



Hold

Recommendation unchanged

Share price: EUR 47.38

closing price as of 13/12/2011

Target price: EUR 57.00

Target Price unchanged

Reuters/Bloomberg

BEFB.BR/BEFB.BB

Market capitalisation (EURm)	795
Current N° of shares (m)	17
Free float	81%
Daily avg. no. trad. sh. 12 mth	21,875
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	68.98
Price low 12 mth (EUR)	47.11
Abs. perf. 1 mth	-12.67%
Abs. perf. 3 mth	-12.19%
Abs. perf. 12 mth	-30.09%

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%	77.6%
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%	(22.8%)	(21.3%)
Earnings adj. yield	10.7%	10.6%	8.5%
Dividend yield	8.2%	10.4%	7.2%
EV/EBITDA	16.9	12.9	16.7
P/E (adj.)	12.3	9.4	11.8
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%

60.1% of the interim dividend invested in new shares

The facts: Remember that at the EGM of November it was decided to offer shareholders the choice to receive the payment of the interim gross dividend of EUR 3.9412 per share in cash (cf. FY has been lengthened by 1 quarter to the end of December so that it will exceptionally be made of 5 quarters) or for new shares or a combination of the two options. The issue price of the new shares was set at EUR 46.9.

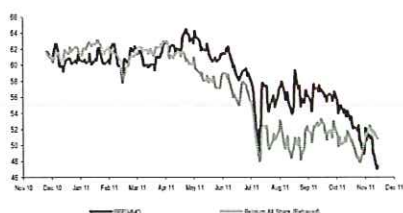
A proportion of 60.1% of the interim dividend was reinvested in shares. As a result, Befimmo is issuing 747,966 new shares and increasing its equity by EUR 35,079,605.40. The registered capital of Befimmo thus increases to EUR 64,061,592.80 and is represented by 18,175,440 identical shares.

The new shares will be listed and traded on NYSE Euronext Brussels from Monday 19 Dec. 2011. The interim dividend in cash, totalling EUR 23.3m, will be paid out on 16 December 2011.

Our analysis: Following this capital increase, Befimmo has reduced its debt ratio by some 1.7% compared to the level that would have been attained if the entire interim dividend had been distributed in cash. Befimmo's debt ratio stood at 42.5% at the end of September, while the average duration of its debt was 3.79 years and the average cost of debt was 3.36%. Befimmo has some major maturities of its credit facilities coming up: EUR 130m until March 2012, EUR 220m in March 2013 and EUR 300m until June 2013. Total credit facilities are EUR 1,037m of which EUR 839m are used.

Befimmo already did two bond issues this year: EUR 162m in April and EUR 75m in December. Both the dividend payment in shares and the bond issues 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.

Conclusion & Action: 60.1% of the interim dividend invested in new shares. No change in TP and recommendation.



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