PRESS RELEASE
REGULATED INFORMATION

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HALF-YEARLY RESULTS – 1 OCTOBER 2007 TO 31 MARCH 2008

Befimmo
Société en Commandite par Actions

CREATING VALUE IN REAL ESTATE

Very positive half-year for Befimmo

- Occupancy rate at a record high (97%).
- Significant lets within the portfolio.
- Net cash-flow higher than forecast.
- Substantial capital gain realised thanks to disposal of semi-industrial portfolio and Woluwe Garden B &D buildings.

The Board of Directors of Befimmo SA, managing agent of the Befimmo SCA Sicafi, met on 15 May 2008 to prepare the consolidated half-yearly financial statements of the Befimmo Sicafi at 31 March 2008.

REAL-ESTATE PORTFOLIO

Occupancy rates at a record high

The occupancy rate[1] reached the record level of 96.9% compared with 95.1% at the start of the year. This growth, due not only to the disposal of the Woluwe Garden buildings but also to the re-letting of the Brederode Corner and Media buildings, once again confirms the quality of the portfolio and its defensive profile.

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

These various transactions extend the duration[2] of the leases in the portfolio to 9.2 years and reinforce the public sector's position as Befimmo's main customer (66%).

Significant lets within the portfolio

Befimmo endeavours to retain its rental customers' loyalty and to attract new tenants to the portfolio. Thus some tenants such as Siemens, TG Europe, etc. have again expressed their confidence in Befimmo by renewing their leases.

Befimmo also concluded a long-term lease with Sheraton Management LLC for the rental of the whole Brederode Corner building – 7,340 m^2 – (formerly Brederode 2) where major renovation work was completed at the end of March 2008.

Befimmo is also welcoming other major tenants such as Oracle (4,645 m^2) and Denso Sales Belgium (1,455 m^2) in the Media building.

These successes are a reflection of the quality of the portfolio.

Growth in value of portfolio, despite a weakened market

The "subprimes" financial crisis seems to have had only a marginal impact on Brussels property values in relation to other major European markets.

In this context, the consolidated Befimmo portfolio has risen slightly in value over the half-year has (+0.44% or €7.1 million). This trend demonstrates the quality of its portfolio.

Taking into account the disposals mentioned hereafter and investments made over the first half-year, the total value[3] of the consolidated portfolio is now €1,787.5 million at 31 March 2008, as compared with €1,812.9 million at the start of the fiscal year.

The value of the Fedimmo portfolio has held firm (+0.33%).

[2] *Duration, i.e. the sum of [annual current rent for each lease multiplied by the term remaining up to the first break in the lease] divided by the total current annual rent of the portfolio.*

[3] *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 and Brussels) for property worth less than € 2.5 million.*

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

CHANGE IN VALUES (in millions €) (CONSOLIDATED PORTFOLIO)	31.03.07	30.09.07	31.03.08
Brussels centre (CBD)	1 041.0	1 028.8	1 054.5
Brussels decentralised	152.2	154.7	153.6
Brussels suburbs	206.9	209.1	184.6
Flanders	267.7	268.2	271.4
Wallonia	96.5	93.0	93.1
Total office buildings	**1 764.3**	**1 753.7**	**1 757.2**
Others	**28.2**	**59.2**	**30.3**
TOTAL INVESTMENT BUILDINGS	**1 792.5**	**1 812.9**	**1 787.5**

The figures at 31 March 2008 are influenced by the disposal of the semi-industrial portfolio and the Woluwe Garden B & D buildings.

As of 31 March 2008, the overall yield of the consolidated portfolio for ongoing lets (excluding projects and land) is 6.38% while the overall yield on ongoing lets plus the estimated rental value of vacant premises is 6.58%.

Substantial capital gain realised

During the first half of the 2007/2008 fiscal year, Befimmo disposed of its semi-industrial portfolio and two office buildings, Woluwe Garden B and D, to AIG Global Real Estate Investment, Rockspring Property Asset Management and Rockspring PIM Ltd, for a total sum net of fees and costs of €72 million.

By pursuing its strategy as a pure-player investor, Befimmo reduced the weighting of the Brussels suburbs in its portfolio and made its exit from the semi-industrial segment, which had become marginal and non-strategic. This transaction generated a substantial capital gain of some €7.5 million, or €0.57 per share.

Befimmo intends to continue actively managing its portfolio by investing in quality offices located in town centres and disposing of buildings that are no longer consistent with its strategy.

CONSOLIDATED KEY FIGURES

CONSOLIDATED KEY FIGURES	31.03.07	30.09.07	31.03.08
Debt ratio	61.13%	46.79%	**48.13%**
Return on equity (annual basis)[1]	14.25%	17.71%	**13.60%**
Number of shares	9 794 227	13 058 969	**13 058 969**

Key figures per share[2]	31.03.07 (6 months)	30.09.07 (12 months)	31.03.08 (6 months)
Book value (€) (group share)	68.11	71.36	**72.86**
Share price (€)	97.60	72.93	**77.00**
Net cash flow (€)[3] (group share)	2.68	4.78	**2.67**
Net result (€) (group share)	5.42	8.23	**3.28**
Return (€)[4]	9.11	11.94	**9.26**

(1) The return on annual basis is the latest gross dividend distributed during the period plus the growth in in portfolio value during the last 12 months, divided by the portfolio value one year earlier.

(2) When comparing the figures at 31 March 2007 with those at 30 September 2007 and 31 March 2008, it is important to take into consideration the number of Befimmo shares following the capital increase in June 2007.

(3) The net cash flow is the net result before depreciation, value adjustments and provisions.

(4) The return per share corresponds to the change in book value per share over one year and in the gross dividend distributed during that year.

GROWTH IN EARNINGS AND BOOK VALUE

Given the substantial change in the company's floor area following the acquisition in December 2006 of a 90% holding in Fedimmo SA and the capital increase carried out in June 2007, the results for the first half of 2007/2008 cannot be compared directly with those of the first half of 2006/2007.

The first half-year for Befimmo consolidated enjoys the full impact of the Fedimmo acquisition. There is also a positive impact from the large capital gain realised on the disposal of the rights to the semi-industrial portfolio and the Woluwe Garden B and D buildings.

Thus, the company's **net rental income** grew from €48.6 million to €54.7 million between 31 March 2007 and 2008. This growth of 12.6% is explained by indexing of rents and Fedimmo's contribution to earnings for a full half-year. Conversely, incomes from the Befimmo portfolio experienced a temporary dip, announced in January 2005 and due to the major renovation work undertaken over the fiscal year, mainly in the WTC 2 building, but also in the Extension Justice and Brederode Corner buildings. Note that these three buildings have already been re-let on long leases.

Net real-estate charges[4] rose by 74%, from €1.9 million to €3.3 million. This increase is explained mainly by faster completion of the annual program of regular maintenance and repair work in the buildings of the portfolio and booked to the profit and loss account, and by certain non-recurring charges linked to major re-letting of office spaces carried out during the half-year.

The company's **overheads** grew from €4.2 million to €5.4 million. This increase is explained mainly by the impact of the costs associated with the expansion of Befimmo's in-house team following the Fedimmo acquisition, and the increase in various cost items (insurance, taxes, experts' fees, etc.) linked to the expansion of the portfolio mentioned above.

Earnings on the portfolio were €14.5 million compared with €28.4 million for the first half of 2006/2007. Last year saw exceptional growth in the value of the portfolio (€27.2 million, or +2.5%). This year, despite a more difficult market context, growth is €7.1 million, or 0.44%. Moreover, a capital gain of €7.5 million was realised on the disposal of the leasehold rights to the semi-industrial portfolio and the Woluwe Garden B and D buildings in comparison with a capital gain of €1.2 million realised last year in the Fedimmo portfolio on the Tocopro building.

The **financial result** was -€16.1 million compared with -€15.9 million for the same period last year. The large increase in financial charges linked to the rise in interest rates over the past year (the Euribor 3-month rate at 31 March 2008 was 4.73% as against 3.90% at the end of March 2007) was partially offset by the following factors:

- The positive impact of the hedging instruments arranged, mainly IRS callables and Twin Caps (€1.8 million positive impact at 31 March 2008 as compared with a negative impact of €0.7 million at the end of March 2007). €0.9 million of this €1.8 million impact is accounted for by positive revaluations of the instruments, as against a negative impact of €0.7 million on the result of the first half of last year.
- The capital gain realised on the real-estate certificates held by the company following the liquidation of the Chaussée de la Hulpe certificate (€0.9 million).
- The reduction in bank charges linked to the renegotiation of certain agreements, such as the charges connected with the company's dividend payments.

These various changes produced a **net result** for the half-year of €44.6 million in comparison with €54.1 million during the previous fiscal year. Excluding the impact of unrealised changes in the value of buildings, the half-yearly net result realised would be €37.6 million for the half-year, up 40% on last year's figure of €26.9 million.

The **net half-yearly cash flow** is substantially higher (+33%) at €34.8 million in relation to €26.2 million for the first half of the previous fiscal year, mainly on account of the capital gain realised on the disposal of the rights to various buildings.

The **book value** (group share) at 31 March 2008 was €72.86 per share, including net profit for the period, i.e. a return over six months of €2.94 per share.

[4] *Net real-estate charges: all real-estate charges less total charges recovered from tenants.*

Over a one-year period, the **earnings per share** amounted to €9.26 taking into account the gross dividend of €4.51 distributed on 21 December 2007, namely 13.60% of the book value at 31 March 2007.

DEBT STRUCTURE AND INTEREST RATE RISK HEDGING POLICY[5]

Befimmo has a solid balance sheet structure. It has reinforced its financing structure by extending certain loans and arranging finance for the sum of €260 million. In addition, a new syndicated loan over five years for at least €200 million is currently being set up.

On the basis of the credit facilities arranged during the half-year and once the syndicated loan currently being set up is finalised, the duration of Befimmo's borrowings will have risen from 2.3 to 4.2 years. Befimmo is mobilising the necessary resources to continue financing the work planned in its portfolio and to consider new investment projects.

Befimmo pursues an interest-rate hedging policy by buying instruments such as options and IRS.

At 31 March 2008, this combination of instruments gives the company a hedge ratio of around 74%.

[5] *For more information, please see the 2007 Annual Report and the 2007/2008 Half-yearly Report on the Befimmo SCA website [www.befimmo.be].*

CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

BALANCE SHEET UNDER IFRS (in thousands €)	31.03.07	30.09.07	31.03.08
ASSETS			
I. Non-current assets	**1 839 806**	**1 867 469**	**1 822 834**
A. Goodwill	16 116	16 172	16 172
C. Investment properties	1 789 683	1 812 899	1 775 524
D. Development projects	-	2 216	-
E. Other property, plant and equipment	393	692	730
F. Non-current financial assets	23 726	25 626	20 548
G. Finance leases receivables	9 888	9 864	9 860
II. Current assets	**74 649**	**29 301**	**156 789**
A. Assets held for sale	-	-	11 956
B. Current financial assets	112	5 343	1 884
C. Finance leases receivables	38	53	55
D. Trade receivables	12 176	15 210	25 124
E. Tax receivables and other current assets	86	203	73 715
F. Cash and cash equivalents	59 127	5 288	40 442
G. Deferred charges and accrued income	3 110	3 205	3 612
TOTAL ASSETS	**1 914 455**	**1 896 770**	**1 979 623**
SHAREHOLDERS' EQUITY AND LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY	**730 303**	**996 792**	**1 011 182**
I. Equity attributable to shareholders of the parent company	**667 091**	**931 905**	**951 444**
A. Capital	142 295	186 919	186 919
B. Share premium account	161 261	372 952	372 952
D. Reserves	21 113	21 113	21 113
E. Result	340 524	346 399	370 460
a. Result brought forward from previous years	287 393	287 394	327 655
b. Net result for the fiscal year	53 130	59 005(1)	42 804
G. Hedging instruments	1 897	4 522	-
II. Minority interests(2)	**63 212**	**64 887**	**59 738**
LIABILITIES	**1 184 152**	**899 978**	**968 441**
I. Non-current liabilities	**160 729**	**153 838**	**545 009**
B. Non-current financial debts	155 610	148 637	538 985
a. Credit institutions	83 706	82 934	188 654
b. Finance lease	70 364	64 199	58 128
c. Other	1 540	1 504	292 203
C. Other non-current financial liabilities	-	-	716
D. Trade debts and other non-current debts	5 119	5 201	5 308
II. Current liabilities	**1 023 423**	**746 140**	**423 433**
A. Provisions	-	-	6 218
B. Current financial debts	972 942	662 692	345 024
a. Credit institutions	960 984	656 761	333 038
b. Finance lease	11 957	5 931	11 986
D. Trade debts and other current debts	35 273	71 050	57 309
E. Other current liabilities	1 278	-	-
F. Accrued charges and deferred income	13 930	12 398	14 882
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 914 455**	**1 896 770**	**1 979 623**

(1) *Note that an interim dividend of € 30.1 million was distributed. The net result (group share) for the fiscal year is € 89.1 million*

(2) *The minority interests represent the Government's 10% holding in the equity of Fedimmo SA. In March 2008 the General Meeting decided to reduce Fedimmo's capital, thereby reducing the amount of the minority interests in due proportion.*

INCOME STATEMENT UNDER IFRS (in thousands €)

			31.03.07	30.09.07	31.03.08
I.	(+)	Rental income	48 756	104 902	54 871
III.	(+/-)	Charges linked to letting	-179	-282	-180
NET RENTAL INCOME			**48 577**	**104 621**	**54 691**
IV.	(+)	Recovery of property charges	2 189	4 632	5 511
V.	(+)	Recovery income of charges and taxes normally payable by tenants on let properties	4 669	24 431	12 634
VI.	(-)	Costs normally payable by tenants and borne by the landlord on rental damage and refurbishment at the end of lease	-	-9	-
VII.	(-)	Charges and taxes normally payable by tenants on let properties	-4 783	-24 186	-12 802
VIII.	(+/-)	Other revenue and charges for letting	51	146	46
PROPERTY RESULT			**50 703**	**109 634**	**60 080**
IX.	(-)	Technical costs	-2 431	-8 360	-7 005
X.	(-)	Commercial costs	-227	-1 515	-685
XI.	(-)	Charges and taxes on unlet properties	-753	-1 504	-578
XII.	(-)	Property management costs	-584	-1 253	-352
XIII.	(-)	Other property charges	-17	-27	-23
	(+/-)	**Property charges**	**-4 012**	**-12 659**	**-8 643**
PROPERTY OPERATING RESULT			**46 691**	**96 975**	**51 438**
XIV.	(-)	Corporate management costs	-4 173	-8 564	-5 418
XV.	(+/-)	Other operating income and charges	-660	-312	738
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			**41 858**	**88 100**	**46 758**
XVI.	(+/-)	Gains or losses on disposals of investment properties	1 209	1 265	7 455
XVIII.	(+/-)	Changes in fair value of investment properties	27 200	38 701	7 077
OPERATING RESULT			**70 267**	**128 065**	**61 290**
XIX.	(+)	Financial income	1 500	6 650	6 635
XX.	(-)	Interest charges	-14 961	-34 823	-19 399
XXI.	(-)	Other financial charges	-2 409	-7 559	-3 333
	(+/-)	**Financial result**	**-15 870**	**-35 732**	**-16 097**
PRE-TAX RESULT			**54 397**	**92 334**	**45 193**
XXIII.	(-)	Corporation tax	-271	-584	-600
	(+/-)	**Taxes**	**-271**	**-584**	**-600**
NET RESULT			**54 126**	**91 750**	**44 593**
NET RESULT - GROUP SHARE			**53 130**	**89 079**	**42 804**
MINORITY INTERESTS			**996**	**2 671**	**1 788**

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, the 2007/2008 fiscal year is a transitional one in terms of cash flow and dividends, as a result of the major renovation work carried out mainly in tower 2 of the WTC. Against this background, although the expected cash flow for the fiscal year was €3.79 per share, the managing agent had planned to maintain the 2008 dividend forecast at €4.51 per share.

Given the capital gain realised on the disposal of the semi-industrial portfolio, cash flow for the fiscal year will substantially exceed the forecast figure, at around €4.40 per share in the present state of affairs.

Considering the current crisis on the financial markets, linked to subprimes, and the need to fund the company's growth, the managing agent's Board of Directors maintains the dividend forecast for the fiscal year of €4.51 per share.

The half-yearly report as of 31 March 2008 is available on the company's website or may be requested from the registered office.

Further information :

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