



Befimmo (Hold - EUR 43.07): Valuation pushes management to action

Befimmo launches a share buyback program for up to a maximum of EUR 4.5m.

Facts

- Befimmo launches a share buyback program for up to a maximum of EUR 4.5m (or approx. 105k shares; 0.6% of total outstanding shares).
- The program will begin on 21 May and end on 20 August 2012.
- Befimmo is authorised (within the limits of the law) to acquire fully paid-up shares in Befimmo when such acquisition is necessary in order to prevent serious and imminent damage to the company. This authorisation is valid for three years as of July 2011 (the date of publication of the minutes of the shareholders' Meeting of 22 June 2011 in the Annexes to the Belgian Official Gazette).
- The purchase price may not be less than 85% nor more than 115% of the closing price the day before the date of the transaction (in accordance with the EGM).

Our view/Conclusion

- This program does not come as a big surprise as management quoted in the Belgian press last week, that they don't understand Befimmo's low share price.
- We note that the discount to NAV is 25.5% and currently the highest of Belgian REITs under our coverage. Befimmo P/E trades at 11.2x, while Cofinimmo is trading at 12.0x.

Petercam has been mandated to act on behalf of Befimmo as financial intermediary in the share buy back.

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