

- **Kempen & Co news** – Befimmo: announces a bond offering for a minimum amount of EUR 75m

BEFB BB | CLOSE: EUR 50.85 (-1.26%) | RATING: NEUTRAL | PT: EUR 57.00

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Befimmo has today announced a public bond offering for a minimum amount of EUR 75m, with a 4.75% gross coupon (excluding selling expenses) maturing in 2015. As the issue price is set at 101.947% (including 1.625% sales commission), the effective yield (including selling expenses) is 4.211% per year. The company indicated that the public offering is primarily intended for retail investors in Belgium and Luxembourg. The bond offering will start on 8 December and end on 27 December 2011 (subject to early closing).

The purpose of the offering is for general financing needs according to the company. Befimmo's first refinancing is in 2013 (EUR 600m) as it already refinanced its 2012 debt maturities with the retail bond (EUR 162m), credit line (EUR 100m) and fixed-rate loan (EUR 44m). Although we view the diversification of the loan book as positive, it comes at a cost (4.211% (or, c245bps above 4Y swap) vs. 3.36% average CoD for the whole loan book). By way of comparison, the first retail bond (EUR 162) was issued with an annual coupon of 4.5% in April 2011, or 4.165% effective yield (only c95bps above 6Y swap at that time). Furthermore, Delhaize Group issued a 7-year EUR 400m retail bond with a 4.25% coupon (or, c200bps above 7Y swap) early October 2011.

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