

31 May 2012

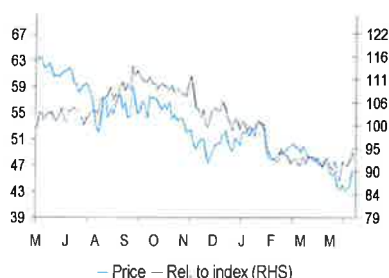
BEFIMMO

Closing of \$ 165m and £ 22m private placements

REAL ESTATE INVESTMENT TRUSTS
BELGIUM

CURRENT PRICE € 46.32
TARGET PRICE € 50.00

HOLD
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg BEFB.BB
Reuters BEFB.BR

www.befimmo.be

Market Cap € 777.6m
Shares outst. 16.8m
Volume (daily) € 1,107,709
Free float 77.6%

Next corporate event

Results 1H12: 30 August 2012

(€ m)	2011	2012E	2013E
Current Result	90.0	67.8	66.9
Portf. Result	-6.6	-23.7	-16.1
Net Profit	81.9	44.2	50.8
Adj. EPS (€)	5.35	3.87	3.77
NAV (€)	57.4	56.7	56.5
P/E (x)	10.9	12.0	12.3
DPS (€)	4.93	3.50	3.50
Dividend yield	8.5%	7.6%	7.6%

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Summary:

The private placement of \$ 165m and £ 22m was closed on 30 May. The notes were placed at PAR, at a rate which is market-conform and the currency risk is perfectly hedged. In addition to the notes, there is a clause which gives the right to investors for early redemption at PAR when Befimmo's rating drops below "Investment Grade" level.

News:

Befimmo closed on 30 May the private placement of registered notes for an amount of \$ 165m and £ 22m, which corresponds to a total amount of € 150m. The notes are divided into three series: £ 22m of notes due in 7 years, \$ 75m of notes due in 7 years and \$ 90m of notes due in 8 years.

The Note Purchase Agreements include a change in control clause which gives each investor the right to request the early redemption of its notes at PAR if a change of control occurs resulting in either, if Befimmo is rated "Investment grade", a rating downgrade below this level. Or, if Befimmo is rated below "Investment Grade", such rating not being subsequently raised to "Investment Grade".

The notes were placed with American and British insurance companies (5 large investors, with some subaccounts). The private placement was executed at PAR, but the company does not disclose the interest rate. Management however confirms the rate to be in-line with market conditions for such durations. Befimmo hedged the currency risk by concluding cross currency rate swaps with exactly the same duration.

Our View:

Befimmo is fulfilling its refinancing need for 2013 in a diversified way. The long duration of the placement is a good fit with Befimmo's long-leased portfolio.

Conclusion:

No impact on investment case. We keep our Hold rating and € 50 TP.