



**Hold**

Recommendation unchanged

**Share price: EUR 63,67**

*closing price as of 29/05/2011*

**Target price: EUR 63,00**

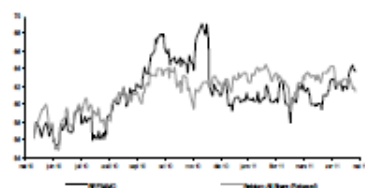
Target Price unchanged

Reuters/Bloomberg

BEFB.BRSEFB.BB

|                                  |        |
|----------------------------------|--------|
| Market capitalisation (EURm)     | 1.069  |
| Current N° of shares (m)         | 17     |
| Free float                       | 81%    |
| Daily avg. no. trad. sh. 12 mth  | 22.304 |
| Daily avg. trad. vol. 12 mth (m) | 1      |
| Price high 12 mth (EUR)          | 69,05  |
| Price low 12 mth (EUR)           | 55,10  |
| Abs. perf. 1 mth                 | 3,58%  |
| Abs. perf. 3 mth                 | 5,73%  |
| Abs. perf. 12 mth                | 14,41% |

| Key Financials (EUR)       | 09/10 | 09/11e | 09/12e |
|----------------------------|-------|--------|--------|
| Gross Rental Income (m)    | 123   | 119    | 119    |
| EBITDA (m)                 | 112   | 112    | 113    |
| EBITDA margin              | 86,3% | 85,2%  | 87,2%  |
| Portfolio Result (m)       | (34)  | (5)    | 0      |
| Net Financial Result       | (27)  | (19)   | (22)   |
| Net Profit (adj.)(m)       | 85    | 81     | 83     |
| Funds From Operations      | 85    | 81     | 83     |
| EPS (adj.)                 | 5,05  | 4,84   | 4,93   |
| DPS                        | 3,90  | 3,94   | 3,98   |
| IFRS NAVPS                 | 60,60 | 61,88  | 63,33  |
| EPRA NAVPS                 | 61,68 | 62,98  | 64,43  |
| Premium/Discount           | 2,3%  | 2,9%   | 0,5%   |
| Earnings adj. yield        | 7,9%  | 7,6%   | 7,7%   |
| Dividend yield             | 6,1%  | 6,2%   | 6,3%   |
| EV/EBITDA                  | 16,9  | 17,4   | 17,4   |
| P/E (adj.)                 | 12,3  | 13,1   | 12,9   |
| Int. cover(EBITDA/Fin.Inð) | 4,2   | 6,0    | 5,1    |
| Net debt(cash) (m)         | 787   | 806    | 837    |
| Net Debt/Total Assets      | 39,7% | 40,3%  | 40,7%  |



**Analyst(s):**

Jean-Marie Caucheteux, Bank Degroof  
jeanmarie.caucheteux@degroof.be  
+32 2 287 99 20

**Quiet 1H 2010/11**

The facts: Befimmo released its 1H 2010/11 figures yesterday after market close and organised at the same time an analyst meeting.

Our analysis: Net current profit emerged at EUR 52.5m, or EUR 2.27 per share, slightly below market expectation and EUR 2.35 per share achieved during 1H 09/10. However management confirmed FY guidance for earnings and dividend.

This is mainly due to a decrease of 1.8% of rental income to EUR 61.1m coming from EUR 62.2m, reflecting losses of tenants (leaving Belgium) somewhat higher than we had expected, a 6% reversion of rents by renewals and redevelopments in course. As a result the occupancy rate dropped to 93.9%, compared to 94.8% at the end of December 2010.

Bottom line already benefited from capital gains of the sale of two buildings (Empress Court, 15,500 sqm for EUR 51m and a capital gain of EUR 12.33m or EUR 0.73 per share – Kattendijkdok, 12,000 sqm for EUR 7.8m and a capital gain of EUR 2.04m or EUR 0.12 per share). With also fair value adjustments of EUR 4.1m, bottom line emerged at EUR 56.7m, or EUR 3.38 per share coming from EUR 64.9m or EUR 3.86 per share in 1H 2010/11.

With a decrease of the capitalisation rate of the rented portfolio to 6.49% (6.63% end December, NAV was up to EUR 60.07, coming from EUR 57.88 at the end of December.

Befimmo has also lengthened its hedgings by new IRSs and will pursue in this way. Today the debt duration is 2.9 years (3.7 years including the retail bond) with a cost of debt of 3.03% considering that floating rates represent EUR 55.5M of the total debt.

Finally, as a reminder, Befimmo will extend its financial year by a fifth quarter to December.

It seems that the market conditions are not evolving so much as anticipated when Befimmo decided to give priority to Belgium versus Paris, so that we may not anticipate major acquisitions at short term. LTV emerged at 43.1%.

Besides, Befimmo has not decided if it will opt for an optional dividend.

*Conclusion & Action: No major surprises in these figures, which are slightly below our expectations, though it appears that the anticipation of recoveries on the Brussels offices market should remain modest. No change in TP and recommendation.*