

Western European Morning Notes

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Befimmo: To pay additional dividend for 2011, change fiscal year

The company announced that today at its AGM it will propose a possible optional share dividend and also to change its fiscal year to 01/01-31/12, vs. their year ending at 30/09 currently. During this morning's conference call they said their current financial year will thus be extended to five quarters and end at 31/12/2011.

The company will nonetheless target to pay-out the previously proposed €3.94 per share dividend for the first 12 months in December 2011 as an interim dividend, and then pay an additional €0.99 per share interim dividend for the 5th quarter in April/May 2012. Investors will thus be able to get an additional €0.99 per share dividend in the short term. All in all good news for the short to medium term but in the long term nothing changes as the company will pay an interim dividend for the first 9 months for 2012 in December 2012 to maintain current dividend flow. We expect this should push up the share price in the medium term towards the end of the year, thanks to the additional €0.99 per share dividend investors will be able to collect in April/May 2012. Furthermore, the company said they are considering a convertible bond and hope to proceed soon.

Price: €62.30. Last published: target price: €62; recommendation: HOLD

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