TRADING UPDATE
REGULATED INFORMATION

Befimmo

Société en Commandite par Actions

CREATING VALUE IN REAL ESTATE

HALF-YEARLY ACCOUNTS FOR THE PERIOD 01.10.2009 TO 31.03.2010

- **Forecast annual cash flow confirmed at €4.44/share**
- **€19.7 million profit (as against a €49.4 million loss the previous year)**
- **Dividend forecast confirmed (€3.90 gross/share)**
- **Real-estate assets bearing up well**

The Board of Directors of Befimmo SA, Managing Agent of the Befimmo SCA Sicafi, met on 19 May 2010 to prepare the consolidated half-yearly financial statements[1] of the Befimmo Sicafi at 31 March 2010.

1. REAL-ESTATE PORTFOLIO

1.1 Occupancy rate

The occupancy rate[2] of the buildings in the portfolio, calculated on the basis of the space actually available to let, was 95.5% at 31 March 2010 as against 96.1% as the fiscal year opened.

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

The occupancy rate of all the investment property at 31 March 2010, i.e. including buildings undergoing a full refurbishment[3], was 92.1% as compared with 93.7% as the fiscal year opened. This decrease, announced previously, is due mainly to the Federal Department of Science Policy leaving the Science-Montoyer building, where the lease expired at the end of March 2010.

Befimmo has brought new tenants into its portfolio over the half-year. This is the case particularly in Luxembourg in the Axento building (10,640 m² of offices): we signed lease agreements with BGL BNP Paribas bank, BNP Paribas Real Estate and BNP Paribas Real Estate Investment Management, covering a total space of more than 7,000 m². These leases came into effect on 1 February 2010. The whole retail ground floor (1,600 m²) is also now let.

Other tenants also renewed their lease agreements. Overall, Befimmo signed leases for more than 19,000 m² of office space over the first half of 2009-2010.

1.2 Plan to sell the Kattendijkdok building in Antwerp (12,167 m²)

In June 2008 Fedimmo SA, a 90% subsidiary of Befimmo SCA, had signed an agreement to sell the Kattendijkdok building in Antwerp, subject to some suspensory conditions. This sale, originally scheduled for early 2010, has not been completed because one of the suspensory conditions was not met within the time allowed[4].

The building is let until 27 December 2010 and so is still in the Fedimmo portfolio at present.

1.3 Paradis building project in Liège (38,300 m²)

The Belgian Government has signed a 25-year 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 from 1 June 2013.
Fedimmo has applied for a "single permit" based on the urban development certificates it obtained mid-2008. The decision of the competent authorities is expected after the summer of 2010.

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[3] *Buildings undergoing a full renovation: Empress Court (formerly known as Impératrice), Froissart and Science-Montoyer.*
[4] *For more information, please refer to our press release of 29 March 2010 on www.befimmo.be.*

1.4 Refurbishment and renovation work

Empress Court (15,524 m²) (formerly known as Impératrice)

The refurbishment work on the building began in 2009 and is progressing according to plan. The building should therefore come onto the market early in 2011.

It will then offer the prestige, flexibility, comfort and environmental qualities that the market expects of the best contemporary buildings.

After winning a prize in the "IBGE 2007 - Green Buildings" competition, this project was recently awarded Breeam[5] sustainable development certification, and rated "Excellent'' in the Design & Pre-construction category.

The overall investment is estimated at €25 million, spread over the fiscal years 2009-2011.

Central Gate (32,959 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.

The renovation programme relates mainly to the facades and roofing, replacement of the door and window frames, rearrangement of the car parks, patios and internal routes, and a general facelift of the common areas. There are also plans to create a third entrance to serve the inside of the block.

The estimated budget for this programme is of the order of €19 million. The work should be spread over a two-year period in fiscal years 2010-2012.

Science-Montoyer (4,921 m²)

The Buildings Agency's lease ended on 27 March 2010. Fedimmo immediately started the refurbishment of the building.
The project was a prizewinner in the "IBGE 2009 - Green Buildings" competition; it involves a full renovation of the building, with a reorganisation of the vertical and horizontal routes to optimise the existing space. The budget for the work is estimated at around €10 million.

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

[5] *BREEAM: Building Research Establishment Environmental Assessment Method. It is a benchmark for best practice in sustainable design. It has become one of the most widely used benchmark for measuring a building's environmental performance. For more information, see the website at www.breeam.org.*

Froissart (3,185 m²)

The refurbishment work, with a budget of nearly €6 million, is moving ahead on schedule.

The building is ideally located right next to Rond-point Schuman, in the heart of the European quarter, and will be handed over after the summer of 2010.

General renovation programme for Fedimmo buildings

Under its contractual obligations to the Belgian Government, Fedimmo completed the agreed general programme of works on its buildings within the planned deadlines, apart from the work on Tower 3 of the World Trade Center, which was postponed at the request of the Belgian Government.

Over the past three years, this work has led to a gradual increase in Fedimmo's annual rental income, of €3.4 million as at 1 January 2010.

1.5 Change in fair value[6] of the property portfolio

The fair value of Befimmo's consolidated portfolio was €1,920.6 million at 31 March 2010, compared with €1,920.9 million at 31 December 2009 and €1,922.9 million at 30 September 2009. This change in value incorporates the cost of the rehabilitation and renovation work carried out in the portfolio during the first half, minus the changes in value booked to the income statement.

Excluding investments, the value of the portfolio fell by €19.7 million (-1.01%) over the half year (-€10.3 million or -0.54% for the first quarter and -€9.3 million or -0.48% for the second quarter of the fiscal year).

[6] *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 recorded over the past three years 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.*

1.5.1 Fair value of Befimmo's consolidated portfolio[7], by geographical area

	Change over the half year[8] (Excluding investments)	Proportion of portfolio[9] (%)	31.03.09	30.09.09 (€ million)	31.03.10
Offices					
Brussels centre (CBD)	-0.64%	56.6%	1 083.0	1 082.7	1 087.6
Brussels decentralised	-4.16%	7.0%	143.6	139.4	133.6
Brussels suburbs	-2.46%	8.5%	170.1	166.7	162.7
Flanders	-0.66%	18.7%	360.3	360.4	360.9
Wallonia	-1.10%	4.9%	92.2	92.2	93.5
Luxembourg city	0.83%	4.3%	-	81.5	82.3
TOTAL	**-1.01%**	**100%**	**1 849.2**	**1 922.9**	**1 920.6**

Change in floor area between 31 March 2009 and 31 March 2010: acquisition of Axento[10] in July 2009.

The downward trend in values of property located in the Brussels CBD (representing about 57% of the consolidated portfolio) slowed down over the half year, with a change in value limited to -0.64% (-€7.0 million).

The buildings located in the decentralised area and suburbs (some 15% of the whole portfolio) are seeing the sharpest drops in value, of 4.16% (-€5.8 million) and 2.46% (-€4.1 million) respectively. These drops in value arise mainly from the general fall in estimated rental values, reflecting the current pressure on the office rental market. Capitalisation rates have held fairly steady, with the exception of those buildings for which the likelihood of substantial rental vacancies, in line with the market, is expected in the short or medium term.

Finally, the property located in Flanders, Wallonia and Luxembourg, accounting for 18.7%, 4.9% and 4.3% of the consolidated portfolio respectively, saw moderate changes in value over the half year. These changes are of the order of -0.7% (-€2.4 million), -1.1% (-€1.0 million) and +0.8% (+€0.7 million).

Befimmo's strategy, of investing in quality property able to attract new occupants, equips its property portfolio to weather the crisis currently affecting the economy in general, and the Belgian office market in particular.

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[7] *The Befimmo portfolio comprises both investment property and property held for sale.*
[8] *Change in fair value between 30 September 2009 and 31 March 2010.*
[9] *The proportion of the portfolio is calculated on the basis of fair values at 31 March 2010.*
[10] *For more information, please refer to our press releases of 23 July and 18 November 2009 on www.befimmo.be.*

In this crisis context, the main assets of its property portfolio are:
- the concentration of its portfolio in the Brussels CBD (around 57%);
- the quality of its tenants, with some 65% of income coming from the public sector;
- the weighted average duration of its leases, at 9.3 years for the whole portfolio at 31 March 2010.

1.5.2 Overall rental yield

At 31 March 2010, the overall rental yield, including the estimated rental value of vacant premises, was 7.05% compared with 6.92% at 30 September 2009. At the same date, the overall yield of the consolidated portfolio (current rents) was 6.49%, as against 6.48% at 30 September 2009. Excluding buildings being refurbished, the potential and real yields were 6.94% and 6.63% respectively at 31 March 2010.

2. Consolidated key figures

Data per share [group share]	31.03.2009 [6 months]	30.09.2009 [12 months]	31.03.2010 [6 months]
Number of shares	13 058 969	16 790 103	**16 790 103**
Average number of shares over the period[11]	13 058 969	14 060 753	**16 790 103**
Net asset value	€65.67	€58.87	**€58.91**
Return on shareholders' equity (last 12 months) (€)	-€2.63	-€2.96	**€1.66**
Return on shareholders' equity (last 12 months) (%)	-3.61%	-4.31%	**2.72%**[12]
Net cash flow[13] (€)	€2.51	€5.15	**€2.31**
Net result (€)	-€3.81	-€2.45	**€1.09**
Gross dividend (€)	€4.60	€3.36/€1.04[14]	**€3.90**[15]
Closing share price (€)	€59.98	€62.00	**€62.21**
Gross yield[16] (%)	7.67%	6.69%	**6.27%**
Return on share price (last 12 months) (%)	-11.52%	4.70%	**17.50%**[12]
Shareholders' equity (€ million)	857.6	988.4	**989.1**
Debt ratio[17] (%)	49.43%	45.39%	**46.24%**
Loan-to-value[18] (%)	48.78%	40.81%	**43.16%**

The change in the key figures per share between 31 March 2009 and 31 March 2010 is influenced by the increase in the number of shares.

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[11] *In 2009, data per share are expressed on the basis of the weighted average number of shares outstanding during the fiscal year, i.e. 14,060,753. For the following year, the number of shares outstanding after the capital increase is used, i.e. 16,790,103.*

[12] *This is the Internal Rate of Return [IRR], calculated over the 12 previous months, for a shareholder taking part in the capital increase of June 2009 and taking account of the interim dividend of €3.36 per share (gross) and the final dividend of €1.04 per share (gross).*

[13] *The net cash flow is the net result before depreciation, write-downs and provisions.*

[14] *For each share, a gross dividend of €1.04, corresponding to a net dividend of €0.89, on presentation of coupon 19 (to supplement the gross interim dividend of €3.36, corresponding to a net dividend of €2.86, already decided by the Board meeting of 11 May 2009, for each share outstanding before the capital increase of 25 June 2009).*

[15] *Unless other factors intervene, the Managing Agent confirms the dividend forecast of €3.90 per share (gross) for the current fiscal year published in the 2009 Financial Annual Report.*

[16] *Gross dividend divided by the share price as at 30 September or at 31 March. For the 2008/2009 fiscal year, taking account of the capital increase, it is the average gross dividend.*

[17] *The 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.*

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

In a context of troubled financial markets, the Befimmo share has held relatively firm, closing at 31 March 2010 at €62.21, stable in relation to the closing price one year previously (€59.98) and the closing price at the end of the 2009 fiscal year (€62.00).

At 31 March 2010, it was listed at a premium of 5.6% over net asset value.

Year-on-year, the liquidity of the Befimmo share consolidated with an average daily volume of around 27,300 shares. Based on the share price at 31 March 2010, Befimmo offers a gross yield[19] on dividend of 6.27%.

The return on equity was 2.72%. The year-on-year return on the share price was 17.50% at 31 March 2010.

3. Value of net assets at 31 March 2010

At 31 March 2010, the total value of Befimmo's net assets – group share – was €989.1 million.

The net asset value – group share – is therefore €58.91 per share. This value is stable in relation to 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 31 March 2010	€1.09
Net asset value at 31 March 2010	**€58.91**

[19] *Gross dividend for 2010 (€3.90) divided by the share price at 31 March 2010.*

4. Trend of results

4.1 Consolidated portfolio

[€ million]		31.03.2009 [6 months]	31.03.2010 [6 months]
Net result		**-49.4**	**19.7**
ADJUSTMENTS	Fair-value adjustment for investment properties [IAS 40]	50.3	**19.7**
ADJUSTMENTS	Revaluation of financial instruments [IAS 39]	33.2	**1.8**
ADJUSTMENTS	Depreciation of CAP premiums and other non-cash items	0.3	**-0.7**
Net cash flow [20]		**34.4**	**40.5**
(€ million - group share)			
Net result (group share)		**-49.7**	**18.3**
Net cash flow (group share)		**32.8**	**38.8**

4.2 Events with an impact on the Company's perimeter

The main changes to the floor area were the acquisition of Axento in July 2009 and the disposal of Frankrijklei in February 2009. Furthermore, Befimmo's capital was increased in June 2009.

4.3 Analysis of the result

The **property operating result** was €59.1 million, up 6.8% on the same period last year. This increase was due essentially to the acquisition of Axento which came with a rental guarantee until 31 December 2010; two thirds of the property have meanwhile been let to the BNP Paribas group.

At a constant floor area, the loss of income owing to the refurbishment of the Empress Court[21] building and the increase in real-estate charges linked to miscellaneous maintenance and minor repairs are more than offset by the return to full occupancy of the Montesquieu

[20] *The net cash flow is the net result before depreciation, write-downs and provisions.*
[21] *Formerly known as Impératrice*

building (formerly known as Extension Justice) since 1 March 2009 and by the contractual rent increase following the general renovation programme of the Fedimmo buildings.

Overheads increased by €1.8 million year-on-year. This change is explained by the absence of remuneration for the Managing Agent the previous fiscal year, the expansion of the team, and finally the study costs linked to non-recurring operations.

Other operating income amounts to €1 million. Apart from the fees received for coordinating the initial installation work for the Belgian Government under the leases signed for Towers 2 and 3 of the World Trade Center, this heading also contains – in accordance with IFRS standards – the restatement over time of rental gratuities[22] incorporated in income.

The **portfolio result** is minus €19.7 million compared with a negative result of €50.3 million one year previously. The downward trend in the values of the properties in the portfolio did in fact slow down over the half year, with a change in value limited to -1.01%.

Excluding the impact of the change in fair value of the properties, the **operating result** grew by 4.5%.

The **financial result** was -€13.6 million compared with -€50.1 million one year previously. This improvement in the financial result is explained by the unrealised change in value (IAS 39) of financial instruments of -€1.8 million as against -€33.2 million at the same period last year, and a net reduction in financial charges (-€11.8 million compared with -€16.9 million in 2008-2009). This improvement is essentially linked to the fall in interest rates (by way of reminder more than 50% of borrowings are financed at floating rates) and the impact of the capital increase in June 2009 on the level of the debt.

All of these factors give a net result of €19.7 million compared with a net result of -€49.4 million for the same period one year previously.

[22] *These amounts have a neutral effect on the income statement.*

4.4 Analysis of changes in cash flow

Net cash flow at 31 March 2009 [€ million – group share – 6 months]	**32.8**
Change in contribution of Befimmo consolidated portfolio at constant floor area	0.9
Change in property floor area:	
- *Differential in contribution*	*2.5*
- *Differential in capital gains*	*-0.2*
Net reduction in financial charges on borrowings	5.6
Booking *prorata temporis* of premiums paid on CAP options	-0.8
Overheads and other operating income and charges	-1.4
Taxes	-0.1
Other	-0.5
Net cash flow at 31 March 2010 [group share – 6 months]	**38.8**

The factors summarised above favourably affect the **net cash flow** (group share) for the first half of the 2009-2010 fiscal year, up 18% (€6 million) in relation to the first half of the previous fiscal year.

5. CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT (€ thousand)

	31.03.10	31.03.09
I. (+) Rental income	62 239	57 753
III. (+/-) Charges linked to letting	-223	-301
NET RENTAL RESULT	**62 016**	**57 453**
IV. (+) Recovery of property charges	2 936	7 323
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	13 055	8 976
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-12 624	-8 297
VIII. (+/-) Other revenue and charges for letting	51	143
PROPERTY RESULT	**65 434**	**65 598**
IX. (-) Technical costs	-4 142	-8 060
X. (-) Commercial costs	-217	-562
XI. (-) Charges and taxes on unlet properties	-970	-1 099
XII. (-) Property management costs	-837	-501
XIII. (-) Other property charges	-121	-8
(+/-) Property charges	**-6 287**	**-10 229**
PROPERTY OPERATING RESULT	**59 147**	**55 369**
XIV. (-) Corporate overheads	-6 866	-5 077
XV. (+/-) Other operating income and charges	1 006	708
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**53 288**	**51 000**
XVI. (+/-) Gains or losses on disposals of investment properties	-	213
XVIII.(+/-) Changes in fair value of investment properties	-19 655	-50 343
OPERATING RESULT	**33 633**	**870**
XIX. (+) Financial income	2 742	2 702
XX. (-) Interest charges	-10 661	-18 128
XXI.(-) Other financial charges	-5 695	-34 708
(+/-) Financial result	**-13 613**	**-50 134**
PRE-TAX RESULT	**20 020**	**-49 264**
XXIII. (-) Corporation tax	-315	-173
(+/-) Taxes	**-315**	**-173**
NET RESULT	**19 705**	**-49 437**
NET RESULT (group share)	18 265	-49 734
MINORITY INTERESTS	1 439	297
BASIC NET RESULT AND DILUTED PER SHARE (group share)	**1.09**	**-3.81**
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	**19 705**	**-49 437**
TOTAL COMPREHENSIVE INCOME (group share)	18 265	-49 734
MINORITY INTERESTS	1 439	297

CONSOLIDATED BALANCE SHEET (€ thousand)

ASSETS	31.03.10	30.09.09
I. Non-current assets	**1 936 810**	**1 939 688**
A. Goodwill	15 890	15 890
C. Investment properties	1 915 946	1 918 317
E. Other property, plant and equipment	590	630
F. Non-current financial assets	2 002	2 412
G. Finance lease receivables	2 381	2 439
II. Current assets	**68 027**	**49 707**
A. Assets held for sale	4 662	4 576
B. Current financial assets	89	551
C. Finance lease receivables	7 352	7 326
D. Trade receivables	17 509	23 520
E. Tax receivables and other current assets	3 909	3 281
F. Cash and cash equivalents	22 442	6 096
G. Deferred charges and accrued income	12 063	4 357
TOTAL ASSETS	2 004 837	1 989 395

SHAREHOLDERS' EQUITY AND LIABILITIES	31.03.10	30.09.09
TOTAL SHAREHOLDERS' EQUITY	1 050 992	1 049 999
I. Equity attributable to shareholders of the parent company	**989 052**	**988 367**
A. Capital	233 985	233 985
B. Share premium account	485 340	485 340
D. Reserves	21 113	21 113
E. Result	248 614	247 930
a. Result brought forward from previous years	230 349	282 429
b. Net result for the fiscal year	18 265	-34 499
II. Minority interests	**61 940**	**61 632**
LIABILITIES	**953 846**	**939 396**
I. Non-current liabilities	**630 878**	**764 268**
B. Non-current financial debts	612 175	745 414
a. Credit institutions	427 246	529 068
c. Other	184 928	216 346
C. Other non-current financial liabilities	18 704	18 854
II. Current liabilities	**322 967**	**175 128**
A. Provisions	1 501	2 422
B. Current financial debts	240 838	47 019
a. Credit institutions (1)	195 695	1 877
b. Finance lease	45 142	45 142
D. Trade debts and other current debts	73 951	110 506
F. Accrued charges and deferred income	6 677	15 181
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 004 837	1 989 395

(1) The Company has €225 million in longer term financing lines which are not in use.

Deloitte, Statutory Auditor of the Sicafi Befimmo – represented by Mr Frank Verhaegen and Mr Jurgen Kesselaers, business auditors acting jointly – has carried out a limited review of the half-yearly accounts and certified them without reservation.

6. Borrowings and hedging policy

The Company's debt ratio[23] was 46.24% at 31 March 2010 compared with 45.39% as the year opened.

Since loan-to-value[24] ("LTV") is a reference ratio used in an international context, Befimmo will report this ratio in its publications from now on, by way of comparison. At 31 March 2010, the LTV was 43.16%.

Befimmo is making sure that the various credit lines expiring during 2011 to 2013 are renewed, taking care to find the right balance between timing, cost, duration and diversification. Assuming a constant floor area, only 35% of the financing lines falling due in February and March 2011 (totalling €200 million) will have to be renewed.

The Company has an interest-rate hedging policy that aims to give it a hedging ratio of between 50 and 75%. Over the half year, the Company extended its hedges by buying CAP instruments.

The average finance cost (including hedging margin and costs) was 3.03% over the half-year.

7. Outlook

Unless other factors intervene, the Managing Agent confirms the previously published dividend forecast of €3.90 per share (gross) for the current fiscal year[25].

Befimmo is pursuing its core business of *asset manager*, developing a strategy as a pure-player investor in quality office buildings located in city centres. It is seeking to both enhance its current portfolio and take investment opportunities, provided that they create value for its shareholders.

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[23] The 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.
[24] Loan-to-value: [(financial debts – cash)/ fair value of portfolio].
[25] See the chapter entitled "Forecasts" on pages 56 to 59 of the 2009 Annual Financial Report.

8. FORTHCOMING PUBLICATIONS[26]

Monday 31 May 2010	Publication of the 2009-2010 Half-Yearly Financial Report on Befimmo's website (www.befimmo.be)
Thursday 26 August 2010	Interim statement - Publication of net asset value as at 30 June 2010
Thursday 18 November 2010	Publication of annual results and net asset value as at 30 September 2010

The Half-Yearly Financial Report will be available at the Company's registered office and on its website at www.befimmo.be from 31 May 2010.

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[26] *Publication after the close of the stock exchange.*