

Exane Market Commentary

19 June 2012

Author: Vishal Lakhani

Morning Headlines:

3) ****New Note** Real Estate – Still cautious on Belgian real estate**

>Befimmo: exposure to a declining market not easy to remedy

Befimmo has a relatively good quality portfolio of long-term income streams, but this can only partially insulate the business from the weak outlook in the structurally over-supplied Brussels office market. We do not foresee any near-term demand or supply-driven factors which could materially reduce vacancy. As a result, we expect rents and asset values to continue to drift down in coming years. We believe that dividends remain a key driver of the stock price, which has fallen 13% since 2012e dividend guidance was cut by 13% in February.

Exane Real Estate Team:

Specialist Sales

Vishal Lakhani: Vishal.Lakhani@exanebnpparibas.com +44 203 430 8706

Analysts

Valerie Guezi (Cont. Europe): Valerie.Guezi@exanebnpparibas.com +44 207 039 9505

Nick Webb (UK): Nick.Webb@exanebnpparibas.com +44 203 430 8419

Corporate Access

Claire Mogford: Claire.Mogford@exanebnpparibas.com +44 203 430 8417