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Corporate News

Befimmo, Reduce, EUR 52.4 TP

Befimmo reported its Q4 figures (we remind: Q5 reporting to come). Top line arrived at EUR 124.3m (EUR 123.5m one year ago), which was bang in line with what we expected (124.0m). At a constant floor area, this result is slightly lower -0.9%, while at Cofinimmo like-for-like rental growth stands at 2.36% (last 12 months). Occupancy rate remained stable at 94.38% from 94.44% one quarter ago. Befimmo signed new leases and lease renewals for an approximate total of 6,500sqm. Management quoted that letting market in Brussels is standing still. Epra earnings/share decreased to EUR 4.41 from EUR 5.05 over the year. This is straight in line with our expectations of EUR 4.42. Net current result was EUR 78.1m or 5.54% higher than our expectations thanks to non-recurring items (non expected indemnities from leaving tenants) and lower technical costs (EUR -600k). Financial result (excl. IAS 39) amounts to -EUR 26.3m compared to -EUR 22.8m one year earlier and was in line with expectations. Increase in the financial result is explained by a rise in the interest rates to 3.36%, while it was 3.03% at H1. Befimmo started to work on refinancing. Amounts which will mature: EUR 130m in 03/2012, EUR 220m in 03/2013 and EUR 300m in 06/2013 (or approx 75% of financial debt). The company announced that it refinanced EUR 100m (5yrs) at a bank which wasn't on the banklist in the past. Regarding the permit for the Paradis tower in Liège, the company is waiting to receive and to investigate the claims against the project. The company is confident that it will get green light for the project in the near future (Q1 2012). LfL portfolio value decreased by -1.51% in Q4 of 2011, which is in line with estimates provided at the beginning of the year. Average duration of current leases is 9.04 yrs vs. 9.22 yrs at Q3. NAV stands at EUR 60.40, while we banked on EUR 60.1. Froissart building (EU quarter) which totals 2.800sqm, currently 25% is let. No news for the Science Montoyer building. Results were in line with expectations with some positive surprises, one should be cautious that these one-offs (leaving tenants) do not bode well for the future. Befimmo reiterated guidance on the dividend of EUR 3.94 which offers a 7.6% dividend yield when looking to yesterday's closing price. The dividend will be paid out in December and hence we expect the stock to see its price increase on the ST.