

**Befimmo**

Belgium/Real Estate

Analysier

**Hold**

Recommendation unchanged

**Share price: EUR 61.04**

closing price as of 15/09/2010

**Target price: EUR 63.00**

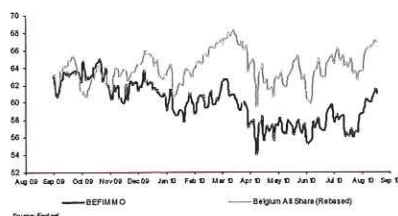
Target Price unchanged

Reuters/Bloomberg

BEFB.BR/BEFB.BB

Market capitalisation (EURm)	1,025
Current N° of shares (m)	17
Free float	81%
Daily avg. no. trad. sh. 12 mth	25,516
Daily avg. trad. vol. 12 mth (m)	2
Price high 12 mth (EUR)	65.00
Price low 12 mth (EUR)	53.95
Abs. perf. 1 mth	8.04%
Abs. perf. 3 mth	7.60%
Abs. perf. 12 mth	-3.81%

Key financials (EUR)	09/09	09/10e	09/11e
Gross Rental Income (m)	119	124	124
EBITDA (m)	106	104	105
EBITDA margin	80.5%	76.3%	77.1%
Portfolio Result (m)	(75)	(18)	0
Net Financial Result	(64)	(19)	(24)
Net Profit (adj.)(m)	40	80	77
Funds From Operations	40	80	77
EPS (adj.)	3.06	4.77	4.60
DPS	4.40	3.90	3.94
IFRS NAVPS	58.87	59.35	60.26
EPRA NAVPS	58.91	59.39	60.27
Premium/(Discount)	5.3%	2.8%	1.3%
Earnings adj. yield	5.0%	7.8%	7.5%
Dividend yield	7.2%	6.4%	6.5%
EV/EBITDA	17.8	18.4	18.3
P/E (adj.)	20.2	12.8	13.3
Int. cover(EBITDA/Fin.int)	1.7	5.5	4.4
Net debt/(cash) (m)	786	821	841
Net Debt/Total Assets	39.5%	41.7%	41.9%



Source Factset

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**Sale with capital gain**

**The facts:** Befimmo has announced the sale by its 90% affiliate Fedimmo of Kattendijkdok building in Antwerp for EUR 7,750k, taxes excluded, under suspensive conditions. Capital gain in Befimmo will reach EUR 0.10 per share.

**Our analysis:** this announcement does not come as a surprise since its sale was planned and a first tentative in May, implying a capital gain of EUR 0.44 per share had failed.

While current capital gain of EUR 0.10 per share means that the sale price has been revised down, it is still a sizeable amount (EUR 1.9m) which tends to show that Fedimmo portfolio still locks added value. Kattendijkdok building has been built in 1978 and is made of 12,167sqm of offices, 2,367sqm of archives and 210 outdoor parkings.

It's noteworthy that the capital gain will not be booked before FY10/11 starting in October and will come on top of the capital gain on the Empress Court of EUR 0.70 per share.

During FY09/10 the only expected capital gain will come from the exercise of the right of early termination of the emphyteutic lease granted to Compagnie de Promotion on the site of Block 2 of the WTC in Brussels meaning a capital gain of EUR 0.39 per share.

**Conclusion & Action:** While the capital gain on this transaction is lower than earlier anticipated, it remains a sizeable amount that may indicate that the portfolio has still potential added value. TP and recommendation unchanged.