

Diary

Content

Befimmo: Q1'06/07 – strong revaluations

Belgacom: FY06 in line, rocky mobile outlook likely to offset dividend surprise

E.ON: What's next? Day two.

France Telecom: Detailed FY06 earnings on Tuesday, any news on Orange NL?

Fraport: Preview FY'06

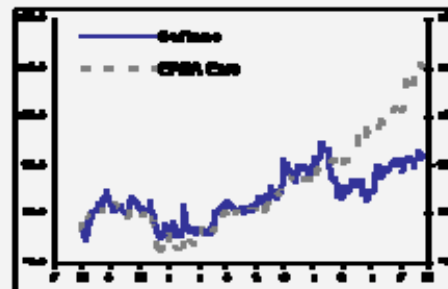
Befimmo

Rating: **Add (=)**

PT: **€92.0 (=)**

Last: **€ 92.3**

€	2006A	2007E	2008E	2009E
EPS (recurring)	4.85	4.58	4.28	4.45
CFPS	4.87	4.60	4.29	4.47
NAV	67.4	72.8	74.3	75.9
Dividend	4.92	4.45	4.50	4.55
Net income (m)	47.5	47.5	51.7	53.9
P/E	18.5	20.2	21.7	20.8
CF yield	5.4%	5.0%	4.6%	4.8%
EV/EBITDA	20.4	22.3	20.9	20.7
P/NAV	1.34	1.28	1.25	1.22
Div. Yield	5.5%	4.8%	4.8%	4.9%



Q1'06/07 – strong revaluations

- Q1'06/07 trading update.** Net rental income came 5% higher yoy at €20.0m vs. €19.6m anticipated, while below recurring CFPS topped our forecast at €1.21 (-6% yoy) vs. €1.14 estimated. Noteworthy is that we had included some one-offs (€0.05 per share) related to the Fedimmo deal, but these costs were activated and added to the acquisition price. As already suggested by the read-across from the Cofinimmo results, the standing portfolio – i.e. excluding Fedimmo – saw a further downward yield shift, resulting in a strong 1.83% QoQ revaluation (€2 per share). Consequently, NAV jumped 14% yoy to €66.
- Fedimmo portfolio developments.** Meanwhile, Befimmo is looking to eliminate the imminent vacancy risks in buildings let on short-term leases. As we had hinted in our preview, it is on the verge of signing a sale of the Tocopro building (24,000m² in de Louise District), which posed the largest threat, and it will also sell the 3 buildings in

Antwerp. These disposals will likely happen at a premium to their latest assessed value. Intriguingly, management wants to keep the WTC4 plot as it is convinced of the longer term development potential of the site. However, given the vast amount of projects in the North District, the market won't be ready to absorb any projects of this magnitude in the medium term so till then the investment will not generate any income and therefore depress the overall portfolio yield, while in our view disposing the asset could finance at least half of the committed €50m capex programme.

- **Still no detailed earnings guidance.** Management indicated it will communicate on this matter once it has more visibility on the exact details of the planned capital increase and debt re-shuffling, which should be finalized in H1'07. Rating and PT unchanged.

Analyst: mickael.vandenhauwe@dexia.be (+32/2/222.33.95)