

Sector update
4 April 2011

Return overview (%)

Real Estate Weekly

ING's real estate update

No 25

Thursday, 31 March

Befimmo €150m bond placement

Befimmo has also decreased bank financing dependency

The 6-year bond will mainly target Belgian private investors, will be used for general financing needs, diversification and will increase the average maturity of outstanding debt (2.87 years at 30/09/2010). The yield on the issue price (101.746%, €1000/bond) will amount to 4.165% (4.5% annual coupon). Repayment will amount to 100% of the issue price on 29 April 2017. ING is Joint Lead Manager. Befimmo swapped €100m of the €150m to short-term Euribor vs long-term last night. This will not change their 2011 guidance. Fixed/floating remains approximately 50/50 with a cap/floor hedging on the floating part. Advising banks have not changed their outlook for market rates since the previous guidance (November 2010). The bond is not linked to any investment. Befimmo is confident the entire amount will be placed. There is no maximum but the company does not expect it to increase much above the €150m. Compared with peer bond placements of its peers (see attachment) the coupon looks quite attractive for Befimmo, taking into account that the swap rate has moved up since the bond issues of Unibail-Rodamco, Corio and Cofinimmo.

No impact on financial statements

Befimmo merges with Ringcenter

This merger will have no impact on the Befimmo's consolidated balance sheet or income statement, as the shares held by the subsidiaries (100% owned by Befimmo) will lead to a restatement of shareholders' equity and results in the consolidated financial statements. The aim of the merger is to simplify the organisation of the company. This is a result of the renewed Belgian REIT status that offers the possibility to simplify holding structures.