MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

Six Months Ended June 30, 2009

The following should be read in conjunction with the unaudited consolidated interim financial statements and accompanying notes for the six months ended June 30, 2009 prepared under **International Financial Reporting Standards.**

In compliance with National Instrument 51-102 of the Canadian Securities Administrators, Management notifies readers that the unaudited interim consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the period ended June 30, 2009, have not been reviewed by the Company's external auditors.

Date of MD&A

August 07, 2009

Advisory: Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our 2009 objectives, our strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans", or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

This discussion contains forward-looking statements concerning capital expenditures, cost reductions and operating and financial improvements. Such statements are based on Homburg Invest Inc.'s management's assumptions and beliefs in light of the information currently available to them. These statements are subject to inherent uncertainties and risks, including, but not limited to: general business and economic conditions in the Company's operating regions; pricing pressures and other competitive factors; results of the Company's ongoing efforts to reduce costs; and the availability and terms of financing. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements. Homburg Invest Inc. assumes no obligation to update the information herein.

Overall Performance and Selected Interim Information

Homburg Invest Inc. ("Homburg Invest" or the "Company") is a public real estate company owning 262 properties with an estimated fair value of $3.8 billion and 20.4 million square feet of space as at June 30, 2009 in four main asset classes: office, retail, industrial, and multi-family residential.

Properties Owned

	June 30, 2009 (Thousands, except for properties and units)				December 31, 2008 (Thousands, except for properties and units)			
Property type	No. of buildings	Fair Value	No. of units	Gross Square Footage	No. of buildings	Fair Value	No. of units	Gross Square Footage
Office	104	$1,911,304		6,989	104	$1,982,744		6,903
Retail	91	811,665		6,290	91	861,251		6,290
Residential	13	93,975	824	725	13	93,975	824	725
Industrial	38	549,933		6,356	38	611,774		6,356
Sub total	246	3,366,877	824	20,360	246	3,549,744	824	20,274
Properties held for development (a)	7	131,836			7	128,619		
Construction projects for resale (b)	6	198,170			6	194,638		
Properties under construction (c)	3	116,020			3	95,666		
Total	**262**	**$3,812,903**	**824**	**20,360**	**262**	**$3,968,667**	**824**	**20,274**

a) Properties held for development - a 146 acre parcel of land on the outskirts of Calgary, Alberta, that will be developed into single family and multi residential units; a 140 acre parcel of land on the outskirts of Calgary, Alberta, that will be developed into single family and multi residential units; a parcel of land in Calgary, Alberta that will be developed into a condominium complex containing 214 units; a 217 acre parcel of land in Calgary, Alberta that will be developed into commercial properties; a 39 acre parcel of land in Calgary, Alberta that will be developed primarily into approximately 600 single family dwellings; a one third interest in a 777 acre parcel of land on the outskirts of Calgary, Alberta that will be developed into a mix of commercial, industrial, single family and multi-residential units; and a parcel of land in Montreal, Quebec.

b) Construction projects for resale - 45 condominium units in Calgary, Alberta; 26 condominium units in the Eau Claire area of Calgary, Alberta; 87 condominium units in Grande Prairie, Alberta; 21 condominium units in downtown Charlottetown, Prince Edward Island; a one third interest in 18 condominium units in Montreal, Quebec; and a 458 unit condominium complex in Calgary, Alberta.

c) Properties under construction - a parcel of land in Calgary, Alberta that will be developed into a seven building office campus; a one third interest in 98 condominium units and a 5 acre parcel in Montreal, Quebec that will be redeveloped into office, retail and hotel space; and a parcel of land in Charlottetown, Prince Edward Island that will be developed into an office tower.

Results from Operations

Non-IFRS Financial Measures

The MD&A includes measures widely accepted within the real estate industry which are not defined by International Financial Reporting Standards ("IFRS"). These measures include Net Operating Income ("NOI") and Funds From Operations ("FFO"). These are not defined measures calculated in accordance with IFRS and may not be comparable to similar measures presented by other issuers. The Company considers these amounts to be measures of operating and financial performance.

a) Net Operating Income is calculated as Property Revenue less Property Operating Expenses.

b) Funds From Operations (FFO) is presented by the Company as net income (loss) adjusted for amortization, deferred and capital income taxes (recovery), unrealized and realized valuation changes, fair value change in financial instruments, loss (gain) on derivative instruments, goodwill impairment loss and foreign exchange loss (gain).

c) Funds from Operations per Share is calculated as Funds From Operations divided by either the basic or diluted weighted average number of shares.

The following table reconciles IFRS net income (loss) to FFO for the three and six month periods ending June 30 of 2009 and 2008:

	3 Months Ended June 30, 2009	**6 Months Ended June 30, 2009**	**3 Months Ended June 30, 2008**	**6 Months Ended June 30, 2008**
	(Thousands)	(Thousands)	(Thousands)	(Thousands)
Net income (loss)	**$(28,202)**	**$(22,658)**	$16,709	$34,563
Add (deduct):				
Unrealized valuation changes	**50,137**	**51,986**	3,389	4,011
Realized valuation changes	**(648)**	**(2,250)**		
Amortization of financing costs	**1,240**	**2,225**	2,101	6,955
Deferred and capital income taxes (recovery)	**(9,289)**	**(9,824)**	1,122	1,594
Foreign exchange loss (gain)	**(3,589)**	**(10,780)**	(32)	962
Loss (gain) on derivative instruments	**(3,896)**	**4,811**	22	902
Fair value change in financial instruments	**(2,288)**	**935**	2,517	7,097
Funds from operations (FFO)	**$3,465**	**$14,445**	$25,828	$56,084
Add (deduct): Development pipeline	**10,305**	**8,659**	(13,950)	(30,093)
	$13,770	**$23,104**	$11,878	$25,991

The financial information is being provided under National Instrument 51-102 *Continuous Disclosure Obligations*. The annual information for the last three years and the quarterly information for the last eight quarters are being provided. The annual and quarterly results reflect the continued growth of the Company's property portfolio. The most significant transactions in the three year period were the acquisition of 12 buildings, May 1, 2006 in Germany for $610.4 million; the acquisition of 4 buildings, June 2006 in The Netherlands for $199.9 million; the acquisition of 17 buildings in Quebec, Canada through the Alexis Nihon transaction for $552.6 million in 2007; the acquisition of the CN Central Station Complex in Montreal, Canada for $369.4 million in December 2007; the acquisition of 54 buildings in the Baltics for $221.9 million in December 2007 and March 2008; and the acquisition of an 80% interest in 9 limited partnerships in the US for $139.4 million in December 2007. These transactions have had a significant impact on the annual numbers for the years in which they were acquired and subsequent years. The annual revenue stream for 2008, 2007 and 2006, and the quarterly operations for 2009, 2008 and 2007 as shown below reflect the significant growth in the property operations over the periods being provided.

On December 12, 2008, the Company's shareholders approved a stock consolidation of the Class A Subordinate Voting Shares and Class B Multiple Voting Shares. Under the consolidation, each 10 pre-consolidation shares, whether Class A or Class B, were exchanged for 1 post-consolidation share in the same class of share, either of Class A or Class B. The terms of the Class A and Class B shares remained otherwise unchanged.

In September 2008, the Company declared a dividend of $2.25 per share on all issued and outstanding shares. The dividend was paid "in-kind" by issuing Class A Subordinate Voting Shares at a fair value price of $32.65 per share. The fair value was determined based on the weighted average trading price of the Class A Shares for a five day trading period prior to the date of the dividend declaration. After giving effect to the cash payment of non-resident withholding taxes and fractional shares, 0.068593 Class A Shares were issued for each outstanding Class A and Class B Multiple Voting Share.

All current and comparative reported share and per share amounts have been retrospectively adjusted to reflect the 1 for 10 stock consolidation and the dilutive effect of the "in-kind" dividend.

		December 31 2008	**December 31 2007**	**December 31 2006 (As Restated)**
		(Thousands, except for per share calculations)		
Property revenue		$310,466	$211,025	$116,742
Unrealized valuation changes			55,757	76,225
Sale of properties developed for resale		186,350	191,139	45,968
Realized valuation changes		443	924	8,775
Other income		4,841	27,414	5,384
Total revenue		$502,100	$486,259	$253,094
Net operating income		$222,052	$159,171	$103,113
Net income (loss)		$(276,653)	$140,495	$94,766
Earnings (loss) per share	- basic	$(13.95)	$8.64	$8.60
	- diluted	$(13.95)	$8.23	$8.09
Funds from operations		$82,148	$95,478	$37,557
Funds from operations per share	- basic	$4.14	$5.87	$3.41
	- diluted	$4.14	$5.59	$3.21
Total assets		$4,144,636	$3,817,479	$2,425,964
Total long term financial liabilities		$3,094,432	$2,084,829	$1,668,665
Dividend declared per share		$4.49	$3.93	$2.81

		3 Months Ended June 30 2009	3 Months Ended March 31 2009	3 Months Ended December 31 2008	3 Months Ended September 30 2008
		(Thousands, except for per share calculations)			
Property revenue		**$84,717**	$80,640	$81,894	$76,469
Sale of properties developed for resale		**15,579**	24,211	15,524	39,917
Realized valuation changes		**648**	1,602	443	
Unrealized valuation changes					
Other income		**10,553**	7,547	36	1,099
Total revenue		**$111,497**	$114,000	$97,897	$117,485
Net operating income		**$58,690**	$57,268	$54,083	$55,757
Net income (loss) from continuing operations		**$(28,202)**	$5,544	$(302,065)	$(9,151)
Net income (loss) per share from continuing operations	- basic	**$(1.43)**	$0.28	$(15.12)	$(0.46)
	- diluted	**$(1.43)**	$0.27	$(15.12)	$(0.46)
Net income from discontinued operations		**$NIL**	$NIL	$NIL	$NIL
Net income per share from discontinued operations	- basic	**$0.00**	$0.00	$0.00	$0.00
	- diluted	**$0.00**	$0.00	$0.00	$0.00
Net income (loss)		**$(28,202)**	$5,544	$(302,065)	$(9,151)
Net earnings (loss) per share	- basic	**$(1.43)**	$0.28	$(15.12)	$(0.46)
	- diluted	**$(1.43)**	$0.27	$(15.12)	$(0.46)
Funds from operations		**$3,465**	$10,980	$7,302	$18,762
Funds from operations per share	- basic	**$0.17**	$0.55	$0.37	$0.94
	- diluted	**$0.17**	$0.54	$0.37	$0.92
Total assets		**$3,962,342**	$4,081,236	$4,144,636	$4,057,967
Total long term financial liabilities		**$2,852,668**	$2,988,320	$3,094,432	$2,696,087
Dividend declared per share		**$0.00**	$0.00	$0.00	$2.25

		3 Months Ended June 30 2008	3 Months Ended March 31 2008	3 Months Ended December 31 2007	3 Months Ended September 30 2007
		(Thousands, except for per share calculations)			
Property revenue		$77,290	$74,813	$60,443	$55,621
Sale of properties developed for resale		49,392	81,517	156,133	7,875
Realized valuation changes				(128)	
Unrealized valuation changes				14,854	15,810
Other income		248	3,458	5,338	2,875
Total revenue		$126,930	$159,788	$236,640	$82,181
Net operating income		$56,972	$55,240	$38,221	$42,154
Net income from continuing operations		$16,709	$17,854	$73,388	$18,596
Net income per share from continuing operations	- basic	$0.84	$0.93	$3.81	$1.02
	- diluted	$0.82	$0.90	$3.71	$0.97
Net income (loss) from discontinued operations		$NIL	$NIL	$96	$(163)
Net income (loss) per share from discontinued operations	- basic	$0.00	$0.00	$0.00	$(0.01)
	- diluted	$0.00	$0.00	$0.00	$(0.01)
Net income		$16,709	$17,854	$73,484	$18,433
Net income per share	- basic	$0.84	$0.93	$3.81	$1.01
	- diluted	$0.82	$0.90	$3.71	$0.96
Funds from operations		$25,828	$30,256	$59,034	$12,777
Funds from operations per share	- basic	$1.29	$1.57	$3.06	$0.70
	- diluted	$1.26	$1.53	$2.98	$0.66
Total assets		$4,166,961	$4,132,603	$3,817,479	$3,145,557
Total long term financial liabilities		$2,809,219	$2,563,708	$2,084,829	$2,006,301
Dividend declared per share		$0.00	$2.25	$0.00	$2.25

Net loss for the second quarter of 2009 was $(28.2) million or $(1.43) per share compared to net income of $16.7 million in 2008 or $0.84 per share. The significant highlights of the changes from 2008 are: the property revenue increased to $84.7 million from $77.3 million and the Company realized a $(10.3) million loss (2008 - $14.0 million profit) from the sale of properties developed for resale resulting from budget adjustments, and the sale of condominiums at current market prices.

The Company recognized a foreign exchange gain of $3.6 million in the second quarter of 2009 (June 30, 2008 - $32.0 thousand) as a result of the strengthening of the CAD against the EUR.

The Company has reduced its exposure to interest rate risk through the use of interest rate swaps on specific variable interest rate debt amounts. During the second quarter of 2009; as a result of low interest rates on variable rate debt, the Company recorded a gain of $3.9 million (June 30, 2008 - $22.0 thousand loss) on these derivative instruments.

The segmented information related to each property classification is summarized below. Revenue for purposes of this analysis includes rental revenue and tenant cost recoveries. Net operating income has been calculated by deducting from property revenue the direct property operating expenses related thereto, and is exclusive of general and administrative expenses, amortization and interest on related debt.

Office Portfolio	**3 Months Ended June 30, 2009**	3 Months Ended June 30, 2008	**6 Months Ended June 30, 2009**	6 Months Ended June 30, 2008
	(Thousands)			
Property revenue	**$46,265**	$41,441	**$90,908**	$81,791
Net operating income	**$33,453**	$32,510	**$68,258**	$63,838

Homburg Invest's office portfolio consists of 104 (June 30, 2008 - 102) small to medium sized office buildings in Canada, the United States and Europe with a total area of 7.0 million square feet. Second quarter property revenue was $46.3 million compared to $41.4 million in the same period of 2008 while net operating income was $33.5 million versus $32.5 million in 2008.

Overall occupancy in the office portfolio was 95% at June 30, 2009 (93% - June 30, 2008).

Retail Portfolio	**3 Months Ended June 30, 2009**	3 Months Ended June 30, 2008	**6 Months Ended June 30, 2009**	6 Months Ended June 30, 2008
	(Thousands)			
Property revenue	**$24,048**	$22,578	**$48,575**	$44,766
Net operating income	**$13,389**	$13,331	**$26,694**	$26,967

Homburg Invest's retail portfolio consists of 91 (June 30, 2008 - 87) retail properties, including the Confederation Court Mall in Charlottetown, PEI, Place Alexis Nihon in Montreal, Quebec, and seven big box Zellers locations across Canada, having total rentable square footage of 6.3 million square feet. The retail rental revenue for the second quarter on the properties held on June 30, 2009 have increased 6.5% in the quarter over the same period in 2008 primarily related to scheduled lease increases.

Overall occupancy in the retail portfolio was 97% at June 30, 2009 (99% - June 30, 2008).

Residential Portfolio	**3 Months Ended June 30, 2009**	3 Months Ended June 30, 2008	**6 Months Ended June 30, 2009**	6 Months Ended June 30, 2008
	(Thousands)			
Property revenue	**$2,584**	$2,655	**$5,251**	$5,310
Net operating income	**$839**	$1,345	**$1,997**	$2,643

Homburg Invest's residential portfolio is primarily located in Nova Scotia, New Brunswick and Quebec, and consists of 13 (June 30, 2008 - 13) properties with 824 (June 30, 2008 - 824) units as at June 30, 2009. Net operating income for the second quarter of 2009 was $0.8 million compared to $1.3 million in the same period in 2008.

The residential portfolio maintained a high overall average occupancy rate during 2009 and at June 30, 2009 the occupancy rate was 97% (96% - June 30, 2008).

Industrial Portfolio	**3 Months Ended June 30, 2009**	3 Months Ended June 30, 2008	**6 Months Ended June 30, 2009**	6 Months Ended June 30, 2008
	(Thousands)			
Property revenue	**$11,820**	$10,616	**$20,623**	$20,236
Net operating income	**$11,009**	$9,786	**$19,009**	$18,764

Homburg Invest's industrial portfolio consists of 38 (June 30, 2008 - 38) industrial buildings located in Canada, the US and Europe with a total area of 6.4 million square feet. The Company's industrial buildings generated $11.8 million total rental revenue in the second quarter of 2009 and $11.0 million in net operating income compared to $10.6 million total rental revenue in the second quarter of 2008 and $9.8 million in net operating income.

Overall occupancy in the industrial portfolio was 90% at June 30, 2009 (99% - June 30, 2008).

Net Adjustment to Fair Value of Investment Properties
As a result of management estimates, aided by independent external analyses of the market completed in the second quarter of 2009, the unrealized valuation decrease recorded was $50.1 million compared to an decrease of $3.4 million in 2008.

Properties Developed for Resale
The Company has continued to realize upon its development pipeline with sales in Grande Prairie, Calgary, Edmonton, Alberta and Charlottetown, Prince Edward Island of $15.6 million for the three months ended June 30, 2009 (2008 - $49.4 million). The related cost of properties sold was $25.9 million (2008 - $35.4 million). This loss in the period is the result of selling condo's to repatriate cash and cost overruns.

Interest Expense
Interest expense for the second quarter was $40.3 million in 2009, compared to $40.6 million in the same period in 2008, a decrease of $0.3 million.

The Company's debt consists of $2.5 billion in fixed rate debt and $537.3 million in variable rate debt. The weighted average variable interest rate on long term debt decreased to 2.59% from 4.47%, and fixed interest rate decreased to 5.91% from 5.94% at December 31, 2008. For the six months ended June 30, 2009, Homburg Invest had total interest coverage from continuing operations of 1.35:1 (June 30, 2008 - 1.61:1) (total revenue less unrealized fair value gains, property operating expenses, cost of property sales and general and administrative expenses ÷ interest expense) and a debt to equity ratio of 4.99:1 (December 31, 2008 - 5.08:1) (long term debt, construction financing, long term payables and demand loans ÷ shareholders' equity).

General and Administrative
General and administrative expenses totaled $5.9 million in the second quarter of 2009 compared to $6.5 million in the same period of 2008.

Financial Condition

Assets

Total assets decreased from $4.1 billion at December 31, 2008 to $4.0 billion at June 30, 2009. The table below summarizes Homburg Invest's asset base.

	June 30, 2009 (Millions)	December 31, 2008 (Millions)
Non-current assets		
Investment properties	**$ 3,366.9**	$ 3,549.7
Development properties	**247.9**	224.3
Currency guarantee receivable	**14.9**	28.2
Investments	**32.3**	40.1
Restricted cash	**21.4**	25.9
	3,683.4	3,868.2
Current assets		
Cash	**6.3**	16.4
Construction properties being developed for resale	**198.1**	194.6
Receivables and other	**74.5**	65.4
	$ 3,962.3	$ 4,144.6

Receivables and other

Receivables consist of $19.2 million (December 31, 2008 - $14.1 million) in amounts due from tenants which arise from the normal course of operations; $26.8 million (December 31, 2008 - $45.9 million) on the sale of properties developed for resale; and $0.9 million (December 31, 2008 - $1.4 million) due for GST rebates on development projects and VAT on foreign subsidiaries. The remaining receivables and other at June 30, 2009 include: $3.3 million (December 31, 2008 - $NIL) in Homburg Capital Securities A proceeds receivable; $11.0 million (December 31, 2008 - $NIL) in related party receivable; and $13.2 million (December 31, 2008 - $4.0 million) in prepaid expenses and other.

Long Term Investments

The long term investments are in Cedar Shopping Centers, Inc., a New York Stock Exchange listed REIT and represents approximately 0.1% (December 31, 2008 - 0.1%) of the outstanding shares; a 10% interest in DEGI Homburg Harris Limited Partnership, which owns an office complex under development; a 20% interest in Homburg Eastern European Fund B.V., which is developing investment properties; and DIM Vastgoed N.V. ("DIM"), a NYSE Euronext Amsterdam listed company with properties in the southeastern United States. Our investment in DIM allows the Company to control approximately 9% (December 31, 2008 - 24%) of the voting rights. Mr. Homburg is a Director of Cedar Shopping Centers, Inc.. The Company entered into an agreement for the sale of the remaining DIM shares to Equity One Inc. Under the agreement, the Company has granted Equity One Inc. an irrevocable proxy with respect to the voting rights of these shares, and Equity One Inc. will acquire the DIM shares from the Company once the Company has obtained these DIM shares in October 2010. A portfolio investment in Equity One Inc, has been sold during the period.

Capital Structure

The table below summarizes Homburg Invest's capital structure.

	June 30, 2009 (Millions)		December 31, 2008 (Millions)	
Long term debt	**$2,816.0**	**77.2%**	$2,952.1	78.1%
Construction financing	**111.6**	**3.1%**	102.4	2.7%
Long term payables	**25.4**	**0.7%**	25.3	0.7%
Due to DIM shareholders	**4.0**	**0.1%**	4.4	0.1%
Non-construction demand loans	**76.6**	**2.1%**	90.6	2.4%
Homburg Capital Securities A	**4.7**	**0.1%**		
	$3,038.3	**83.3%**	$3,174.8	84.0%
Shareholders' equity	**609.3**	**16.7%**	606.8	16.0%
	$3,647.6	**100.0%**	$3,781.6	100.0%

Long Term Debt

Mortgages payable on revenue producing properties decreased by $35.6 million during the second quarter of 2009. New borrowings and debt assumptions amounted to $5.0 million in the quarter while $9.3 million was applied to the mortgage debt as required under normal principal payments, dispositions and refinancing. The remaining $31.3 million relates to the impact of changes in foreign exchange rates on the EUR and USD denominated debt.

Subsequent to the issuance of the Series 2, 4, 5, 6 and 7 mortgage bonds, the Canadian dollar has strengthened against the Euro to the extent of $14.9 million at June 30, 2009, down from a $28.2 million receivable as at December 31, 2008. The final settlement of the currency asset or obligation will take place at the earliest of the cancellation or termination of the agreement; the retirement of the bonds or their scheduled maturity. As a result of the guarantee, there is no earnings impact related to changes in currency value of the bonds.

The Junior subordinated notes require interest only payments until maturity in 2036. The notes, which consist of EUR €25.0 million and USD $20.0 million, have a fixed interest rate until 2016 and variable thereafter until maturity. The Company has a redemption option effective in 2011 until maturity, and the outstanding balances are translated at period end exchange rates. The notes have a financial covenant which requires the Company to maintain a certain minimum rolling four-quarter interest coverage ratio, as calculated using the Company's IFRS financial information.

Non-construction demand loans

The Company reduced the demand loan balances by $4.2 million during the three months ended June 30, 2009 and $14.0 million during the six months ended June 30, 2009.

Construction Financing

To June 30, 2009, the Company had $111.6 million in construction financing outstanding relating to our development projects outlined earlier. This first mortgage secured financing will be replaced with conventional first mortgages upon completion of the applicable projects, or paid off where the debt is secured by a charge over condo units being sold.

Derivative Instrument Asset/Liability

The Company has entered into interest rate swaps in order to manage the impact of fluctuating interest rates on EUR €160.4 million ($260.5 million) (December 31, 2008 - EUR €161.2 million ($277.8 million)) of its long term debt. Due to a reduction of interest rates in The Netherlands, Germany and the Baltics during the three months ended June 30, 2008 the impact on the statement of income is a gain of $3.9 million (June 30, 2008 - loss of $22 thousand).

Shareholders' Equity
Homburg Invest's shareholders' equity increased from $606.8 million at December 31, 2008 to $609.3 million at June 30, 2009. In 2009, 172.9 thousand shares (2008 - 52 thousand shares) were repurchased and cancelled under the Company's Normal Course Issuer Bid for an average cost of $7.79 per share; Net loss for the six months ended June 30, 2009 amounted to $(22.7) million. Other paid in capital increased $24.1 million related to the issuance of Homburg Capital Securities A, accumulated other comprehensive income increased by $2.7 million due to changes in foreign currency rates and contributed surplus increased $5.5 million primarily related to the repurchase and cancellation of shares at prices below the average issue price for the shares.

In 2008, 709 thousand shares valued at $22.6 million were issued under the dividend reinvestment plan; 1.28 million shares valued at $44.8 million were issued as a stock dividend; and $62 thousand in issue costs related to these transactions were paid out.

The Company's US operations, headquartered in Colorado Springs, Colorado and the European operations headquartered in Soest, The Netherlands, have a functional currency of the US dollar and Euro respectively for recording substantially all transactions. The accounts are translated on the consolidated books of the Company using the current rate method, whereby assets and liabilities are translated at period end exchange rates while revenues and expenses are converted using average translation rates for the reporting period. Gains and losses resulting from the currency translations of the subsidiaries are deferred and included in the accumulated other comprehensive income (loss) within shareholders' equity. At June 30, 2009, this cumulative amount was a positive $3.4 million; an increase of $2.8 million from the accumulated amount of $0.6 million as at December 31, 2008.

Liquidity, Capital Resources and Capital Commitments
In the normal course of its business, Homburg Invest has capital requirements for the principal component of mortgage payments, tenant improvements, capital expenditures and dividends to shareholders. Homburg Invest funds these requirements with new capital share issues, new bond issues and funds from operations; although in some cases expenditures and leasing costs are funded by the underlying mortgage or separate term debt. Capital expenditures totaled $17.1 million in the second quarter of 2009. These acquisitions were financed by working capital.

	Payments Due by Period (In thousands)				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Long term debt	$2,840,882	$122,827	$830,590	$439,295	$1,448,170
Capital lease obligations	$NIL	$NIL	$NIL	$NIL	$NIL
Operating leases	$259,189	$1,825	$33,413	$14,679	$209,272
Purchase obligations	$75,445	$50,091	$25,354	$NIL	$NIL
Other obligations	$120,367	$108,696	$8,549	$NIL	$3,122
Total contractual obligations	$3,295,883	$283,439	$897,906	$453,974	$1,660,564

The Company intends to make all normal principal repayments over the term of each debt instrument and to renew the mortgages at maturity under terms similar to those currently in place.

For the quarter ended June 30, 2009 funds from operations were $3.5 million. Homburg Invest believes that funds from operations and $15.0 million in credit lines available to it will be sufficient to fund near-term, nondiscretionary costs. The Company has successfully raised $18.6 million, net of borrowing fees, through its Homburg Capital Securities A issued in the second quarter of 2009. The Company intends to continue to use these funds to repay demand loans and for the development of the various development projects underway. The Company continues to manage its capital resources to maximize its opportunities for growth.

At June 30, 2009, the Company had three secured credit facilities totaling $78.0 million available to it. At period end, there was a balance of $63.0 million against these lines. Interest is charged at market competitive rates for demand loans. Included in the loan facilities is $15.0 million which is with a company controlled by the Chairman and Chief Executive Officer.

At the present time there are no commitments for capital expenditures for property acquisitions other than those disclosed in the commitment and subsequent events notes to the financial statements. These will be funded from the existing loan facilities, new mortgage financing, funds on hand and pending Bond and debt proceeds. The properties currently under development will be funded through bank construction loans and Homburg Bond proceeds.

The Company, through its subsidiary Valbonne Real Estate 5 B.V., has entered into an option agreement to purchase the remaining 6.63% of MoTo Objekt Campeon GmbH and Co KG in the first quarter of 2012 for EUR €15.6 million ($25.4 million).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements. Related party transactions are separately disclosed in this MD&A.

Transactions with Related Parties

The Company is controlled by the Chairman and Chief Executive Officer through holding companies.

a) The Company has entered into agreements with companies commonly controlled by the Chairman and Chief Executive Officer to provide various services. A summary of the various transactions between related parties is as follows:

	3 Months Ended June 30, 2009	3 Months Ended June 30, 2008
	(Thousands)	(Thousands)
Rental revenue earned	**$ (171)**	$ (221)
Interest income	**$ (362)**	$ NIL
Asset and construction management fees incurred	**$ 9,035**	$ 5,932
Property management fees incurred	**$ 887**	$ 914
Insurance incurred	**$ 328**	$ 329
Service fees incurred	**$ 457**	$ 243
Property acquisition fees / disposal fees incurred	**$ 4**	$ 5
Mortgage bond guarantee fees incurred	**$ 716**	$ 879
Bond and other debt issue costs incurred	**$ 1,482**	$ 2,056
Interest costs incurred	**$ 868**	$ NIL

b) Included in accounts payable are the following balances payable to companies commonly controlled by the Chairman and Chief Executive Officer, which are non-interest bearing and have no set terms of repayment.

	June 30, 2009	December 31, 2008
	(Thousands)	(Thousands)
Mortgage bond guarantee fees	**$ 1,388**	$ 323
Management fees	**$ 694**	$ 83

c) The Company has approved a resolution authorizing the property manager, a company commonly controlled by the Chairman and Chief Executive Officer, to operate trust accounts on its behalf as required to conduct business of the Company.

d) Professional services of approximately $100 thousand (June 30, 2008 - $47 thousand) were purchased from a corporation of which one of the Company's directors is affiliated.

e) Included in accounts payable is $3.5 million (December 31, 2008 - $15.0 million) in payable to companies commonly controlled by the Chairman and Chief Executive Officer, which is non-interest bearing and has no set terms of repayment.

f) Also included in accounts payable is a demand note payable plus accrued interest in the amount of EUR €2.3 million ($3.8 million) (December 31, 2008 - $3.9 million) payable to a company commonly controlled by the Chairman and Chief Executive Officer, which bears an interest rate of 5.619% per annum.

g) Also included in accounts payable is a demand note payable plus accrued interest in the amount of USD $2.2 million ($2.5 million) (December 31, 2008 - $3.3 million) payable to a company commonly controlled by the Chairman and Chief Executive Officer, which bears an interest rate of 6.00% per annum.

h) Included in accounts receivable is a demand note receivable plus accrued interest in the amount of EUR €6.8 million ($11.0 million) (December 31, 2008 - $NIL) payable from a company commonly controlled by the Chairman and Chief Executive Officer, which bears an interest rate of 7.25% per annum.

i) The Company has entered into a guarantee arrangement for the principal and interest amounts of the Mortgage Bonds payable, with a company under the control of the Chairman and Chief Executive Officer, wherein it is protected against fluctuations in the Canadian dollar and the Euro. The cost of this guarantee per annum is 2.0% on the Series 2 Bonds, and 1.6% on the Series 4, Series 5, Series 6, and Series 7 Bonds.

Related party transactions are recorded at their exchange amounts, being the amounts agreed to by the related parties.

Second Quarter 2009

The operating results for the June 2009 quarter, cash flows and financial position of the Company were consistent with the approved budget. The second quarter results were previously described under the heading "Results from Operations".

Proposed Transactions

Proposed Transactions

At June 30, 2009 the Company has three construction projects underway to which it has signed commitments of $50.1 million. These commitments will be funded from existing cash resources, construction financing and the proceeds from bond and debt issues. Management continues to investigate real estate transactions and these are brought forward to the Board of Directors if and when it is determined that they are accretive to shareholder value to proceed with such acquisitions.

The Company is managing the funds to maximize its short term returns prior to redeployment of cash into new investment properties. The final impact on cash flow related to the servicing of these borrowings is $NIL as the capitalized interest costs are funded from the borrowings and construction loans put in place to develop the properties.

Subsequent Events

a) As part of the Company's continual assessment of its portfolio, the Company has signed sales agreements for 4 investment properties located in Canada. The sales are expected to be completed in the third quarter of 2009; subject to the purchasers completing due diligence. The properties are being sold for a total of $16.9 million less selling costs. There are first mortgage charges against the properties totaling $6.7 million which will be settled as part of the dispositions. The impact of the disposition of these properties is immaterial to ongoing property revenue, property operating expense, and pretax earnings.

b) In June of 2009, Quelle GmbH, and its parent Arcandor AG filed with the German courts to open preliminary insolvency proceedings.

In July 2009, Quelle GmbH announced that they had received EUR €50.0 million in credits from the provinces of Bavaria and Saxony in Germany,and that their operations are in a positive cash flow position for the remainder of 2009, and they currently are in the process of planning beyond year end.

The mortgage on the property requires payment of interest and principal on a quarterly basis, and Homburg Invest has made the required payment in July 2009. The next required payment is October 2009. However, since Quelle GmbH has not paid rent since filing to open preliminary insolvency proceedings, the Company has received a notice of default from the lender dated July 23, 2009 with respect to required reserves. The Company will not rectify the default until the status of the Quelle GmbH preliminary insolvency proceedings clarify the status of Quelle GmbH moving forward.

At period end, the specific property has a fair value of $195.6 million, and an outstanding mortgage balance of $168.2 million.

Under the original purchase agreement, the Company has recourse to the vendor for certain losses. The Company will continue to monitor the situation, to determine if it has suffered a loss that can be recovered under the terms of these guarantees.

The limited partner structure of the Company provides protection to the shareholders in that the lender only has recourse to the asset it holds security on, not the Company as a whole.

Critical Accounting Estimates

Cost Recoveries

As a real estate company, Homburg Invest Inc. for the most part is able to match its costs and revenues on a cash basis with accruals being made at each quarter and year end to ensure that the costs recorded match the revenue streams of the properties. As most of the costs incurred on the commercial operations are cost recoveries from the tenants, the accounting systems of the Company are set up to provide the appropriate matching. Accounting estimates are made in such areas as property tax accruals and insurance accruals which are readily determinable based on historical costs or current changes in the marketplace. There are no cost estimates which are not reasonably determinable and therefore the Company is able to realistically report its accounting estimates.

Allowance for Doubtful Accounts

The outstanding receivables are reviewed and evaluated on a monthly basis. The allowance for doubtful accounts is adjusted based on this review. Historically the Company has not experienced significant credit losses.

Fair Values

The investment properties are carried at fair values. These values are reviewed and updated on a quarterly basis. The fair values are determined by a combination of independent appraisals and management estimates. Historically, subsequent property sales have supported the fair values and the Company has not experienced any realized valuation losses.

These estimates result from the application of judgment and therefore are subject to uncertainty. The Company monitors these estimates on a continual basis.

Financial Instruments and risk management

Financial Instruments

The Company does not acquire, hold or issue derivative financial instruments for trading purposes.

The Company holds the following long term financial instruments: mortgages, mortgage bonds, corporate non-asset backed bonds, junior subordinated notes, long term payables and long term investments. The mortgages have a fair value of $2.1 billion (December 31, 2008 - $2.1 billion). The total fair value of all bonds is $651.4 million (December 31, 2008 - $649.4 million). The principal amount of the mortgage bonds have been guaranteed against currency fluctuations. The currency guarantee receivable of $14.9 million (December 31, 2008 - $28.2 million) is carried at fair value. The junior subordinated notes have a fair value of $84.9 million (December 31, 2008 - $70.6 million). The long term investments, with the exception of the investment in DEGI Homburg Harris Limited Partnership, are carried at their fair value. The long term investment in DEGI Homburg Harris Limited Partnership represents a 10% interest in an investment property currently under development. The Company has classified the investment as available for sale and carries it at cost, as the investment is not quoted on an active market.

The fair values of long term financial instruments (other than long term investments) are based upon discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. Such fair value estimates are not necessarily indicative of the amounts the Company might pay or receive in actual market transactions. The fair value of the Company's investment in Homburg Eastern European Fund B.V. is based on the proportionate share of the reported net asset value of the B.V.. The B.V. prepares its financial statements under International Financial Reporting Standards using the fair value model. As such, the net asset value from the financial statements of the B.V. is reflective of its fair value. The fair value of the other long term investments carried at fair value is based on the quoted market price.

The Company's short-term financial instruments, comprising amounts receivable, cash, accounts payable and accrued liabilities, demand and short term loans and security deposits are carried at cost which, due to their short-term nature, approximates their fair value.

Risk management

In the normal course of its business, the Company is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to minimize them are discussed below.

a) Interest rate and liquidity risks

As a result of the current global capital market condition, lenders have tightened their lending standards, and may continue to do so. The effect of this could be that the Company may have more difficulty obtaining the same level of financing and / or similar terms of financing on renewals and on new debt. The Company's financial condition and results of operations could be adversely affected if it were not able to obtain financing, or obtain appropriate terms for its financing.

The current global capital and real estate markets are experiencing significant and dramatic change. As a result, there has been a tightening of access to capital for new debt as well as refinancing existing debt as it matures. The Company believes it is well positioned to withstand this credit crisis as only $85.6 million, or 3.0%, of its total long term debt is maturing within the next twelve months ending June 30, 2010, and only $4.2 million, or 0.1% is maturing within the following twelve month period June 2010 to June 2011. This maturing debt has a weighted average interest rate of 6.68% and 7.66% respectively.

The Company has been very successful in the past in raising non-asset backed debt financing and mortgage bond financing on the global market to the extent of $700 million. The Company can continue to look to these unique financing markets for additional funds.

The Company has received approval from the Dutch regulator Authority Financial Markets ("AFM"), and is now actively marketing the Homburg Capital Securities A, which are 99 year bonds, bearing an interest rate of 9.5% on the face amount of the bond. The Company has targeted between EUR €25 to €75 million ($40.6 to $121.8 million). These funds will be utilized to strengthen the Company's balance sheet. To date, the Company has sold EUR € 18.6 million ($30.0 million) Homburg Capital Securities A.

The current capital market will make it difficult for non-diversified entities to access all potential global credit opportunities. As a result, some entities may choose to divest of properties in order to raise required capital. This may create a situation where there are more sellers than buyers and result in higher capitalization rates and provide opportunities for entities with capital to acquire real estate. The Company will continue to employ its available financial resources to the best use for the benefit of its shareholders.

The portfolio remains in a strong position with a global diversification as well as a property classification diversification consistent with the stated strategy. This should continue to minimize the impact of any further decline in market values on the overall portfolio.

The borrowings of the Company have fixed and floating interest rate components resulting in an exposure to interest rate movements. Liquidity risk relates to the possibility of insufficient debt and equity financing available to fund the desired growth of the Company and to refinance the current and long term debts as they come due.

Liquidity risk also relates to the potential required early retirement of debt. Some of the Company's debt agreements have covenants related to minimum debt to equity ratios, interest coverage ratios, and/or reserve account balance requirements. Breach of any of these covenants could result in the related debt being required to be repaid before its scheduled maturity date. Should that happen, the Company may be required to sell properties at unfavourable prices to satisfy the debt repayment, and the financial condition and results of operations could be adversely affected.

At period end, the Company's debt consists of $2.5 billion in fixed rate debt and $537.3 million in floating rate debt before deferred financing charges. The Company has minimized its interest rate risk through a liability management policy. The Company allocates the maturity of its debt over a period of approximately 30 years. In addition, the Company has entered into interest rate swaps in order to manage the impact of fluctuating interest rates on EUR €160.4 million ($260.5 million) (December 31, 2008 - EUR €161.2 million ($277.8 million)) of its long term debt. Due to a reduction of interest rates in The Netherlands, Germany and the Baltics during the six months ended June 30, 2009, the impact on the statement of income is a loss of $4.8 million (June 30, 2008 - loss of $(902.0) thousand).

The Company discloses its annual debt repayment information related to long term debt in the Long term debt note to the financial statements, as well as the weighted average rate of the maturing debt. In addition to these long term amounts, the Company has $188.3 million in demand and short term loans which are repayable in less than one year. Upon completion of construction of development properties, the Company intends to seek long term financing at available market rates for the related demand and short term loans. For the remaining demand and short term loans, the Company will seek renewals of the loans at current available market rates and terms at maturity. The Company's long term debt has a weighted average term to maturity of 7.30 years and 34.5% of long term debt matures by December 31, 2013.

With all other variables held constant, the Company has determined that a 1% change in the interest rate would result in an annualized after tax change of $3.7 million in the Company's income as a result of the impact on floating rate borrowings.

b) Credit risk

The Company's principal assets are commercial and residential buildings. Credit risk on tenant receivables arises from the possibility that tenants may not fulfill their lease obligations. The Company mitigates this credit risk by performing credit checks on prospective tenants, having a large diverse tenant base with varying lease expirations, requiring security deposits on high risk tenants and ensuring that a considerable portion of its property revenue is earned from international, national and large anchor tenants.

The Company's largest tenant represents 19% of property revenue for the period. The ability of this tenant to fulfill its long term lease obligation, or to pay rent on a timely basis could impact the Company's annual cash flow. To mitigate this risk, the tenant has issued a EUR €75.0 million ($121.8 million) letter of guarantee, to the primary lender on the specific property, which would be utilized to mitigate major losses while the Company sought replacement tenants.

The Company's receivables are comprised primarily of current balances owing and the Company performs monthly reviews of its receivables and establishes an appropriate provision for doubtful accounts. The Company has not experienced any significant receivable write offs and there has been no significant change in the provision during the period.

The remaining significant receivables consist of taxes recoverable from various government agencies and revenue from the sale of development properties. The amounts due from government agencies represent current recoverable amounts and the revenue from the sale of development properties is supported by security letters of credit issued by the purchaser.

c) Currency risk

Currency risk arises from assets and liabilities denominated in US Dollars or Euros. The Company mitigates a portion of its currency risk on mortgage bonds denominated in Euros through a guarantee agreement. In support of the currency guarantee the related party has arranged an arms length credit facility agreement. The Company has also established internal hedging relationships between Euro-denominated net investments in foreign operations and Euro-denominated Corporate Non-Asset Backed Bonds and Junior Subordinated Notes. At June 30, 2009, EUR €234.3 million ($380.5 million) (December 31, 2008 - EUR €234.3 million ($404.0 million)) of the Company's net investment was hedged with an equal amount of Euro-denominated debt. The hedge is considered to be an effective hedge at June 30, 2009 and December 31, 2008 and will be regularly reviewed to assess the continued effectiveness of the hedging relationship. Currency risk for other amounts denominated in US Dollars and Euros is mitigated by US Dollar and Euro revenue and expense streams related to property rentals.

The operating results of the Company's foreign operations are translated to Canadian dollars for financial statement reporting purposes. Changes to the exchange rates during the reporting period impact those reported results.

With all other variables held constant, the Company has determined that a 10% change in the exchange rate of the US dollar in comparison to the Canadian dollar would result in a decrease (increase) in annualized earnings after income taxes, excluding un-hedged debt, of $0.1 million and a foreign exchange gain or loss on the un-hedged US dollar denominated Junior Subordinated Notes of $1.6 million after income taxes.

With all other variables held constant, the Company has determined that a 10% change in the exchange rate of the Euro in comparison to the Canadian dollar would result in a decrease (increase) in annualized earnings after income taxes, excluding un-hedged debt, of $2.0 million and a foreign exchange gain or loss on the un-hedged Euro denominated Corporate Non-Asset Backed Bonds of $11.1 million after income taxes.

The Balance Sheets of the Company's foreign operations are translated to Canadian dollars for financial reporting purposes using the period end exchange rate. The change in exchange rates on the net investment position of these foreign operations is reflected in the Other Comprehensive Income of the Company during the period. As noted above, the Company has established an internal hedging relationship between Euro-denominated debt and net investments in foreign operations. To the extent that the hedges are effective, the foreign currency gain or loss on the hedging amounts of Euro-denominated debt is reflected in the Other Comprehensive Income during the period.

The Company feels that 10% represents a reasonably possible change in existing exchange rates.

d) Concentration risk

The Company's largest single tenant represents approximately 19% (December 31, 2008 - 17%) of property revenue for the period. The risk relates to the ability of the Company to replace this revenue stream on a timely basis while maintaining the related property costs. The Company mitigates this risk by entering into long term leases; reviewing the financial stability of the tenant and obtaining security or guarantees where appropriate; and seeking geographic and industry diversity of tenants. The Company's largest tenant has issued a letter of guarantee to the primary lender on the specific property, in an amount representing in excess of 2 years property revenue from this tenant. The Company also maintains their properties to a quality standard that would support timely re-leasing of a property.

e) Environmental risk
As owner and manager of real property, Homburg Invest is subject to various United States, European and Canadian federal, provincial, state and municipal laws relating to environmental matters. These laws could hold the Company liable for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any , could adversely affect the Company's ability to sell its real estate or to borrow using real estate as collateral, and could potentially also result in claims or other proceedings against the Company. Homburg Invest is not aware of any material non-compliance with environmental laws at any of its properties. The Company is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any material pending or threatened claims relating to environmental conditions at its properties. The Company has policies and procedures to review and monitor environmental exposure, and has made, and will continue to make, the necessary capital expenditures for compliance with environmental laws and regulations. Environmental laws and regulations can change rapidly and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on its business, financial condition or results of operation.

Changes in accounting policies and future applicable accounting standards

The accounting policies adopted are consistent with those of the year ended December 31, 2008 except as follows:

Investment Property
IAS 40 Investment Property has been amended to include property that is being constructed or developed for future use as investment property. Previously, when investment property was being constructed or developed, that property was accounted for under IAS 16 Property, Plant and Equipment until construction or development was complete. Under IAS 16, the Company chose to carry the property using the Revaluation model, to the extent that fair value could be reliably determined, until completion, at which time the property was transferred to IAS 40. Under IAS 40, the Company has chosen the fair value model, resulting in investment properties being carried at fair value, with adjustment through the Income Statement. The amendment to IAS 40 results in investment properties under construction or development being within the scope of IAS 40 and, to the extent that fair value is reliably determinable, the carrying value of such properties is adjusted to fair value. To the extent that fair value is not reliably determinable, the property is carried at cost until either the fair value becomes reliably determinable or construction is completed, whichever is earlier. The application of the amendment is to be applied prospectively for annual periods beginning on or after January 1, 2009. This amendment had no impact on the financial results of the current period.

Share-based Payment
IFRS 2 Share-based Payment is used for determining the accounting for the Company's stock based compensation. IFRS 2 has been amended to clarify vesting conditions and the accounting treatment of cancellations. The Company's stock options issued in 2008 included certain options that are subject to vesting periods. The amendments are effective for annual periods beginning on or after January 1, 2009. The application of the amendment is to be applied prospectively for annual periods beginning on or after January 1, 2009. This amendment had no impact on the financial results of the current period.

Property Developed for Resale
International Financial Reporting Interpretations Committee (IFRIC) 15 Agreements for the Construction of Real Estate has been issued to clarify when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between the developer and a buyer is reached before the construction of the real estate is completed. This Interpretation had no impact on the financial results of the current period.

Hedges of a Net Investment in a Foreign Operation
IFRIC 16 Hedges of a Net Investment in a Foreign Operation has been issued to provide guidance to entities that hedge foreign currency risk on net investments in foreign operations. IFRIC 16 specifies foreign currency risks that qualify for hedge accounting and the amount that can be designated; where within the corporate structure a hedging instrument can be held; and, the amount to be reclassified to the income statement upon disposal of the hedged foreign operation. This Interpretation is applicable for annual periods beginning on or after October 1, 2008 on a prospective basis. This Interpretation had no impact on the financial results of the current period.

Borrowing Costs
IAS 23 Borrowing Costs has been amended and is effective for fiscal years beginning on or after January 1, 2009. The standard has been revised to require capitalization of borrowing costs as they relate to a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. The Company currently follows a policy of capitalizing borrowing costs related to development properties. A qualifying asset excludes investment properties carried at fair value. Due to the amendments to IAS 40 to include development properties within the fair value model, they are no longer qualifying assets. However, the revised IAS 23 allows a presentation in the income statement for borrowing costs as though they were capitalized to the development properties. This amendment had no impact on the financial results of the current period.

Business Combinations
IFRS 3 Business Combinations has been amended and is effective for fiscal years beginning on or after July 1, 2009. The amendments to IFRS 3 and IAS 27 must be adopted concurrently. The standard clarifies the distinction between a business combination and an asset acquisition and requires that transaction costs incurred on business combinations be expensed when incurred. The Company does not currently follow a practice of expensing transaction costs, and is evaluating the impact of this new standard on its consolidated financial statements.

Consolidated and Separate Financial Statements
IAS 27 Consolidated and Separate Financial Statements has been amended and is effective for fiscal years beginning on or after July 1, 2009. The amendments to IAS 27 and IFRS 3 must be adopted concurrently. The standard clarifies the circumstances under which an entity must consolidate another entity; the accounting for changes in the level of ownership of a subsidiary, including loss of control; and, the required disclosure regarding the nature of the relationship. The Company is evaluating the impact of this new standard on its consolidated financial statements.

Management's Report on Disclosure Controls and Procedures and Internal Controls over Financial Reporting
The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting (as defined in the Canadian Securities Administrators National Instrument 52-109) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Management has concluded, based on their evaluation that the Company’s disclosure controls and procedures and internal controls over financial reporting are effective and provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of financial statements for external purposes.

Management has evaluated whether there were changes to internal control over financial reporting for the quarter ended June 30, 2009, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. No such changes were identified through the evaluation.

Other Requirements
(a) Additional information relating to Homburg Invest, including our Annual Information Form (AIF) is on our website at www.homburginvest.com and at SEDAR at www.sedar.com.

(b) National Instrument 51-102, Section 5.4 Disclosure of Outstanding Share Data. As at June 30, 2009, Homburg Invest was authorized to issue an unlimited number of Class A Subordinate Voting Shares, an unlimited number of Class B Multiple Voting Shares and an unlimited number of Class A and B preferred shares, issuable in series, with rights and privileges to be determined upon issue. On that date, 16,618,819 Class A Subordinate Voting Shares and 3,148,538 Class B Multiple Voting Shares were issued for a recorded value of $691.8 million.

2009 Outlook
Our outlook for 2009 is to grow our asset base in a prudent and accretive manner.

With the tightening of the capital markets, the Company feels it is prudent to raise cash from various sources and will be exploring various alternatives such as partnering of deals, selling a portion of specific projects, delaying start of development projects and the issue of new equity bonds.

The Company prides itself on its ability to be creative and react to market conditions, and is motivated to raise cash without issuing common equity to be in a position to take advantage of opportunities that will present themselves.

The Company feels that with its current share price significantly below the net asset value per share, no new shares will be issued that would have a dilutive effect on existing shareholders. New shares will only be issued when it can be done at a price that offers a significant premium over net asset value per share.

The Company continues to look at investment prospects in Europe and North America that make themselves available. With Mr. Homburg's extensive experience in Europe with Uni-Invest N.V. and in the United States as a Director of Cedar Shopping Centers, Inc., the Board of Homburg Invest continues to pursue its strategic planning approach to look at having its real estate in three market areas. One-third will be in Canada, one-third in the United States and one-third in Europe. Mr. Homburg's broad knowledge in each of these marketplaces and his contacts within the investment communities will serve the Company well as we move to grow the asset base and profitability of the Company.

The Company invests in real property for the long term; however, real estate is a commodity and the Company is evaluating each of its properties to determine if the optimum value of certain assets may be realized through a disposition. The Company will monitor this and determine the most appropriate action to take over the coming year. It would not be the Company's intention to liquidate more than 5% of its real estate in any one period unless exceptional circumstances arose, except for properties developed for immediate resale purposes as stated above.

At its most recent Annual General Meeting on June 12, 2009 in Halifax, Nova Scotia, the Company announced a new strategic direction to focus the Company's activities exclusively on income-producing properties. Homburg Invest has appointed a special committee to consider a plan to spin off the Company's development and other non-income-producing properties to its shareholders.

Under this new strategy, Homburg Invest will only hold income producing properties. The Company will be a growing real estate investment company with strong cash flows that will, subject to market conditions, pay healthy annual dividends to its shareholders. Homburg Invest will target a debt ratio of 50% to 60% to total debt and equity. To achieve this, as previously announced, the Company will make greater use of partnerships, may sell some assets, will continue to issue Homburg Capital Securities A ("HSCA"), and will offer existing bond holders the option to convert to HSCA. The Company will continue to be listed on both the Toronto Stock Exchange and on the NYSE Euronext Amsterdam.

The new spunout entity will hold assets projected for future development. This entity will strive to have no long term debt. Development projects will begin again once financial markets have stabilized. It is anticipated that the assessment process will be completed by fall 2009.

The special committee will also consider a plan to reorganize Homburg's equity structure by creating a single class of common shares, each with a single vote and equal dividend rights. The terms of the share reorganization proposal, including the share exchange ratio, which will be subject to shareholder approval, will be announced in the coming months.

Homburg will continue to issue Homburg Capital Security instruments to raise additional capital as part of its debt management strategy. The HSCA is a 9.5%, 99 year bond that is to be listed on the NYSE Euronext Amsterdam. The issue of HCSAs permits the company to reduce its debt to equity ratio, as 80% of all outstanding HCSAs are considered equity for accounting purposes. Homburg Invest is considering offering holders of Homburg bonds the opportunity to exchange their holdings for HCSA.

The Company continues to release its results under International Financial Reporting Standards ("IFRS") as well as under Canadian Generally Accepted Accounting Principles ("GAAP"). The Company makes both sets of financial statements available.

Homburg Invest continues to look at a number of opportunities in the Canadian, European and US marketplace as our strong entrepreneurial management team demonstrates the willingness and abilities to adapt to changes in the real estate market environment.

"Signed"	"Signed"
R. Homburg, Phzn., D. Comm. Chairman and CEO	James F. Miles, CA Vice President Finance and CFO