

REAL ESTATE MORNING NEWS

PETERCAM
Institutional Research & Sales

25/11/2011

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Corporate News

Befimmo, Reduce, EUR 52.4 TP

Befimmo announced that it will offer choice between a stock dividend and cash/combination for the coming (interim) dividend and bring the payment of the interim dividend of EUR 3.9412/share forward to 16 December (in stead of 22 December previously). A subscription for stock dividend can be made for one new share by 14 coupons (No 21) at an issue price of EUR 46.9/share (14x net div.), or a discount of -4.82% below the average share price during the reference period (from 11 to 24 November 2011 inclusive). Issue price is based on the stock price less the value of the gross interim dividend of EUR 3.9412, giving a corrected average share price of EUR 49.27. For FY '10 div, WDP provided a discount of 6.7%, while Cofinimmo offered a discount of 4%. We welcome the offer of the stock dividend as it will allow Befimmo to strengthen its balance sheet. However, we believe that it is more to flavor sentiment on the market for the stock dividend mechanism as: (i) Befimmo has sufficient fire-power, (ii) low debt ratio (45.06% at 30/9) and (iii) the RE market currently offers few investment opportunities. Hence the need for additional (expensive) equity is low. Seen the need for capital is limited >< rather high discount compared to its closest peer, we expect that interest of shareholders will be significant.