TRADING UPDATE
REGULATED INFORMATION

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INTERIM STATEMENT BY THE MANAGING AGENT FOR THE PERIOD 1.10.2008 TO 31.12.2008

CREATING VALUE IN REAL ESTATE

- **Limited drop in the value of the portfolio (-2.41%) in a European property market hard hit by the crisis**
- **First quarter cash flow per share in line with forecasts**
- **Dividend forecast for the fiscal year unchanged (€4.60 gross/share)**

On 16 February 2009 the Board of Directors of Befimmo S.A., Managing Agent of the Sicafi Befimmo, met to establish the quarterly consolidated financial statements of the Sicafi Befimmo as of 31 December 2008.

REAL ESTATE PORTFOLIO

In most European countries, 2008 proved to be a particularly difficult year for real estate. The crisis really upset the property market, resulting in a significant rise in yields and a drop in rental values. According to the real estate agents[1], values have fallen by some 35% in Dublin, 32% in London and 30% in Paris and Barcelona.

In this environment the Brussels market is also seeing an adjustment, but much less drastic than those recorded in the neighbouring capitals. Indeed, in recent years Brussels has not seen a substantial rise in rents (which stayed quite firm), nor strong pressure on yields (prime yield rarely exceeded the minimum level of 5%). Moreover, the less frequent use of aggressive financial levers by Belgian operators reduced the banks' pressure on investors. Finally, the recent sharp drop in interest rates is also a stabilising factor.

Regarding the change in property values, it is more important than ever to measure the exposure of real estate portfolios to changes in value on the basis of the ratings of their tenants, the duration of their leases, the situation and the quality of the buildings in the portfolio.

[1] *Source: Jones Lang LaSalle.*

Befimmo is certainly not immune to this. However, the high proportion of its long-term revenue coming from the public sector (64%[2] - average weighted duration is about 12 years) should significantly mitigate the impact of the crisis. Indeed, cash flows with a "government" rating are particularly appreciated by investors as they believe them to have a low risk profile in relation to "corporate" tenants. Furthermore, the long duration of the leases postpones the pressure on the residual property values at the end of the lease to a distant point in time, which reduces their actuarial impact.

The fair value[3] of Befimmo's consolidated portfolio as of 31 December 2008 was €1,852.3 million. This compares with €1,886.5 million as the fiscal year opened as of 1 October 2008 and €1,832.4 million as of 31 December 2007.

The value of the consolidated portfolio has fallen 2.41% (-€45.7 million) since the start of the fiscal year. Note that this loss in value is nevertheless well below the substantial increases in value recorded in previous years.

The following table shows the values of Befimmo's consolidated portfolio, by geographical area.

Changes in value (€ million)

	31/12/2007	30/09/2008	31/12/2008	Change over the quarter[4]
Offices	**1,774.3**	**1,886.5**	**1,852.3**	
Brussels Centre (CBD)	1,039.3	1,095.0	1,079.2	-2.20%
Brussels Decentralised	154.3	151.4	145.5	-3.88%
Brussels Suburbs	215.2	179.6	172.6	-4.48%
Flanders	271.3	367.4	364.2	-1.32%
Wallonia	94.2	93.1	90.9	-2.77%
Other	**58.1**	**-**	**-**	**-**
TOTAL	**1,832.4**	**1,886.5**	**1,852.3**	**-2.41%**

[2] *The percentage is expressed on the basis of ongoing rent as of 30 September 2008. 64% corresponds to a total rent of €76.2 million.*

[3] *The 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 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 & Brussels) for property worth less than €2.5 million. The Befimmo portfolio consists of investment property and property held for sale.*

[4] *Change in fair value between 30 September and 31 December 2008 (excluding investments and disposals).*

Logically, the values of buildings in decentralised and suburban areas have been worst affected (-3.88% and -4.48% respectively), while buildings let to public institutions on long-term leases suffered a smaller drop (-1.72%).

Looking at the consolidated portfolio, the rental yield was 6.53% as of 31 December 2008, as against 6.26% as the fiscal year opened. Adding the estimated value of vacant premises, the figure is 6.72% as against 6.43%.

The occupancy rate[5] of the whole portfolio as of 31 December 2008 was 97.14% in relation to 97.32% as of 30 September 2008 and 94.55% as of 31 December 2007, well above the average occupancy rate for the Brussels real estate market (90.86%)[6].

Befimmo has no significant information today that would justify it revising its forecasts of occupancy rates and operating cash flow[7] published in the 2008 annual report.

FIRST QUARTER 2008/2009

Befimmo joins the Bel 20 index

At the close of trading on 2 March 2009, Befimmo will join the Bel 20 index with an initial weighting of 1.53%. Indeed, as of 31 December 2008, the date used by Euronext to review the composition of the Bel 20 index, Befimmo easily satisfied the market capitalisation and velocity criteria.

This should give Befimmo more visibility and liquidity.

NET ASSET VALUE AS OF 31 DECEMBER 2008

The total Befimmo's net asset value (unaudited[8]) – group share – as of 31 December 2008 was €851.8 million; the book value – group share – is thus €65.23 per share compared with €71.12 per share a year earlier. As of 31 December 2008, the Befimmo share closed at €66.80, thus being listed at a premium of 2.4% to book value.

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

[6] *Source: CB Richard Ellis.*

[7] Cash flow generated by operation of buildings minus the Company's operating costs.

[8] *Audit of the accounts: the half-yearly accounts (as of 31 March) are subject to a limited review while the accounts as of 30 September are audited.*

The Sicafi's debt ratio [9]as of 31 December 2008 was 51.29%. The increase of the debt ratio since the close of the fiscal year (46.90% as of 30 September 2008) is due to the mechanical impact of the transfer of the amount of the dividend from shareholders' equity to borrowings and due to the falling values of the portfolio and hedging instruments.

Over the twelve months to 31 December 2008 and taking account of the dividend of €4.55/share distributed on 19 December 2008, the negative return on equity is no more than 1.88%[10], which once again confirms the defensive nature of the Befimmo share.

On the basis of the information available to Befimmo, it does not anticipate a risk of failing to abide by the financial ratios (covenants) to which it is committed with its bankers.

PERIODIC RESULTS

	Q1 2007/2008	Q1 2008/2009
	[30 Sept. 07 – 31 Dec. 07]	[30 Sept. 08 - 31 Dec. 08]
Net rental result[11] (€ million)	27.3	28.2
Operating result before result on portfolio (€/share)	1.80	1.85
Net result (€/share) [group share]	1.20	-4.25
Net cash flow[12] (€/share) [group share]	1.03	1.11

The **net rental result** is up 3% on the same quarter of last year, **net cash flow** being 8% above last year's figure. This change is explained mainly by the favourable trend of the operating result and the drop in interest rates beginning to have a positive impact on financial charges.

The **net cash flow** generated in the fiscal first quarter is in line with forecasts.

The difference between the **net result** as of 31 December 2007 (€15.7 million) and as of 31 December 2008 (-€55.5 million) is explained mainly by the revaluation losses on the property portfolio (-€45.7 million) and on the interest rate hedging instruments (-€18.9 million).

9 *The debt ratio calculated in accordance with the Royal Decree of 21 June 2006 is 52.97%. After deducting an exceptional cash of €68.7 million – mainly linked to the cash available for payment of the dividend from 19 December 2008 – this debt ratio falls to 51.29%.*

10 *This return is calculated as the percentage ratio between the book value as of 31 December 2008 (i.e. €65.23) plus the gross dividend for December 2008 (€4.55) and the book value as of 31 December 2007 (i.e. €71.12) minus one.*

11 *Net rental result as presented in the scheme for the IFRS income statement in the Royal Decree of 21 June 2006.*

12 *The net cash flow is the net result before depreciation, changes in value and provisions.*

OUTLOOK

Making the most of the recent changes in interest rates, Befimmo expects to achieve a higher than forecast cash flow over the current fiscal year. Unless other factors intervene, the Managing Agent confirms the previously published[13] dividend forecast of €4.60/share (gross) for the current fiscal year.

Befimmo is pursuing its core business of asset manager, developing a strategy as a pure player investor in quality office buildings located in the city centre. It is keen to both enhance the value of its portfolio and take advantage of opportunities for investment in Belgium or abroad and for growth, provided that they create value for its shareholders.

FORTHCOMING PUBLICATIONS (NEW DATES)[14]

Monday 25 May 2009	Press release: publication of half-yearly results 2008/2009
Friday 29 May 2009	Publication of the half-yearly report 2008/2009 on Befimmo's website (www.befimmo.be)

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Further information:

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[13] *See annual report 2008.*
[14] *Publication after the close of the stock exchange.*