

Exane Market Commentary

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Befimmo – early closing of public bond offering, EUR110m raised

>Befimmo reported that its bond issue (originally announced 6th Dec, subscription period 8th Dec – 27th Dec) has been closed early after a total of EUR110m was successfully raised vs the “minimum of EUR75m” that had been targeted in the offering announcement

>The bond has a 4 year maturity, and will pay a (gross) coupon of 4.75%

Source: Company

Exane BNPP View:

>The coupon is slightly higher than the 4.5% Befimmo paid on the EUR162m 6-year bond issued in April, but we would expect the return demanded by investors to have increased since then in line with the deterioration in the macro outlook

>We would highlight that 10-year Belgian government bond yields have climbed by 45bps since the April issue, and spreads over German Bunds have widened by 168bps (from 95bps to 263bps)

>Although the stock underperformed on Friday (-0.9% vs EPRA) on the back of this newsflow, we still view this successful issuance as a positive for the company as the funds raised cover all 2012 refinancings. However the company still faces substantial maturities in FY13 (EUR525m).

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