


Hold

Recommendation unchanged

Share price: EUR 46.75

closing price as of 30/10/2012

Target price: EUR 50.00

Target Price unchanged

Reuters/Bloomberg

BEFB.BR/BEFB.BB

Market capitalisation (EURm)	829
Current N° of shares (m)	18
Free float	81%
Daily avg. no. trad. sh. 12 mth	20,602
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	55.49
Price low 12 mth (EUR)	42.72
Abs. perf. 1 mth	1.85%
Abs. perf. 3 mth	-4.43%
Abs. perf. 12 mth	-17.40%

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%)	(14.0%)	(12.3%)
Earnings adj. yield	13.3%	8.3%	7.9%
Dividend yield	10.5%	7.4%	7.9%
EVEBITDA	14.1	17.5	18.2
P/E (adj.)	8.1	12.0	12.7
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%

Simplification corporate structure – Strategy update

The facts: This morning, Befimmo published a press release about a simplification of its corporate structure and a strategy update.

A conference call on these matters will be held today at 10:00 AM.

Note that the pending changes still have to be approved by the EGM to be held in December 2012. The main points discussed in the press release are:

1.1 Purchase by Befimmo SCA of Befimmo SA, the Statutory Manager of Befimmo SCA, from AG Real Estate for a consideration of EUR 21m.

1.2 Full internalisation of property management activities: transfer of property management activities, currently performed by AG Real Estate Property Management, to Befimmo for a consideration of symbolic euro.

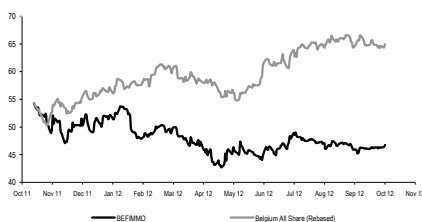
2. The transformation of the corporate form of Befimmo SCA into a Limited Liability Company (Société Anonyme or Naamloze Vennootschap). This will result in the cancellation of the perpetual yearly fee arrangement (management fee 2011 amounted to EUR 1.6m).

3. The actions mentioned above would have a net positive impact on the EPRA earnings of EUR 0.07 per share and a one-off net negative impact of EUR 1.09 per share on the NAV for 2012 and a net positive annual impact on the EPRA earnings of EUR 0.06 per share for subsequent years.

4. Befimmo confirms its strategic profile with full focus on the Belgian and Luxembourg office markets. The company has decided not to diversify into France and in the Parisian office market in particular.

5. Befimmo acquired the 10% Fedimmo shares it did not yet own. Fedimmo SA will apply for the institutional REIT status.

Conclusion & Action: We welcome the simplification of the company structure and the clarification of the company's strategy. We maintain our TP and recommendation in anticipation of the conference call.



Shareholders: AG Insurance 19%;

Analyst(s):

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