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HALF-YEARLY ACCOUNTS – 1 OCTOBER 2008 TO 31 MARCH 2009

Befimmo

Société en Commandite par Actions

CREATING VALUE IN REAL ESTATE

- Value of portfolio holding firm over second quarter (-0.24%)
- Substantial rise in net current cash flow per share (+19%)
- "Paradis" public contract awarded
- Capital increase in prospect

The Board of Directors of Befimmo SA, managing agent of the Befimmo SCA Sicafi, met on 11 May 2009 to prepare the consolidated half-yearly financial statements of the Befimmo Sicafi as of 31 March 2009.

REAL ESTATE PORTFOLIO

Changes in value of the property portfolio

Over the first half of 2009, the value of the consolidated portfolio, excluding investments and disinvestments, fell by 2.65%. This drop took place mainly in the first quarter (-2.41%) after which the value held firm in the second quarter (-0.24%).

In the current European context, this is still a very limited drop in value reflecting the quality of the portfolio (mainly located in Brussels' CBD) let long-term (average term of leases: 9.7 years) to highly rated tenants (proportion of public institutions: 65.8%). Befimmo has a defensive profile in the Brussels market which is itself defensive, having been quite stable in relation to other major European markets.[1]

Taking account of the disposals and investments made over the first half-year, the total value[2] of the consolidated portfolio is now €1 849.2 million as of 31 March 2009, as compared with €1 886.5 million as of 30 September 2008.

[1] Source : CB Richard Ellis (31 March 2009)

[2] These values are established in accordance with standard IAS 40 which requires investment property to be booked at "fair value". "Fair value" is obtained by deducting from the "investment value" the average costs for transactions recorded over the past three years, corresponding to 2.5% for property worth more than €2.5 million and 10% (Flanders) or 12.5% (Wallonia) for property worth less than €2.5 million.

The following table gives the values of the consolidated Befimmo portfolio by geographical area.

CHANGES IN VALUES (Consolidated portfolio) (as of 31.03.09 - in millions of €)	31.03.08	30.09.08	31.03.09
OFFICE BUILDINGS	**1 757.2**	**1 886.5**	**1 849.2**
Brussels centre (CBD)	1 054.5	1 095.0	1 083.0
Brussels decentralised	153.6	151.4	143.6
Brussels suburbs	184.6	179.6	170.1
Flanders	271.4	367.4	360.3
Wallonia	93.1	93.1	92.2
Others	**30.3**	**-**	**-**
TOTAL	**1 787.5**	**1 886.5**	**1 849.2**

The Befimmo portfolio comprises both investment properties and properties held for sale.

As of 31 March 2009, the overall rental yield of the consolidated portfolio for ongoing lets is 6.43% while the overall rental yield including estimated rental value of vacant premises is 6.70%.

Portfolio occupancy rate

The occupancy rate[3] of the investment property as of 31 March 2009 was 93.8% as compared with 97.3% as the fiscal year opened. This forecast reduction is due mainly to Belgacom's departure at the end of the lease (on 31 December 2008) from the Impératrice building, where major renovation work has already begun. Excluding this building, the occupancy rate would be 96.0%.

As it has always done in the past, Befimmo is endeavouring to attract new tenants to its portfolio and to foster rental customers' loyalty by continuing to pay particular attention to their well-being and satisfaction. During the first half-year, Befimmo signed leases relating to 5 386 m² of office space and multipurpose premises with important tenants such as the European Parliament, Axima, Casterman, etc.

Completion of major renovation work

Befimmo has completed two major renovation programmes:

World Trade Center – Tower 2

The Buildings Agency (Belgian Government) occupied Tower 2 of the World Trade Center on 1 January 2009, as agreed in late 2005 as part of the transfer of the leases from La Poste to the Buildings Agency. The total cost of the work was €22.4 million.

Extension Justice

The 20.5-year lease agreed in June 2007 with the Belgian Government for renting the Extension Justice building came into effect on 1 March 2009. The major renovation of the building cost €26.9 million.

[3] *Occupancy rate = current rent (including space let but for which the lease has yet to begin) / (current rent + estimated rental value for vacant premises). This occupancy rate is calculated taking account of all the property in the portfolio, excluding the investment project in Luxembourg to be handed over in mid-2009 and for which Befimmo has a rental guarantee for 18 months from the handover date.*

“Paradis” public contract awarded

On 30 March 2009 the Buildings Agency notified the award to Fedimmo SA (a 90% subsidiary of Befimmo SCA) of the contract as developer of a project to provide a building to house the Federal Public Service Finance in Liège. It is a project to redevelop the Fedimmo site at rue Paradis in Liège opposite the new high-speed rail station (Liège-Guillemins), erecting a new office building, as soon as the permits are obtained, to house a number of Federal Public Service Finance departments. The building works (with an all-in cost of €91.1 million) is scheduled to take place during 2011. Fedimmo already has a lease agreement with the Buildings Agency, with a 25-year fixed term, starting on 1 June 2013. The initial annual rent is €5,428,367.24. It will be indexed each year on the anniversary of the lease and for the first time in 2014, using the health index with a base of November 2008.

Befimmo joins the Bel 20 index

At the close of trading on 2 March 2009, Befimmo joined the Bel 20 index with a weighting on that date of 1.83%. Befimmo easily satisfies Euronext’s market capitalisation and velocity criteria for membership of the index. This should give Befimmo more visibility and liquidity.

CONSOLIDATED KEY FIGURES (as of 31.03.09)

CONSOLIDATED KEY FIGURES	31.03.08	30.09.08	31.03.09
Debt ratio (%)	48.13	46.90	49.43
Return on equity (%) (annual basis)(1)	13.60	5.76	-3.61
Investment capacity (million €)	953.9	1 005.9	864.3
Value of portfolio (million €)	1 787.5	1 886.5	1 849.2
Shareholders' equity (million €)	951.4	966.8	857.6

KEY FIGURES PER SHARE – GROUP SHARE	31.03.08	30.09.08	31.03.09
Book value (€) (group share)	72.86	74.03	65.67
Share price (€)	77.00	71.53	59.98
Net cash flow (€)(2) (group share)	2.67	4.58	2.51
Net result (€) (group share)	3.28	4.45	-3.81
Gross dividend (€)	4.51	4.55	4.60(3)
Gross yield(4) (%)	5.86	6.36	7.67
Return (€)(5)	9.26	4.11	-2.63

(1) The annual return is the latest gross dividend distributed during the period plus the growth in inventory value over the past 12 months, divided by the inventory value one year earlier.
(2) The net cash flow is the net earnings before depreciation, write-downs and provisions.
(3) Estimated dividend figure for the 2008/2009 fiscal year, at a constant floor area of equity (cf. Annual report 2008).
(4) Gross dividend divided by the share price as of 31 March 2009.
(5)The earnings per share correspond to the change in book value per share over one year plus the gross dividend distributed during that year.

TREND OF EARNINGS AND BOOK VALUE

The first half of the fiscal year was characterised by good operational performance (rental income up by more than 5% on last year, property operating result in line with forecasts and low interest charges following the reduction in rates). This trend results in a **net current cash flow**[4] substantially higher than for the same period last year (+€5.2 million, or +19%) and the forecasts.

The half-year accounting result reflects the crisis in the financial and real-estate markets. For instance, it is adversely affected by the negative change in fair value of the property portfolio, which is still limited to -€50.3 million, or -2.65%, and of the financial instruments, i.e. -€33.2 million (mainly hedging instruments) which are affected by the reduction in interest rates.

The Company's **net rental income** rose, from €54.7 million to €57.5 million between 31 March 2008 and 2009. This growth of 5.1% is explained by the indexing of rents and by some buildings once again contributing to income after undergoing major renovations (WTC Tower 2 from 1 January 2009, Brederode 2 building for the entire half-year).

Net **real-estate charges**[5] are substantially down, from €3.3 million to €2.1 million mainly as a result of obtaining non-recurrent compensation from tenants at the end of their leases.

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[4] Cash flow excluding capital gains realised on property disposals.

[5] Net real-estate charges: all real-estate charges less total charges recovered from tenants (headings IV to XIII of the consolidated profit and loss account).

The company's **overheads** fell from €5.4 million to €5.1 million. This reduction is explained by a combination of the following factors: an increase in staff costs and fees following the expansion of the team (from a staff of 28 as of end March 2008 to 32 as of end March 2009), which is more than offset by the reduction in the Managing Agent's remuneration linked to Befimmo's earnings and in costs linked to the study of investment projects.

Earnings on the portfolio were minus €50.1 million as compared with the positive result of €14.5 million for the first half of 2007/2008. This change is explained firstly by a negative change in the fair value of the portfolio (€-50.3 million, or -2.65%) as against a rise of €7.1 million (+0.44%) last year and secondly by a capital gain of €0.2 million realised on the disposal of a property in the Fedimmo portfolio compared with a capital gain of €7.5 million realised last year on the sale of the leasehold of the semi-industrial assets in the portfolio and on Woluwe Garden buildings B and D. The negative change in fair value of the property portfolio which was €46 million during the first quarter reduced substantially during the second quarter (€4.5 million).

The financial result was -€50.1 million compared with -€16.1 million for the same period last year. The reduction in interest paid as a result of the substantial drop in interest rates over the past six months (3-month Euribor at 31 March 2009 was 1.51% compared with 5.28% at 30 September 2008) was nevertheless more than offset by unrealised charges:

- The negative impact of the fall in the fair value of the hedging instruments arranged. This impact was €27.3 million of negative changes in fair value, against a positive impact of €0.9 million on the result of the first half of the previous fiscal year.
- The booking of a fall in fair value of €6 million on the financial asset consisting of the undertaking to buy the shares of Axento SA in Luxembourg.

These various changes result in the booking of a half-yearly accounting loss (group share) of €49.7 million against a net profit of €42.8 million for the previous fiscal year. Excluding the impact of the negative changes in fair value of the buildings and financial instruments and capital gains made on disposals, the half-yearly current net profit as of 31 March 2009 would be substantially higher at €32.2 million (€30.2 million as of 31 March 2008), i.e. up 6.81%.

The **net current cash flow** is up 19% on last year. The **net cash-flow for the half-year** was €32.8 million, compared with €34.8 million for the first half of the previous fiscal year. Note that the net cash flow for the first half of 2007/2008 was heavily influenced (to the tune of €7.5 million) by the capital gains realised on sales of assets.

The **book value** (group share) as of 31 March 2009 was €65.67 per share, including net result for the period of -€3.81 per share. The negative return on equity is explained by the falls in fair value recorded during the first quarter of the fiscal year, and in a very limited way during the second quarter, on the property portfolio and financial instruments. Without these impacts, the return on equity would have been €2.59.

Year-on-year, the **return per share** was -€2.63 per share taking account of the gross dividend of €4.55 distributed on 22 December 2008.

DEBT STRUCTURE AND INTEREST RATE RISK HEDGING POLICY[6]

At the end of March 2009, Befimmo's financial structure had the following main characteristics:

> confirmed credit lines totalling €1 084 million, €859 million of which is in use, the first renewal dates for which (for a total of €200 million) are in February and March 2011.

> leverage of 49.43% and a weighted mean term of borrowings of 3.60 years (taking account of the renewal (in April 2009) for a period of three years, of a credit facility falling initially due in December 2009 (new due date in April 2012));

> an interest-rate hedging policy that limits the impact of a rise in rates, while retaining the benefit of falling rates.

Subject to specific circumstances and the financing of the"Paradis" office redevelopment project (corresponding to an amount €91.1 million, broken down as 25% in 2011, 50% in 2012 and 25% in 2013), the financing lines currently in place can meet the Company's commitments (i.e. an amount of some €79 million for the acquisition of the Axento project), and finance the sum of some €73 million linked to the renovation work planned in the portfolio.

As of 31 March 2009 Befimmo easily meets all the covenants it has signed with its banking partners. On the basis of the available information and the forecasts that can reasonably be made on those premises, it does not anticipate any risk of defaulting on its covenants.

On 31 March 2009 the Standard & Poor's rating agency confirmed the rating of BBB/stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

Interest rate risk hedging

The average finance cost (including hedging margin and costs) was 4.09% over the half-year.

Befimmo's hedging structure (based mainly on options instruments) includes 44.9% of borrowings at fixed rates. Befimmo can therefore take advantage of falling rates for more than half of its borrowings while having a hedging ratio for rising interest rates of the order of 91% of its total borrowings.

[6] *For more information, please see the 2008 Annual Report and the 2008/2009 Half-Yearly Report on the Befimmo SCA website [www.befimmo.be].*

CAPITAL INCREASE IN PROSPECT

In spite of its particularly strong financial structure, Befimmo intends to increase its equity by a minimum of some €140 million by means of a capital increase in cash with preferential rights to existing shareholders within the limits of the authorised capital. The public offering for the subscription of new shares is expected to take place in principle from 4 to 18 June 2009.

The proceeds of the operation will not only further strengthen the Company's financial structure but also enable it to take opportunities for acquisitions.

Befimmo would thus reduce its leverage, which as of 31 March 2009 was 49.43%, to around 47% at the end of the fiscal year, to compare with 51,1% as mentioned in the previsions published in the Annual report 2008. At a constant floor area, leverage would stabilise at around 45% over the coming years.

The planned transaction would not change the dividend yield in any way.

Fortis Insurance Belgium (FIB), Befimmo's main shareholder, has professed its confidence in the Company's future by notifying its intention to subscribe all of its 18.8% share of the capital increase, assuming that it does go ahead.

Befimmo is advised on this transaction by the following banks: Credit Suisse Securities (Europe) Limited, Dexia Bank Belgium SA, Fortis Bank SA, ING Belgium SA and KBC Securities SA.

The transaction would take place subject to the approval by the CBFA of the prospectus for the operation and a favourable decision by the Managing Agent of Befimmo SA, due to be taken on 3 June 2009.

The practical arrangements, and the conditions of the offering (final amount, terms, timing, etc.), will be set out in the prospectus and supplement to be published no later than the first day of the offering (in principle, 4 June).

CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (THOUSANDS OF €)

ASSETS	30.09.08	31.03.09
I. Non-current Assets	**1 927 934**	**1 871 515**
A. Goodwill	15 977	15 890
C. Investment properties	1 877 636	1 844 466
E. Other property, plant and equipment	722	711
F. Non-current financial assets	23 827	708
G. Finance leases receivables	9 772	9 741
II. Current Assets	**43 817**	**71 989**
A. Assets held for sale	8 865	4 774
B. Current financial assets	1 870	16 344
C. Finance leases receivables	56	56
D. Trade receivables	22 765	31 406
E. Tax receivables and other current assets	3 112	3 130
F. Cash and cash equivalents	4 556	12 799
G. Deferred charges and accrued income	2 594	3 480
TOTAL ASSETS	**1 971 751**	1 943 504

SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.08	31.03.09
TOTAL SHAREHOLDERS' EQUITY	1 028 507	918 428
I. Equity attributable to shareholders	**966 809**	**857 618**
A. Capital	186 919	186 919
B. Share premium account	372 952	372 952
D. Reserves	21 113	21 113
E. Result	385 825	276 634
a. Result brought forward from previous years	327 655	326 368 [7]
b. Net result for the fiscal year	58 170	-49 734
II. Minority interests	**61 698**	**60 810**
LIABILITIES	**943 244**	**1 025 076**
I. Non-current liabilities	**862 434**	**926 498**
B. Non-current financial debts	857 016	901 636
a. - Credit institution	597 651	688 694
b. - Finance lease	51 705	45 168
c. - Other	207 661	167 773
C. Other non-current financial liabilities	-	19 334
D. Trade debts and other non-current debts	5 418	5 529
II. Current liabilities	**80 810**	**98 578**
A. Provisions	4 758	3 519
B. Current financial debts	15 379	14 763
a. - Credit institution	8 970	1 818
b. - Finance lease	6 409	12 946
C. Other current financial liabilities	-	5 970
D. Trade debts and other current debts	46 967	32 830
F. Accrued charges and deferred income	13 706	41 496
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 971 751**	1 943 504

[7] *The difference in relation to the amount at 30 September 2008 is due to a deduction from the result brought forward for the part of the dividend distributed by the General Meeting of 15 December 2008 that exceeded the profit for the fiscal year.*

CONSOLIDATED PROFIT AND LOSS ACCOUNT (THOUSANDS OF €)

	31.03.08	31.03.09
I. (+) Rental income	54 871	57 753
III. (+/-) Charges linked to letting	-180	-301
NET RENTAL INCOME	**54 691**	**57 453**
IV. (+) Recovery of property charges	5 511	7 323
V. (+) Recovery income of charges and taxes normally payable by tenants on let properties	12 634	8 976
VI. (-) Costs normally payable by tenants and borne by the landlord on rental damage and refurbishment at the end of lease	-	-
VII. (-) Charges and taxes normally payable by tenants on let properties	-12 802	-8 297
VIII. (+/-) Other revenue and charges for letting	46	143
PROPERTY RESULT	**60 080**	**65 598**
IX. (-) Technical costs	-7 005	-8 060
X. (-) Commercial costs	-685	-562
XI. (-) Charges and taxes on unlet properties	-578	-1 099
XII. (-) Property management costs	-352	-501
XIII. (-) Other property charges	-23	-8
(+/-) Property charges	**-8 643**	**-10 229**
PROPERTY OPERATING RESULT	**51 438**	**55 369**
XIV. (-) Corporate management costs	-5 418	-5 077
XV. (+/-) Other operating income and charges	738	708
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**46 758**	**51 000**
XVI. (+/-) Gains or losses on disposals of investment properties	7 455	213
XVIII.(+/-) Changes in fair value of investment properties	7 077	-50 343
OPERATING RESULT	**61 290**	**870**
XIX. (+) Financial income	6 635	2 702
XX. (-) Interest charges	-19 399	-18 128
XXI.(-) Other financial charges	-3 333	-34 708
(+/-) Financial result	**-16 097**	**-50 134**
PRE-TAX RESULT	**45 193**	**-49 264**
XXIII. (-) Corporation tax	-600	-173
(+/-) Taxes	**-600**	**-173**
NET RESULT	**44 593**	**-49 437**
RESULT, GROUP SHARE	42 804	-49 734
MINORITY INTERESTS	1 788	297
NET BASIC RESULT AND DILUTED PER SHARE	**3.28**	**-3.81**

Deloitte, Statutory Auditor of the Sicafi Befimmo, has carried out a limited review of the half-yearly accounts. They have been certified without reservation.

OUTLOOK

As announced previously, Befimmo confirms its forecast of sustaining, at a constant floor area of equity, a small growth in dividend of €4.60 per share (compared with €4.55 in 2008). The recent fall in interest rates supports this forecast.

The half-yearly report as of 31 March 2009 is available on the company's website and may be requested at the registered office on request from 25 May 2009.

Further information:

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