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Morning Headlines:

Befimmo – 60% of interim dividend taken in new shares

> Befimmo announced that 60.1% of its shareholder base has elected to take the interim dividend of EUR3.35/share (ex-div 28 November, pay date 16 December) in new shares.

> The issue price was set at EUR46.9/share, implying that 747,966 new shares will be created (4.5% of existing number of shares excl treasury shares, 4.3% inclusive)

Source: Company

Exane BNPP View:

>This is the first time that a scrip option has been offered to shareholders

>We are not overly surprised by the relatively high take-up rate for the scrip option given the discount to NAV that the stock is currently trading at (issue price implies a 22% discount to latest published EPRA NNAV of EUR60.0/share)

>On our estimates, this reduces the cash element of the dividend by EUR33m, and reduces FY11e LTV by 1.6 percentage points

>Befimmo reported an LTV of 42.5% at end-September vs SicaFi limit at 65%, so while the company appears at low risk of covenant breach, we believe it is still desirable to keep cash in the business in the current credit-constrained environment.

European Real Estate Calendar

Date	Company	Event
16 February (post-mkt)	Befimmo	FY 2011 results