


Hold
Recommendation unchanged

Share price: EUR 47.04

closing price as of 30/08/2012

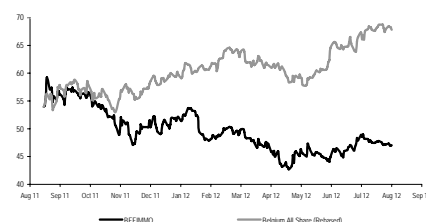
Target price: EUR 50.00

Target Price unchanged

Reuters/Bloomberg BEFB.BR/BEFB BB

Market capitalisation (EURm)	835
Current N° of shares (m)	18
Free float	81%
Daily avg. no. trad. sh. 12 mth	22,508
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	59.25
Price low 12 mth (EUR)	42.72
Abs. perf. 1 mth	-3.83%
Abs. perf. 3 mth	1.57%
Abs. perf. 12 mth	-17.47%

Key financials (EUR)	12/11	12/12e	12/13e
Gross Rental Income (m)	156	128	128
EBITDA (m)	129	105	105
EBITDA margin	78.1%	77.0%	76.6%
Portfolio Result (m)	(12)	(29)	(18)
Net Financial Result	(29)	(30)	(33)
Net Profit (adj.)(m)	105	68	65
Funds From Operations	105	68	65
EPS (adj.)	6.22	3.89	3.69
DPS	4.93	3.45	3.69
IFRS NAVPS	57.14	54.35	53.30
EPRA NAVPS	56.64	53.85	53.30
Premium/(Discount)	(12.0%)	(13.4%)	(11.7%)
Earnings adj. yield	13.2%	8.3%	7.8%
Dividend yield	10.5%	7.3%	7.8%
EV/EBITDA	14.1	17.6	18.2
P/E (adj.)	8.1	12.1	12.8
Int. cover(EBITDA/Fin.int)	4.4	3.4	3.1
Net debt/(cash) (m)	874	941	995
Net Debt/Total Assets	43.1%	45.6%	47.2%



Shareholders: AG Insurance 19%;

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1H: rebound means better
The facts: 1H figures have been released yesterday after market close.

Befimmo	1Q 2011	FY 10/11	1Q 2012	2Q 2012E	1H 2012E	1H2012A	2H 2012E	FY 2012E
EUR (m)	3m format	12 m format						
Net rental result	29900	124836	31700	31800	63500	63582	64527	128027
Operating res of buildings	29200	116,992	30100	29900	60000	60184	58791	118791
Operating margin (%)	97.7%	93.7%	95.0%	94.0%	94.5%	94.5%	90.9%	92.7%
EPS adjusted	1.09	4.18	0.99	1.0	1.99	2.13	1.90	3.89
EPRA NAVps		57.37	57.44		56.50	56.67		54.35
Capitalisation rate		6.61%	6.74%		6.80%	6.78%		6.80%

Sources: company data, Degroof estimates

Our analysis: With top line pretty similar to our expectations, bottom line came ahead of market and our expectations in particular because of lower financial charges and to a lesser extent corporate overheads. As a reminder the increase in rental incomes benefits from the full contribution of the Pavilion building on top of indexation. In addition, Befimmo signed new leases for 9,500sqm and renewals for 4,000sqm.

The occupancy rate rose to 95.5% taking profit of the European Parliament occupying the 5,300qm Science-Montoyer building for a 21 year lease at market conditions.

NAV (EPRA of EUR 56.67, IFRS of EUR 57.27) also emerged somewhat above expectations on the back of a decline of the value of the portfolio (-0.68%) that was concentrated on 1Q (-0.76%) mainly because of a change in the appraiser for the periphery and decentralised part of Brussels.

As far as the financial structure is concerned, LTV emerged at 45.52% on the back of an longer average duration of debt of 5.06 years coming from 4.51 years at the end of 2011. 62% of debts are now at fixed rates (including IRS).

During the analyst meeting, the management confirmed that growth expectations towards the periphery of Paris remained very actual even if the company still gives preference to a very cautious approach. Even if there are no precise targets in terms of size neither timing, some criteria seemed already to be predefined. Befimmo will largely remained focused on Belgium while the size of the building would not exceed some levels, e.g. not more than 20% of the portfolio for about 5 buildings.

Besides, although the economic environment remains obviously not supportive, the management was somewhat more confident about the medium term outlook of the Brussels office market considering potential demand over the two from the European bodies in particular and to a lesser extent the Belgian authorities. Befimmo as a REIT focused on public offices may play an interesting role in facilitating the development of new offices for these public bodies.

Conclusion & Action: Figures of which NAV were ahead of our and market expectations. The medium term outlook for the Brussels CBD may benefit from increasing potential demand from the European bodies in particular. These figures give better comfort to our (unchanged) TP and recommendation.