



## Hold

Recommendation unchanged

**Share price: EUR 50,85**

closing price as of 05/12/2011

**Target price: EUR 57,00**

Target Price unchanged

Reuters/Bloomberg

BEFS BR,BEFS BB

Market capitalisation (EURm)	854
Current N° of shares (m)	17
Free float	81%
Daily avg. no. trad. sh. 12 mth	21.759
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	69,05
Price low 12 mth (EUR)	48,75
Abs. perf. 1 mth	-7,39%
Abs. perf. 3 mth	-9,81%
Abs. perf. 12 mth	-24,68%

Key financials (EUR)	09/10	12/11e	12/12e
Gross Rental Income (m)	123	148	121
EBITDA (m)	112	128	103
EBITDA margin	86,3%	78,6%	77,8%
Portfolio Result (m)	(34)	(18)	(12)
Net Financial Result	(27)	(30)	(28)
Net Profit (adj.)(m)	85	84	67
Funds From Operations	85	84	67
EPS (adj.)	5,05	5,03	4,01
DPS	3,90	4,93	3,43
IFRS NAVPS	60,60	61,41	60,23
EPRA NAVPS	61,68	60,91	59,73
Premium/Discount	2,3%	(17,2%)	(15,6%)
Earnings adj. yield	9,9%	9,9%	7,9%
Dividend yield	7,7%	9,7%	6,8%
EV/EBITDA	16,9	13,4	17,3
P/E (adj.)	12,3	10,1	12,7
Int. cover(EBITDA/Fin.int)	4,2	4,2	3,7
Net debt/(cash) (m)	787	792	864
Net Debt/Total Assets	39,7%	39,7%	42,6%

## Bound to bond

**The facts:** this morning Befimmo has announced the launch of a public bond offering for a minimum amount of EUR 75m for a duration of 4 years and with a gross coupon of 4.75% (4.211% actuarial yield considering an issue price of 101,947%).

**Our analysis:** this bond issue is the second one this year for Befimmo. In April it was for an amount of EUR 162m, 6 years and a coupon of 4.5% (actuarial yield of 4,165%).

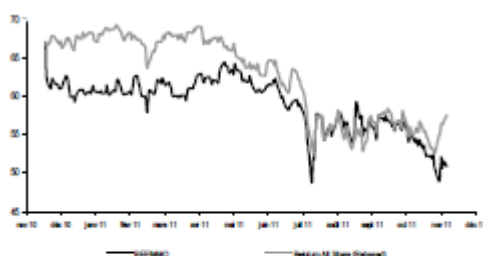
As a reminder, Befimmo had announced at the end of November that it offers the choice of a stock dividend on the basis of a reference price of EUR 46.9 per share.

Both of those instruments illustrate the search for alternative financing sources to the classical banking ones which may become more frequent in the future considering tougher lending standards of banks (with higher margins) in addition to a higher appetite from individuals. Other Belgian REITs have also already issued bonds.

Another motivation for launching this bond is linked to some major maturities of its credit facilities: EUR 130m until March 2012, EUR 220m in March 2013 and EUR 300m until June 2013. Total credit facilities reach EUR 1,037m of which EUR 839m are used.

At the end of September the average length of the debt was 3.79 years for an average cost of 3.36% which is at the lower end of the Belgian REIT universe, while the LTV was 42.5%.

**Conclusion & Action:** *this bond issue illustrates well the search for alternative financing sources to the classical banking ones which may become more frequent in the future considering tougher lending standards of banks (with higher margins) in addition to a higher appetite from individuals.*



### Analyst(s):

Jean-Marie Caucheteux, Bank Degroof

jeanmarie.caucheteux@degroof.be

+32 2 287 99 20