

FY results postview - Mid Caps

Price (16 February 2012)	EUR52.0
Market cap./Free float (EURm)	912.2/740.7
EV (EURm)	1,870.8
3m avg. volume (EURm)	1.2
Reuters/Bloomberg	BEFB.BR/BEFB BB

Financial data	09/10	12/11e	12/12e	12/13e
Diluted FFO (EUR)	4.69	5.20	4.41	4.35
Net dividend (EUR)	3.91	4.93	3.98	4.02
Diluted NNAV (EUR)	60.27	57.25	52.19	52.76
Diluted NNNAV (EUR)	60.27	57.30	52.81	53.36
Rental income (EURm)	124	156	132	138
EBITDA (EURm)	106	104	113	119
NOPAT (EURm)	105	104	112	118
FFO (EURm)	79	71	77	76

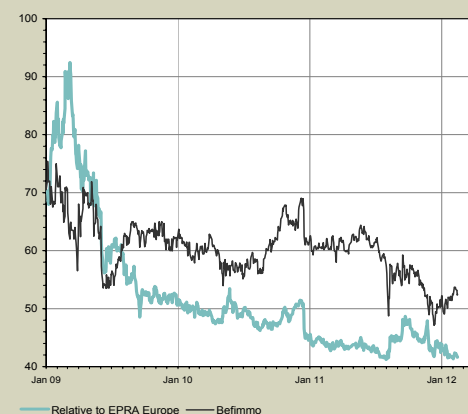
Stockmarket ratios*	09/10	12/11e	12/12e	12/13e
NOPAT yield (%)	5.6	6.7	6.0	6.1
FFO yield (%)	7.8	7.0	8.5	8.4
Dividend yield (%)	6.5	8.3	7.7	7.7
Premium to GAV (%)	0	(5)	(12)	(16)
Premium to NNAV (%)	(1)	(9)	(19)	(24)
Premium to NNNAV (%)	(1)	(9)	(20)	(25)

* Yearly average prices for FY to end-09/10, 12/11

Performance* (%)	1w	1m	3m	12m
Absolute	(3)	3	5	(9)
Rel. Real Estate	(2)	(3)	(2)	(3)
Rel. MSCI SMID	(3)	(4)	(8)	0

* In listing currency, with dividend reinvested

Price relative to EPRA Europe



Underperform

Target price	EUR47 (-10%)
Sector rating	Neutral

Big negative guidance surprise

► Big negative surprise to earnings guidance

Befimmo reported its FY results after the market close last night. Earnings and dividend guidance is significantly weak relative to previous guidance as well as our and consensus estimates. Guidance for underlying EPS for 2012e has been cut by 10% from EUR4.27 to EUR3.86, leaving it 12% below our and Reuters consensus estimate of EUR4.41. Management have cited the weak economic environment generally and higher finance costs specifically as the single biggest driver of the negative revision (higher margins more than offset the benefits of lower EURIBOR). Befimmo expects EPS to fall 5% to EUR3.65 in 2013 (17% below consensus).

► We expect lower dividend to be a major negative for the shares

Befimmo has also cut its dividend per share guidance for 2012 by 13% from EUR3.98 to EUR3.45. Both Exane BNPP and consensus estimates are currently for a EUR3.98 dividend. We think this is a significant negative for Befimmo's shares - Belgian real estate stocks have historically seen significant underperformance in the aftermath of dividend cuts. Note that when Cofinimmo announced a cut to its dividend guidance in August 2009, its shares underperformed by 5% on the day and 15% over two weeks.

► In-line quarterly results offer scant consolation for shareholders

Q5 numbers were broadly in-line with expectations, with EPS of EUR5.35 (vs. our estimate of EUR5.20) and management confirming the expected EUR0.99 dividend for the quarter. NNNAV/share of EUR57.0 was slightly below our EUR57.3 forecast.

► Reiterate Underperform recommendation

It is hard to see a positive outcome for Befimmo's shares in the short-term, given the cuts to earnings and dividend guidance.

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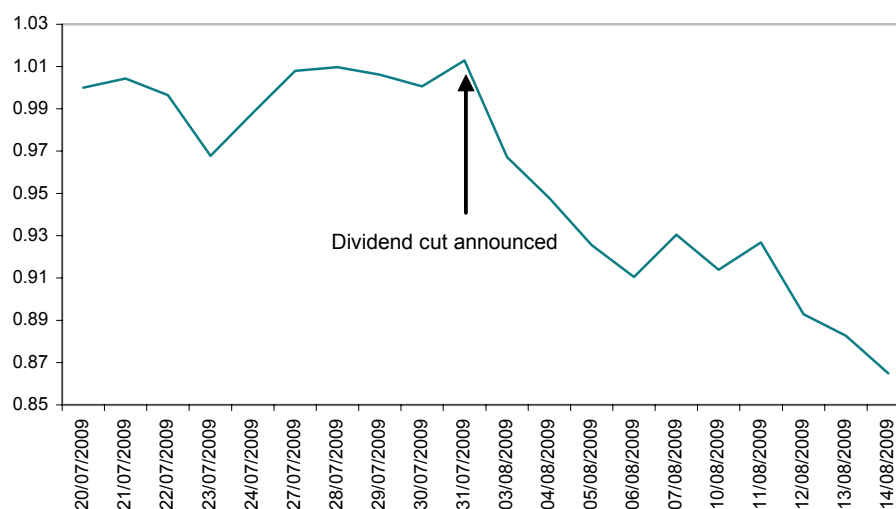
Cofinimmo's dividend cut – 3rd August 2009

On 3rd August 2009, Cofinimmo announced that it would be cutting its dividend forecast for the 2009 financial year from EUR7.80 to EUR6.50 (a cut of 17%). Cofinimmo did not cut its earnings guidance of EUR7.40/share, so the dividend cut brought the expected payout ratio back below an unsustainable level of above 100%.

On the day of the dividend cut announcement, Cofinimmo's share's underperformed the EPRA Europe index by 5%. Over the two week period following the announcement, Cofinimmo's shares underperformed the EPRA Europe index by nearly 15%.

Figure 1: Cofinimmo's share price performance at dividend cut announcement

Total return of Cofinimmo's shares relative to EPRA Europe



Source: Datastream, Exane BNP Paribas estimates

Forthcoming events

Date	Event
25 Apr. 2012	AGM
16 May 2012 (e)	Q1 2012 Results
3 Aug. 2012 (e)	H1 2012 Results
17 Nov. 2012 (e)	Q3 2012 Sales

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NO	NO	NO	NO	NO	NO	NO	NO	NO

Source: Exane

BNP Paribas

Potential conflicts of interest: None.

Source: BNP Paribas

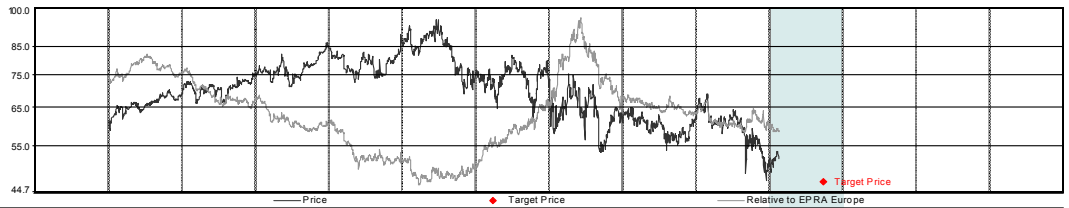
Price at 16 Feb. 12 / Target Price
EUR52.0 / EUR47 -10%

Reuters / Bloomberg: BEFB.BR / BEFB.BB Webb (+44) 203 430 8419 & Guezzi (+44) 207 039 9505

BEFIMMO (Underperform)

Offices | Real Estate (Neutral) - Belgium

Company Highlights				EURm
Enterprise value				1,871
Market capitalisation				912
Free float				741
3m average volume				1
Performance (*)				
	1m	3m	12m	
Absolute	3%	5%	(9%)	
Rel. Sector	(4%)	(2%)	(4%)	
Rel. MSCI SMID	(4%)	(8%)	0%	
12m Hi/Lo (EUR) : 64.4 -19% / 47.1 +10%				
CAGR				
	2004/2011	2011/2015		
Diluted FFO PS	(3%)	2%		
Diluted NNAV PS	(1%)	0%		



PER SHARE DATA (EUR)	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
No of shares year end, basic, (m)	9,794	9,794	9,794	9,794	13,059	13,059	16,790	16,790	17,538	17,538	17,538	17,538	17,538
Average no of shares, diluted, excl. treasury stocks (m)	9,794	9,794	9,794	9,794	10,823	13,059	14,061	16,790	17,140	17,538	17,538	17,538	17,538
Diluted FFO	5.38	5.19	5.08	4.92	4.36	4.18	5.43	4.69	5.20	4.41	4.35	4.60	4.45
Net dividend	4.45	4.62	4.80	4.92	4.51	4.55	4.40	3.91	4.93	3.98	4.02	4.06	4.10
Diluted NAV	61.40	61.77	68.28	67.38	70.75	73.38	59.85	61.68	58.04	52.87	53.32	55.11	56.70
Diluted NNAV	61.30	61.65	67.59	67.13	71.32	73.98	58.49	60.27	57.25	52.19	52.76	54.67	56.26
Diluted NNAV	61.30	61.65	67.59	67.13	71.32	73.98	58.49	60.27	57.30	52.81	53.36	55.14	56.60

STOCKMARKET RATIOS	YEARLY AVERAGE PRICES for end Sep. 03 to Dec. 11												
	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
NOPAT yield	6.2%	5.4%	5.0%	5.3%	5.0%	4.9%	6.1%	5.6%	6.7%	6.0%	6.1%	6.6%	6.7%
FFO yield	8.2%	7.3%	6.6%	6.2%	5.2%	5.6%	8.5%	7.8%	7.0%	8.5%	8.4%	8.8%	8.6%
Dividend yield	6.8%	6.5%	6.2%	6.2%	5.4%	6.1%	6.9%	6.5%	8.3%	7.7%	7.7%	7.8%	7.9%
Premium/Discount to GAV	4%	8%	9%	11%	10%	0%	9%	(0%)	(5%)	(12%)	(16%)	(21%)	(26%)
Premium/Discount to NNAV	7%	15%	14%	18%	17%	0%	18%	(1%)	(9%)	(19%)	(24%)	(30%)	(35%)
Premium/Discount to NNAV	7%	15%	14%	18%	17%	0%	18%	(1%)	(9%)	(20%)	(25%)	(31%)	(36%)

ENTERPRISE VALUE (EURm)	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
Market cap	645	694	756	773	906	967	898	1,005	1,020	912	912	912	912
+ Net debt	467	529	405	392	773	841	776	784	842	882	946	945	939
+ Minority interests	0	0	0	0	65	62	62	64	64	64	64	64	64
+ Derivatives	1	1	1	(0)	(8)	(9)	16	18	8	6	4	2	2
+ Other debt marked to market adjustment	0	0	6	3	1	1	6	6	6	6	6	6	6

P & L HIGHLIGHTS (EURm)	Switch to IFRS data from FY ended 09/05												
	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
Rental income	78.3	78.5	79.5	76.3	104.9	109.5	119.1	124.0	156.3	132.1	138.3	148.2	149.8
Operating expenses	(4.2)	(5.6)	(6.8)	(5.9)	(7.9)	(7.4)	(3.8)	(7.1)	(7.8)	(8.4)	(8.3)	(8.9)	(9.0)
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
G&A expenses	(5.5)	(6.2)	(6.3)	(7.8)	(8.9)	(10.6)	(8.0)	(10.8)	(18.2)	(11.2)	(11.4)	(11.6)	(11.8)
EBITDA	68.6	66.7	66.4	62.5	88.1	91.4	107.3	106.1	130.4	112.5	118.6	127.6	129.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-real estate depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial expenses	(15.8)	(15.2)	(16.0)	(13.7)	(37.6)	(32.4)	(29.3)	(22.8)	(35.0)	(29.6)	(36.9)	(41.3)	(45.4)
Pre-tax recurring profit	52.8	51.5	50.4	48.8	50.5	59.0	78.0	83.3	95.4	82.9	81.6	86.4	83.5
Current taxation	(0.1)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.5)	(0.7)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)
Minorities	0.0	0.0	0.0	0.0	(2.7)	(3.7)	(1.1)	(3.9)	(5.4)	(4.7)	(4.6)	(4.9)	(4.7)
FFO	52.7	50.9	49.7	48.2	47.2	54.6	76.4	78.8	89.1	77.4	76.2	80.6	78.0
Real estate depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
After-tax unrealised valuation movements	(7.5)	(5.8)	14.5	17.8	41.8	3.6	(109.7)	(38.1)	3.5	(82.9)	3.8	21.6	19.4
Other items	(0.1)	(1.1)	0.0	0.0	0.0	0.0	(1.2)	6.1	0.0	0.0	0.0	0.0	0.0
Net income	45.1	43.9	64.2	66.0	89.1	58.2	(34.5)	46.7	92.6	(5.5)	80.0	102.2	97.4
NOPAT	68.5	66.0	65.7	61.8	87.5	90.8	106.8	105.5	129.4	111.7	117.8	126.8	128.1

CASH FLOW HIGHLIGHTS (EURm)	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
FFO total share	52.7	50.9	49.7	48.2	49.9	58.3	77.5	82.7	94.4	82.0	80.8	85.5	82.7
Other recurring items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash flow from operations	52.7	50.9	49.7	48.2	49.9	58.3	77.5	82.7	94.4	82.0	80.8	85.5	82.7
Investments	(4.3)	(72.7)	(38.4)	(0.2)	(718.3)	(144.8)	(123.3)	(34.8)	(105.3)	(45.1)	(69.8)	(8.7)	0.0
Disposals	0.6	3.7	0.0	2.8	22.4	64.9	3.9	58.8	58.8	0.0	0.0	0.0	0.0
Change in working capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investments	(3.7)	(69.0)	(38.4)	2.6	(695.8)	(79.9)	(119.5)	24.0	(46.5)	(45.1)	(69.8)	(8.7)	0.0
Distributed dividend	(43.6)	(45.3)	(45.3)	(47.0)	(48.2)	(49.8)	(60.6)	(62.7)	(105.0)	(77.8)	(75.0)	(75.9)	(76.5)
Capital increases	0.0	0.0	0.0	0.0	256.3	0.0	159.5	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	0.0	45.2	(116.0)	(11.0)	402.5	61.1	(80.0)	(1.7)	106.5	45.1	69.8	8.7	0.0
Other non-recurring items	(2.4)	7.0	160.1	9.4	25.6	9.5	24.6	(45.0)	0.0	0.0	0.0	0.0	0.0
Total cash flow	3.1	(11.2)	10.1	2.2	(9.7)	(0.7)	1.5	(2.6)	49.5	4.2	5.9	9.6	6.2

BALANCE SHEET HIGHLIGHTS (EURm)	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
Property investments	1,055	1,125	1,140	1,078	1,815	1,887	1,923	1,923	1,961	1,906	1,978	2,010	2,033
Other fixed assets	0	0	0	0	1	1	1	1	1	1	1	1	1
Working capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Net intangibles	0	0	0	0	16	16	16	16	16	16	16	16	16
Other net assets	13	9	(66)	(27)	(70)	(42)	(97)	(55)	(55)	(55)	(55)	(55)	(55)
Capital employed	1,068	1,134	1,074	1,052	1,762	1,861	1,842	1,885	1,923	1,868	1,940	1,972	1,995
Long-term debt	(118)	(186)	(116)	(91)	(149)	(857)	(745)	(585)	(691)	(736)	(806)	(815)	(815)
Short-term debt	(373)	(350)	(304)	(317)	(663)	(15)	(47)	(206)	(206)	(206)	(206)	(206)	(206)
Cash	14	3	13	15	5	5	6	3	53	57	63	73	79
Financial assets	10	4	2	2	33	27	10	3	3	3	3	3	3
Net debt	(467)	(529)	(405)	(392)	(773)	(841)	(776)	(784)	(842)	(882)	(946)	(945)	(939)
Minority interests	0	0	0	0	65	62	62	64	64	64	64	64	64
NAV	601	605	669	660	924	958	1,005	1,036	1,018	927	935	967	994
Derivatives	(1)	(1)	(1)	0	8	9	(16)	(18)	(8)	(6)	(4)	(2)	(2)
Other marked to market adjustment	0	0	(6)	(3)	(1)	(1)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
NNAV	600	604	662	658	931	966	982	1,012	1,004	915	925	959	987
Net deferred tax liabilities	0	0	0	0	0	0	0	0	1	11	11	8	6
NNNAV	600	604	662	658	931	966	982	1,012	1,005	926	936	967	993

FINANCIAL RATIOS	Sep. 03	Sep. 04	Sep. 05	Sep. 06	Sep. 07	Sep. 08	Sep. 09	Sep. 10	Dec. 11e	Dec. 12e	Dec. 13e	Dec. 14e	Dec. 15e
Diluted FFO PS (% change)	NS	(3.5%)	(2.2%)	(3.2%)	(11.3%)	(4.2%)	30.0%	(13.7%)	(11.4%)	6.1%	(1.5%)	5.8%	(3.3%)
Dividend (% change)	NS	3.8%	3.9%	2.5%	(8.3%)	0.9%	(3.3%)						

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