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## Western Europe Morning Notes

24 August 2011

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### **Befimmo: Reiterates FY guidance and treats for extra dividend**

The Belgian real estate investment company has reported 3Q10/11 results. It was able to keep average lease maturity at 9.22 years (vs. 9.14 years) thanks to re-lettings during the quarter. The occupancy rate decreased to 93.55%, vs. 94.03% 9 months ago, due to a planned renovation. EPRA earnings per share decreased from €3.96 last year to €3.31 (-16%) mainly due to a €0.40 per share one-off item last year. All in all, the results are in line with previous guidance and the company maintains its dividend guidance of €3.94 per share, or a 7.1% dividend yield.

The company is changing its financial year-end from September to December and will thus have a five-quarter year in 2011. This change was approved by shareholders on 22 June, having been previously announced. As a result, the company will add a one-quarter interim dividend in 1Q12 (at a guided €0.99 per share) besides the normal four-quarter dividend that will be paid at the end of 2010 (€3.94 per share), i.e. a small bonus.

In terms of property values during the 3<sup>rd</sup> quarter of the company's five-quarter year - the like for like portfolio value dropped by -0.5% which is in line with to the first 6 months (-0.7%) and the FY guidance of -1.33% the company gave at the end of last year. As a result the EPRA NAV remained stable at €60.61 per share.

**Price: €55.6. Last published: target price: €62.0; recommendation: BUY**

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