

### ► Befimmo

Rating: Add (=)

PT: €83.0 (=)

Last: €75.0

#### Key estimates

€	2006A	2007E	2008E	2009E
Net Profit (m)	47.5	47.6	52.2	57.2
EPS	4.85	4.49	4.00	4.38
DPS	4.92	4.50	4.50	4.60
CFPS	4.87	4.62	4.01	4.40
NAV	67.4	72.0	73.9	75.9

#### Valuation & other

	2006A	2007E	2008E	2009E
P/E	15.5	16.7	18.8	17.1
P/NAV	1.11	1.04	1.01	0.99
CF yield (%)	6.5	6.2	5.3	5.9
Div. yield (%)	6.6	6.0	6.0	6.1
EV/EBITDA	18.1	20.3	19.6	19.4



## Disposal of non-core assets

- Transfer of non-core assets for an amount of €2m.** It concerns the semi-industrial portfolio (1.7% of total) which would have become obsolete (age: 15y+) and two underperforming office buildings in the Brussels periphery. The deal is still subject to due diligence and the company expects the finalization by July 2008 at which point it expects to crystallize a gain of €5.2m, i.e. 7% over latest expert value.
- Good deal, but rising pressure for reinvestment.** While can appreciate this transaction as it fits within the pure player strategy with a focus on city-centre office assets, we would also stress that this will imply a loss of c€0.08 (2%) in recurring EPS. Together with the ongoing renovation programme which will temporarily depress the result, this elucidates the need to source new deals. We would suggest the company could use the capital gain of €0.40 to maintain its dividend until the gap has been bridged by new investments.

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## RECOMMENDATIONS

We use four stock recommendations which reflect the share's expected absolute performance as follows:

- **Buy:** we expect this stock to generate a return of >15% over the next twelve months;
- **Add:** we expect this stock to generate a return of 5-15% over the next twelve months;
- **Neutral:** we expect this stock to generate a return of 0-5% over the next twelve months;
- **Reduce:** we expect this stock to generate a negative return over the next twelve months

## DISTRIBUTION OF RATINGS/INVESTMENT BANKING RELATIONSHIPS (AS OF 31/12/2007)

Rating Category	Rating distribution		Investment banking relationship	
	Count	Percent	Count	Percent
Buy	25	34.7%	4	16.0%
Add	17	23.6%	2	11.8%
Neutral	21	29.2%	5	23.8%
Reduce	9	12.5%	0	0.0%

Rating distribution Total: 72

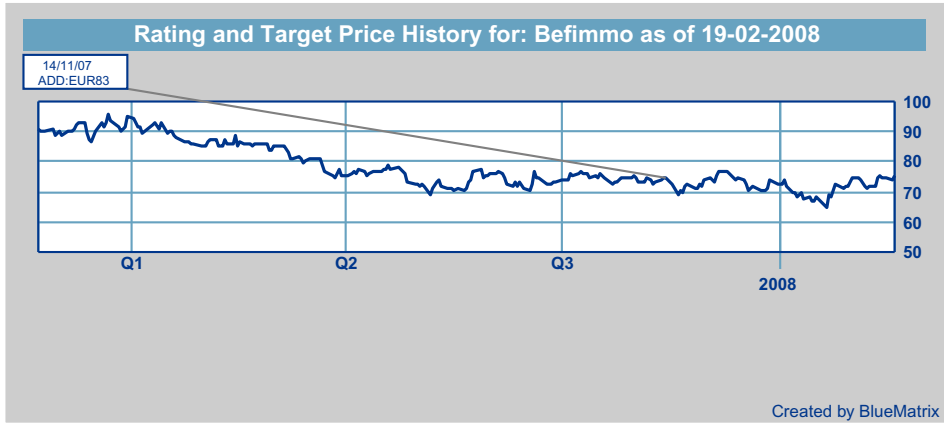
Investment banking relationship Total: 11

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12-MONTH PRICE TARGET CHART



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