



## Hold

Recommendation unchanged

Share price: EUR 43.58

closing price as of 14/05/2012

Target price: EUR 54.00

Target Price unchanged

Reuters/Bloomberg

BEFB.BR/BEFB.BB

Market capitalisation (EURm)	773
Current N° of shares (m)	18
Free float	81%
Daily avg. no. trad. sh. 12 mth	23,051
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	64.40
Price low 12 mth (EUR)	43.16
Abs. perf. 1 mth	-8.29%
Abs. perf. 3 mth	-16.70%
Abs. perf. 12 mth	-29.73%

Key financials (EUR)	12/11	12/12e	12/13e
Gross Rental Income (m)	156	128	128
EBITDA (m)	129	104	104
EBITDA margin	78.1%	76.9%	76.5%
Portfolio Result (m)	(12)	(29)	(18)
Net Financial Result	(29)	(32)	(33)
Net Profit (adj.) (m)	105	67	65
Funds From Operations	105	67	65
EPS (adj.)	6.22	3.82	3.65
DPS	4.93	3.45	3.65
IFRS NAVPS	57.14	54.24	53.17
EPRA NAVPS	56.64	53.74	53.17
Premium/(Discount)	(12.0%)	(19.7%)	(18.0%)
Earnings adj. yield	14.3%	8.8%	8.4%
Dividend yield	11.3%	7.9%	8.4%
EVEBITDA	14.1	17.1	17.3
P/E (adj.)	8.1	11.4	11.9
Int. cover(EBITDA/Fin.int)	4.4	3.3	3.1
Net debt/(cash) (m)	874	940	940
Net Debt/Total Assets	43.1%	45.6%	45.8%

## 1Q trading update: quiet, no storm

**The facts:** 1Q trading update has been released yesterday after market close. It was followed by a Q&A call for analysts with the management.

Befimmo disclosed EPRA earnings per share of EUR 0.99 in line with annual guidance on the back of a stable occupancy rate of 94.6%. The remaining average length of leases was higher at 9.75 years (from 9.0 years at the end of December 2011) reflecting largely the inclusion of the 25-year lease agreed with the Buildings Agency for the new Paradis building in Liège, following the granting of the permit and the start of the works.

EPS non adjusted emerged at EUR 0.04 coming from EUR 2.19 in the first three months of 2011 because of the absence of capital gains, a higher negative change in the fair value of the portfolio and negative changes in the fair value of financial instruments.

The net rental income emerged at EUR 31.7m (EUR 31.4m for Q5 ending in December 2011) while the operating result on the portfolio emerged at EUR30.1m

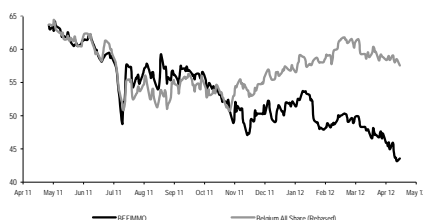
NAV was pretty stable at EUR 57.44 (EUR 57.37 at the end of December for EPRA NAV) and EUR 57.21 on a IFRS basis (EUR 57.17 at the end of December). The fair value of the portfolio was down by 0.76% to EUR 1.964.9m.

The yield on properties available for lease was 6.74% coming from 6.61% at the end of 2011.

Befimmo also disclosed that it has negotiated a private bond placement in the United States of America of USD 165m and GBP 22m while it is still in search of refinancings for some EUR 300m. During the Q&A session, management said that the spot cost of debt was slightly below 4% comparable to the guidance of 3.87% for FY 2012.

**Our analysis:** Results in line with expectations. It's noteworthy that the sharp decreases in the value of the assets in the periphery (-9%) and the decentralised (-12%) Brussels is linked to the change of experts according to Befimmo and not to a change in the fundamentals of these sub-markets. Management said that some potential major transactions are today in the market.

**Conclusion & Action:** Figures are in line with expectations made of stable NAV and market fundamentals. Befimmo share has a discount of 24% towards NAV, which is at the higher end of the Belgian REITs. We will adjust our figures and in the meantime stick to our hold recommendation and target price.



Shareholders: AG Insurance 19%;

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