The Priority Allocation Rights and the Shares are denominated and quoted in Euro only and any future payments of dividends on the Shares will be denominated in Euro. An investment in the Priority Allocation Rights or the Shares by an investor whose principal currency is not Euro may expose the investor to currency exchange rate risk, which may adversely affect the value of its investment in the Priority Allocation Rights or the Shares.

5. Main risks related to the offering

If securities or industry analysts do not publish research reports about the Issuer's business or industry, or if such analysts change their recommendation regarding the Shares adversely, the market price and trading volume of the Shares could decline.

The trading market for the Shares may be influenced by the research reports that securities or industry analysts publish about the Issuer's business or industry. If one or more of the analysts who cover the Issuer's business or industry downgrades the Shares, the market price of the Shares could decline. If one or more of these analysts ceases to cover the Issuer's business or industry or fail to regularly publish reports on it, the Issuer's profile in the financial markets could become less prominent, which could cause the market price of the Shares or trading volume to decline.

Any sale, purchase or exchange of the Shares may become subject to the Financial Transaction Tax.

On 14 February 2013, the European Commission published a proposal (the "**FTT Commission Proposal**") for a directive on a common financial transaction tax in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.

The FTT Commission Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Shares (including secondary market transactions) in certain circumstances. The issuance and subscription of the New Shares should, however, be exempt.

Investors' rights as shareholders will be governed by Belgian law and may differ in some respects from the rights of shareholders in other companies under the laws of other countries.

The Issuer is a limited liability company (*société anonyme / naamloze vennootschap*) and a regulated real estate company (*société immobilière réglementée / gereglementeerde vastgoedvennootschap*) organised under the laws of Belgium. The rights of holders of the Shares are governed by Belgian law and by the Articles of Association. These rights may differ in material respects from the rights of shareholders in companies organised outside of Belgium. In addition, it may be difficult for investors to prevail in a claim against the Issuer or to enforce liabilities predicated upon the securities laws of jurisdictions outside of Belgium and, in general, for investors outside of Belgium to serve process on or enforce foreign judgments against the Issuer, its directors, executive officers or managers.

It may be difficult for investors outside Belgium to serve process on or enforce foreign judgments against the Issuer in connection with the Offering.

As the Issuer is incorporated in Belgium, it may be difficult for investors outside of Belgium to serve process on or enforce foreign judgments against the Issuer, its directors, executive officers or managers in connection with the Offering.

Several provisions of Belgian law and actions by the Board of Directors may create hurdles to unsolicited tender offers, mergers, change in management or other change of control.

There are several provisions of the Belgian Company Code and Belgian law that may discourage potential takeover attempts and could thereby adversely affect the market price of the Shares. In addition, the Belgian Company Code allows the Board of Directors, in certain circumstances, and subject to prior authorisation by the Company's shareholders, to take actions aimed at deterring or frustrating public takeover bids. Hurdles to successfully effecting a takeover bid may also deprive shareholders of the possibility to sell their Shares at a premium.

Reliance on the procedures of Euroclear.

The New Shares will be dematerialised shares and will be delivered in book-entry form through the settlement system of Euroclear, the Belgian central securities depository, except for the New Shares subscribed for by registered shareholders that will be delivered in the form of registered Shares recorded in the Issuer's Share register. Transfers of Shares in dematerialised form will be effected between participants to Euroclear in accordance with their respective rules and operating procedures. Neither the Issuer nor any of the Underwriters will have any responsibility for the proper performance by Euroclear and its participants (other than the relevant Underwriter itself) of their obligations under their respective operating rules and procedures. Source: Bloomberg. Based on trading on all platforms.

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